

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

27 July 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 regular session, open to the public at 5:00 p.m. on the 27th day of July 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 of Claudia Redden & Associates, L.L.C., the District's Bookkeeper; Hala Abdo, P.E., of A&S Engineers, Inc. ("A&S"), the District's Engineer; Dennis Wright of Water District Management Company, Inc. ("WDM"), the District's Operator; Cole Konopka, Christopher Hsu, 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 21 June 2022 and 6 July 2022. After discussion, upon a motion duly made, the Board voted unanimously to approve the minutes of the meetings of 21 June 2022 and 6 July 2022 as written.

Engineer's Report

Ms. Abdo 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"). Ms. Abdo reported on the status of the contract with King

Solution Services LLC ("KSS") for the Sewer Repairs. She stated that the proposed Change Order No. 1 to the contract with KSS will be presented for consideration at the Board's meeting on 3 August 2022.

Request for Service / Taco Bell Restaurant. Ms. Abdo reported on the request for service from the new Taco Bell restaurant located on Veterans Memorial Drive north of Aldine Western Road (the "Restaurant"). She stated that the District's Engineer had requested additional information prior to releasing the comment letter on the revised set of plans for the Restaurant.

Request for Service and Annexation / 1.94-acre tract on Aldine Western Road. Ms. Abdo 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"). She 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.

Status of Storm Sewer Outfall Pipes Into Drainage Channels and Roadside Ditches along Veterans Memorial Drive (the "Outfalls"). The Board discussed matters relating to the Outfalls. Ms. Abdo called the Board's attention to photographs that were taken by A&S to confirm that the Harris County Flood Control District had cleared the vegetation as previously observed. Copies of the photographs are included with the Engineer's Report.

The Board then discussed 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. Ms. Abdo reported that the District's Engineer had located a facility evaluation report for the Detention Pond from April 2014 requesting the replacement of a pipe that had been damaged by a mower, which indicates that A&S may have previously directed the Association to rectify certain deficiencies in the Detention Pond. Mr. Hsu mentioned to the Board that attorney W.A. Weitzel had recently left Holt & Tollett, P.C., the law firm which represents Association. Mr. Hsu recommended that the District give the Association another 30 days to address the Deficiencies.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Ms. Abdo 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 "Drainage Ditch"). Ms. Abdo reported that A&S had not located the contractor that cleared the Drainage Ditch. She reviewed with

the Board the photographs of the Drainage Ditch that were taken by the District's Engineer, copies of which are included with the Engineer's Report.

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"). Ms. Abdo reported that the City is finishing the preliminary design phase and is finalizing the route of the proposed surface water line (the "City Water Line"). She noted that, to date, A&S had not received an update regarding the final route for the City Water Line. Ms. Abdo then reported that the District's Engineer had submitted all items requested by the City in connection with the future construction of the City Water Line. She reviewed the Preliminary Cost Estimate for Waterline Improvements dated 21 July 2022 as prepared by A&S, a copy of which is included with the Engineer's Report. She noted that the estimated cost to construct the 12-inch water line to connect the District's Water Plant No. 2 to the City Water Line along Beltway 8 (the "District Transfer Line") was \$1,836,700 which includes engineering, contingencies, and other expenses. Ms. Abdo reviewed with the Board a map prepared by the District's Engineer that denotes the proposed route of the District Transfer Line. A copy of the map is included with the Engineer's Report. She remarked that the connection point between the City Water Line and the District Transfer Line had not been established at this time.

Central Harris County Regional Water Authority (the "CHCRWA"). Ms. Abdo stated that she had nothing new to report at this time regarding the CHCRWA's proposed surface water transmission line project to provide surface water to Harris County Municipal Utility District No. 33 and Fallbrook Utility District.

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. Ms. Abdo 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. Ms. Abdo 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. She then called the Board's attention to two alternate drafts of Table IV – Cost Summary, copies of which are included with the Engineer's Report. One version of Table IV, she told the Board, includes the proposed improvements to the Wastewater Treatment Plant, the build-out of Water Plant No. 2, the conversion to chloramine disinfection at Water Plants Nos. 1 and 2, and the construction of the District Transfer Line with a total Bond Issue Requirement of \$9,730,000. The other version of Table IV, she continued, includes only the build-out of Water Plant No. 2, the conversion to chloramine disinfection at Water

Plants Nos. 1 and 2, and the construction of the District Transfer Line with a total Bond Issue Requirement of \$7,320,000.

