

MINUTES OF SPECIAL MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 11
HARRIS COUNTY, TEXAS

21 June 2022

THE STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 11 (the "District") met in special session, open to the public at 5:00 p.m. on the 21st day of June 2022 at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, Texas 77046, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Kenneth D. Vasina	President/Investment Officer
Cynthia Ann Cruz	Vice President
Tammy B. Rose	Secretary/Treasurer
Marvin L. Zahradnik	Assistant Secretary/Treasurer
Luther F. Cowling	Assistant Vice President

and all of said persons were present, thus constituting a quorum.

Also present were Claudia Redden and Sarah Redden of Claudia Redden & Associates, L.L.C., the District's Bookkeeper; Ron Anderson, P.E., of A&S Engineers, Inc. ("A&S"), the District's Engineer; Dennis Wright of Water District Management Company, Inc. the District's Operator; Cole Konopka and David Green of Coats Rose, P.C., the District's Attorney; JoAnn Vasina, an interested party; and Leroy Rose, a resident of the District.

Director Vasina called the meeting to order.

Approval of Minutes

The Board first considered approval of the minutes of the meetings of 25 May 2022 and 1 June 2022. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of 25 May 2022 and 1 June 2022, as written.

Bookkeeper's Report

Ms. Claudia Redden presented the Bookkeeper's Report for the Board's consideration. She commented on the income to the District, summarized the activity in each of the District's accounts, and listed the balance in each account. Ms. Redden discussed the District's investment information with the Board and reviewed the District's Investment Report, as included in the Bookkeeper's Report. She noted that

TexPool had paid an average interest rate of 0.6228% per annum for the reporting period. Ms. Redden then reviewed with the Board the Special Projects Report. A copy of the Special Projects Report is attached hereto as an exhibit to these minutes.

Then Ms. Redden reported on the actions taken by the District's Bookkeeper in response to several fraudulent checks that were written on one of the District's accounts. She assured the Board that the District's Bookkeeper had detected the fraudulent checks during the "positive pay" review of all checks written on the District's accounts and accordingly no District funds were lost in connection with the fraudulent checks.

The Board then completed the review of the invoices to the District and the checks prepared in payment thereof. After further discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) accept the Bookkeeper's Report; (2) authorize the payment of the District's bills; and (3) approve the Investment Report. Copies of the Bookkeeper's Report and Investment Report are attached to and shall be considered to be part of these minutes.

Engineer's Report

Then Mr. Anderson presented the Engineer's Report, a copy of which is attached hereto as an exhibit.

Rehabilitation of Sanitary Sewer Lines in Woodgate Subdivision, Sections 1 and 2 (the "Sewer Repairs"). Mr. Anderson reported on the status of the contract with King Solution Services LLC ("KSS") for the Sewer Repairs. He stated that all work included in the base bid was now complete. He reviewed with the Board a memorandum from the District's Engineer that summarizes the additional work needed to address the deficiencies identified in the sanitary sewer lines that were previously surcharged (the "Additional Work"). A copy of the memorandum is included with the Engineer's Report. Mr. Anderson discussed with the Board the Additional Work to be performed at certain locations in the District's wastewater collection system. He stated that the cost for the Additional Work totaled \$105,780. Even with the addition of the cost for the Additional Work, he continued, the total cost for the Sewer Repairs would still be within the amount allocated for this project from the sale of the District's bonds. Mr. Anderson went on to say that the District's Engineer would prepare a Change Order to the contract for the Sewer Repairs to add the Additional Work if so authorized by the Board.

Mr. Anderson then reported that KSS and submitted Pay Estimate No. 6 and FINAL in the amount of \$101,551.50 in connection with the Sewer Repairs. A copy of Pay Estimate No. 6 and FINAL is included with the Engineer's Report.

Request for Service / Taco Bell Restaurant. Mr. Anderson reported on the request for service from the new Taco Bell restaurant located on Veterans Memorial Drive north of Aldine Western Road (the "Restaurant"). He stated that the District's Engineer was awaiting receipt of a revised set of plans for the Restaurant.

Request for Service and Annexation / 1.94-acre tract on Aldine Western Road. Mr. Anderson discussed with the Board the request from Late Model Investments, LLC (called "LMI") for service to and annexation of a 1.94-acre tract of land located at 1930 Aldine Western Road (the "LMI Tract"). He recalled that the District's Engineer had notified LMI of the requirement to place a deposit with the District to cover the cost for the preparation by A&S of the Feasibility Study in connection with the proposed service to the LMI Tract.