Presentation of Engineer's Reports. The Directors then agreed that henceforth the District's Engineer would present a full report at the meetings of the Board that are held on the fourth Wednesday of each month and would provide brief updates, as needed, at the meetings of the Board that are held on the first Wednesday of each month.

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

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 94.4% for the month of June 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 243,000 gallons per day during the month, representing a flow equal to 48.6% 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 Service to Out-of-District Customers / Tax Exempt Entities. The Directors discussed matters relating to out-of-District service being provided to the St. John Neumann Catholic Church (the "Church") and to the Houston National Cemetery (the "Cemetery") pursuant to the District's amended Rate Order. Mr. Wright reported that a representative of the Cemetery had recently contacted WDM to inquire about the increase in the rate being charged to the Cemetery for water service pursuant to the 4 May 2022 amendment to the Rate Order. The Cemetery's representative was provided with a copy of the District's current Rate Order, he told the Board.

Mr. Wright then reported that Richard Birdwell of LeCon Inc. ("LeCon") had contacted the District's Operator to request the rental of a temporary water meter from the District (the "Temporary Meter") in connection with the Phase 5 excavation and drainage project at the Cemetery (the "Project"). According to Mr. Birdwell, said Mr. Wright, LeCon had previously been supplied with water for the Project by the Cemetery but this was no longer feasible because the ponds on the Cemetery property were drying out. Mr. Birdwell told the District's Operator that LeCon would need the Temporary Meter for approximately four months while completing the Project and expected to use 80,000 gallons per month, said Mr. Wright.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to rent the Temporary Meter and provide the temporary water service to LeCon as described above with the

understanding that the District would reserve the right to terminate the temporary water service to LeCon in the event of a drought-related water shortage in the District.

Then Mr. Wright reported that a representative of the Church had requested an adjustment to the amount due to the District from the Church for water service for the billing periods since May 2022. He recalled that earlier this year the District had transmitted a letter to the Church's attorney offering to (1) bill the Church for water service at a rate that is equal to 1.5 times the rate charged to similar but taxable facilities within the District for the remaining months of calendar year 2022 (the "Initial Rate"); and (2) defer until January 2023 billing the Church for water service at a rate that is equal to three times the rate charged to similar but taxable facilities within the District (the "Full Rate"). Mr. Wright stated that the Church had mistakenly paid the Full Rate for water service in May and June 2022. After discussion, the Board directed the District's Operator to credit the Church's service account for the May, June, and July billing periods as needed to reflect the Temporary Rate.

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.

CHCRWA / Proposed Water Line Easement Agreement. Mr. Konopka briefly reported on matters relating to the proposed Water Line Easement Agreement (the "Easement Agreement") in connection with the construction of the portion of the CHCRWA's Transmission Line that would be constructed within the boundaries of the District. He stated that the District's Attorney had transmitted Director Vasina's comments regarding the Easement Agreement, as discussed at the Board's meeting on 6 July 2022, to Schwartz, Page & Harding, L.L.P. (called "SPH"), the attorney for the CHCRWA. Mr. Konopka stated that, to date, he had not received a response from SPH.

Power Supply Issues / Public Power Pool ("P3"). The Directors discussed matters pertaining to the aggregate purchase of electricity under the auspices of the Public Power Pool ("P3"). Mr. Konopka submitted for the Board's review the Preliminary

Budget Report for the period of January through December 2023 as prepared by P3 to assist the District in anticipating its future budgetary needs with respect to the cost for electric service. A copy of the Preliminary Budget Report is attached hereto as an exhibit to these minutes.

Public Funds Investment Act Training. Director Vasina presented the District's Attorney with his Certificate of Attendance for successfully completing the Texas Public Funds Investment Act training on 23 June 2022. A copy of the Certificate of Attendance is attached hereto as an exhibit to these minutes.

Security Patrol Report

Director Zahradnik presented a brief report on security-related matters in the District.

Then Director Zahradnik departed from the meeting at this time to attend to a personal commitment.

Bookkeeper's Report

Ms. 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 1.0013% per annum for the reporting period.

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 accept the Bookkeeper's Report. A copy of the Bookkeeper's Report is attached hereto as an exhibit to 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 27 July 2022
Attachments

1. Engineer's Report;
2. Operator's Report;
3. P3 Preliminary Budget Report;
4. Certificate of Attendance; and
5. Bookkeeper's Report.