Inspection of Storm Sewer Outfall Pipes Into Drainage Channels and Roadside Ditches along Veterans Memorial Drive (the "Outfall Inspection"). The Board discussed matters relating to the Outfall Inspection. Mr. Anderson stated that the Harris County Flood Control District (the "HCFCD") had informed the District's Engineer that maintenance on the drainage ditches into which the outfall pipes discharge was completed this past week. He stated that A&S would inspect the area to confirm the completion of said maintenance. Mr. Anderson then reported that A&S was working with the District's Attorney regarding the deficiencies in the Maple Ridge Place Detention Pond (the "Deficiencies") to be addressed by the Maple Ridge Place Community Association, Inc. (the "Association") as stated in the letter dated 24 March 2022 from the District's Engineer to the Association. Mr. Anderson remarked that Wright Solutions, LLC ("Wright Solutions") had estimated a cost of \$28,070 to address the Deficiencies. A copy of the Cost Estimate from Wright Solutions is attached hereto as an exhibit. Matters relating to the Detention Pond were discussed later in the meeting during the presentation of the Attorney's Report.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Anderson reported that A&S was awaiting a response from the Texas Commission on Environmental Quality regarding the data testing report for the pilot study on the Arsenic System that was submitted earlier this year.

Drainage Study / Area Adjacent to Veterans Memorial Drive. The Board discussed the status of the District's request for rehabilitation of the roadside drainage ditch along Veterans Memorial Drive (the "Ditch Rehabilitation"). Mr. Anderson reported that the District's Engineer was awaiting notification from Harris County Commissioner Precinct 2 regarding the schedule for the Ditch Rehabilitation.

Water Supply and Groundwater Reduction Plan Wholesale Agreement (the "GRP Agreement"). The Board discussed matters relating to the GRP Agreement dated 5 March 2003 between the District and the City of Houston (the "City"). Mr. Anderson stated that the City was finishing the preliminary design phase and finalizing the route of the proposed surface water line (the "City Water Line"). According to the City, he continued, the District will receive an update on the final route for the City Water Line by the end of July 2022. A discussion ensued regarding the possible route for the City Water Line.

Then Mr. Anderson reviewed with the Board a letter dated 10 June 2022 from Veronica Osegueda of the Houston Public Works Department in which she states that

the District has been identified as a GRP Participant that will need to reduce its groundwater consumption in 2027 by having 60% of its total water demand come from surface water. A copy of the letter is attached hereto as an exhibit to these minutes. He then reviewed the request in the letter for the District's consultants to provide certain information to the City in connection with the future supply of surface water by the City. He noted that the District would need to enter into a Water Supply Supplement Agreement prior to connecting with the City's water system.

Central Harris County Regional Water Authority (the "CHCRWA"). The Board discussed matters relating to the CHCRWA's proposed surface water transmission line project (the "Transmission Line") to provide surface water to Harris County Municipal Utility District No. 33 and Fallbrook Utility District. Mr. Anderson reported that the CHCRWA's design engineer was updating the drawings to revise the width of the water line easements for the Transmission Line from 30 feet to 20 feet as discussed at the Board's meeting on 4 May 2022. He called the Board's attention to an exhibit in the Engineer's Report that denotes the owners of property situated along the portion of the Transmission Line to be constructed within the boundaries of the District. Matters relating to the Transmission Line were discussed later in the meeting during the presentation of the Attorney's Report.

Water Line Easement along Veterans Memorial Drive. Mr. Anderson discussed with the Board the research performed by A&S regarding the possible existence of a water line easement on the west side of Veterans Memorial Drive, north of T C Jester Boulevard. He stated that the District's Engineer had reviewed the legal descriptions for the area north of T C Jester Boulevard along the west side of Veterans Memorial Drive and confirmed that the water line easement had been absorbed into Veterans Memorial Drive when that roadway had been expanded. Accordingly, he continued, the water line easement no longer exists.

Traffic Issues in Woodgate Subdivision, Section 3 ("Section 3"). The Board briefly discussed matters relating to traffic issues in Section 3, including the District's request for the installation of a traffic light at the intersection of Veterans Memorial Drive and Marshwood Road. Mr. Anderson reported that the District's Engineer was awaiting an update from Harris County Commissioner Precinct 1 in connection with the study to be prepared by the Harris County Traffic Study Department.

Potential Capital Improvement Projects at the District's Facilities. The Board discussed matters relating to the draft Table IV – Cost Summary that was presented at the Board's meeting on 23 March 2022. Mr. Anderson stated that the District's Engineer will await the receipt of the 2022 assessed valuation of the real property in the District before finalizing the project list for the next sale of bonds by the District

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) authorize the District's Engineer to prepare the Change Order to the contract with KSS as described above; and (3) authorize payment of Pay Estimate No. 6 and FINAL to KSS.

Operator's Report

Mr. Wright presented the Operator's Report, a copy of which is attached hereto as an exhibit to these minutes. Mr. Wright stated that the total water accountability rate for the District's wells was 93.9% for the month of May 2022. He noted that the results of the bacteriological tests performed on samples of the District's water indicated that no coliform organisms were present. Mr. Wright then reported that the District's Wastewater Treatment Plant (the "Plant") treated an average flow of 260,000 gallons per day during the month, representing a flow equal to 52% of the design capacity for the Plant. Also reviewed was the Arsenic Analysis Report, a copy of which is included with the Operator's Report.

Water and Sanitary Sewer Rates for Commercial Customers. The Board discussed the rates being charged to commercial customers in the District (the "Commercial Customers") for water and sanitary sewer service. Mr. Wright reviewed with the Board an example of tiered rates for water and sanitary sewer service that could be implemented for the Commercial Customers (the "Tiered Rates"). The Directors expressed agreed to consider amending the District's Consolidated Rate Order at the Board's meeting on 6 July 2022 to implement Tiered Rates for the service to the Commercial Customers. Mr. Wright stated that he would provide the District's Attorney with a list of proposed Tiered Rates.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Operator's Report.

Termination of Service

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. The President recognized Mr. Wright, who advised the Board that the requisite notifications had been given to each customer and that each customer was advised of the date, time, and place of the Board meeting which they could attend to discuss termination of service. The Board noted that there were no customers present to protest the utility billings. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate the water and sewer service to those accounts listed on the termination list.

Attorney's Report

Mr. Konopka presented the Attorney's Report.

Continuing Disclosure. Mr. Konopka reported that the District's Annual Financial Report and Selected Financial Information for the fiscal year ended 31 December 2021 had been filed through the Electronic Municipal Market Access ("EMMA") website in fulfillment of continuing disclosure requirements under Securities and Exchange Commission Rule 15(c)2-12.

CHCRWA / Proposed Water Line Easement Agreement. Mr. Konopka briefly reviewed with the Board a form Water Line Easement Agreement prepared by Schwartz, Page & Harding, L.L.P., attorney for the CHCRWA, in connection with the construction of the portion of the CHCRWA's Transmission Line that would be constructed within the boundaries of the District. Director Vasina requested that the District's Attorney look into whether the CHCRWA intends to provide compensation to the District in connection with the Water Line Easement Agreement.

Maple Ridge Place Detention Pond. Mr. Konopka reviewed with the Board a letter dated 6 June 2022 from W.A. "Drew" Weitzel of Holt & Tollett, P.C., attorney for the Association, in response to the letter from the District dated 25 May 2022 regarding the Deficiencies in the Detention Pond as identified by the District's Engineer. A copy of the letter from Mr. Weitzel is attached hereto as an exhibit. Mr. Konopka noted that among other points, Mr. Weitzel was disputing the District's assertion that there were culverts in the Detention Pond that needed to be repaired.

Then Mr. Konopka submitted for the Board's review and approval a letter from the District to the Association and Mr. Weitzel (the "Response Letter") prepared by the District's Attorney in response to Mr. Weitzel's letter. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize Director Vasina to execute the Response Letter and authorize the District's Attorney to transmit same to the Association. A copy of the executed Response Letter is attached hereto and shall be considered to be part of these minutes.

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

SEAL

Harris County Municipal Utility District No. 11
Meeting of 21 June 2022
Attachments

1. Bookkeeper's Report;
2. Special Projects Report
3. Engineer's Report;
4. Cost Estimate to address Detention Pond deficiencies;
5. Letter from Houston Public Works Department;
6. Operator's Report;
7. Letter from Holt & Tollett, P.C.; and
8. Letter from the District to Maple Ridge Place Community Association, Inc.