

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

1 March 2023

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 1st day of March 2023, 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 Robin Goin of Bob Leared Interests, the District's Tax Assessor/Collector; Troy Bordelon, 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; David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney; JoAnn Vasina, an interested party; and Leroy Rose, a resident of the District. Attending by videoconference was Cole Konopka of Coats Rose.

Director Vasina called the meeting to order.

Tax Assessor/Collector's Report

Ms. Goin presented the Tax Assessor/Collector's Report for the Board's consideration. She reported that the District's 2022 tax levy was 92.9% collected as of 28 February 2023. She asked for the Board's approval of four checks written on the District's tax account and two transfers by wire as follows: a transfer of \$38,467.85 in revenues from the District's tax for maintenance and operations to the General Fund and a transfer of \$80,000 to the Debt Service Fund. Ms. Goin then called the Board's attention to the list of Top Delinquent Taxpayers, a copy of which is included in the Tax Assessor/Collector's Report.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) accept the Tax Assessor/Collector's Report; and (2) authorize the disbursements from the District's Tax Account as listed therein. A copy of the Tax Assessor/Collector's Report is attached hereto as an exhibit to these minutes.

Resolution Concerning Tax Exemptions for 2023

Next, Mr. Konopka submitted a draft RESOLUTION CONCERNING EXEMPTION OF RESIDENCE HOMESTEADS FROM TAXATION for the Board's consideration. Mr. Konopka noted that the Resolution had been prepared with the same exemptions that had been offered for 2022, that is \$40,000.00 for persons who are disabled or who are sixty-five years of age or older (and no general residential homestead exemption). After discussion, upon a motion duly made and seconded, the Board voted unanimously to grant the following exemptions for 2023 and to adopt a RESOLUTION CONCERNING EXEMPTION OF RESIDENCE HOMESTEADS FROM TAXATION: (1) a \$40,000.00 exemption for individuals who are disabled or sixty-five years of age or older; and (2) no general residential homestead exemption. A copy of the Resolution is attached hereto and shall be considered to be part of these minutes

Agreement for Delinquent Tax Collection Services

Mr. Konopka then explained that the Board could impose a statutory charge (the "Collection Charge") of 20% on all 2022 taxes, penalties, and interest delinquent on 1 July 2023 for real property (and on 1 April 2023 for personal property), said Collection Charge to be used to finance the costs of collection of the delinquent taxes. In order to do so, he continued, the Board must first confirm its agreement (the "Agreement") for delinquent tax attorney services with Perdue, Brandon, Fielder, Collins & Mott, L.L.P. He explained further that under the Agreement, the amount paid by the District to the District's Delinquent Tax Attorney for the collection of delinquent 2022 taxes would be equal to the additional collection charge as approved by the Board on all 2022 taxes, penalties, and interest delinquent on the applicable dates, up to the statutory maximum of 20%, pursuant to Sections 33.07, 33.08, and 33.11 of the Texas Tax Code. After discussion, upon a motion duly made seconded, the Board voted unanimously to confirm its Agreement with the District's Delinquent Tax Attorney.

Collection Charge on all Delinquent 2022 Taxes, Penalties, and Interest

Consideration was then given to imposing the Collection Charge as described above. After discussion, upon a motion duly made and seconded, the Board voted unanimously to impose a 20% Collection Charge on all 2022 taxes, penalties, and interest that are due and remain delinquent as of the applicable dates, pursuant to Sections 33.07, 33.08, and 33.11 of the Texas Tax Code. A copy of the CERTIFICATE OF BOARD ACTION related to this matter is attached hereto as an exhibit to these minutes.

Annual Review of Unclaimed Property / Tax Account

Then Mr. Konopka mentioned that the District was required to escheat unclaimed funds, such as uncashed customer refunds, to the Texas Comptroller of Public Accounts after one year (and after three years for unclaimed funds in the District's Tax Account). He explained that checks issued from the District's Tax Account but returned to the District or left uncashed for the period from 1 March 2018 through 28 February

2019 would have to be escheated to the State by 1 July 2023. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Tax Assessor/Collector to escheat the unclaimed funds as described above to the Comptroller.

Engineer's Report

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

Water Well No. 1 ("Well No. 1"). The Board discussed the status of the rehabilitation of Well No. 1 (the "Well Rehabilitation") by C & C Water Services, LLC ("C & C"). Mr. Konopka reported that earlier this date the District's Attorney received a letter dated 1 March 2023 from the Texas Commission on Environmental Quality authorizing the District to proceed with the Well Rehabilitation on the basis of a negotiated bid pursuant to §49.274 of the Texas Water Code. A copy of the letter is attached hereto as an exhibit to these minutes.

A discussion then ensued regarding the condition of the District's Water Well No. 2 ("Well No. 2"). Mr. Wright stated that the District's Operator would increase the frequency of the performance testing of Well No. 2 from semiannually to quarterly. Director Vasina recalled that Well No. 2 was constructed in 1999 and entered service in 2000. He then requested that the minutes of this meeting state that the District's Wastewater Treatment Plant was constructed in 1994 and entered service in early 1995.

After further discussion, upon a motion duly 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. He reviewed with the Board the condition of the District's facilities.

Customer Billing. Mr. Wright reported that 63.8% of the payments received from the District's customers on their service accounts were processed online rather than submitted by U.S. mail or drop-off. He then informed the Board that WDM was going to transition from AVR, Inc. to Suddenlink for its customer billing system.

Taco Bell Restaurant. Mr. Wright briefly reported on matters relating to the new Taco Bell restaurant located on Veterans Memorial Drive north of Aldine Western Road (the "Restaurant"). He informed the Board that WDM was notified that the contractor for the Restaurant had scheduled its pre-construction meeting.

Possible Development of 3.76-acre Tract on Aldine-Western Road (the "Tract"). The Board discussed the possible development in the Tract located along Aldine-Western Road adjacent to the Harris County Emergency Services District No. 17 Fire

Station. Mr. Wright reported that the Tract is going to be developed as a FEDEX parking facility for staging and overflow parking of delivery vehicles.

Contractor Backcharge. Mr. Wright reported on the backcharge of \$8,969 that AnSCO & Associates ("AnSCO") owes to the District (the "Backcharge"). He stated that earlier this date the District's Operator had transmitted the fourth invoice to AnSCO for payment of the Backcharge. After discussion, the Directors agreed to allow AnSCO until 31 March 2023 to pay the Backcharge, after which time the Board would consider authorizing the District's Attorney to draft a demand letter for payment of the Backcharge.

After further discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Operator's Report.

Security Patrol Report

Director Zahradnik reviewed with the Board the Security Patrol Report for the month of February 2023 as prepared by the Harris County Sheriff's Office. A copy of the Security Patrol Report is attached hereto as an exhibit to these minutes.

Attorney's Report

Mr. Konopka presented the Attorney's Report.

Directors Election. The Board discussed matters relating to the 6 May 2023 Directors Election. Mr. Konopka reported that Harris County had provided the District's Attorney with the agreement between the District and Harris County to conduct a joint election (the "Election Agreement"). He recalled that the Directors had authorized the execution of the Election Agreement at the Board's meeting held on 25 January 2023. Director Vasina then executed the Election Agreement. A copy of the Election Agreement as executed by the District is attached hereto as an exhibit to these minutes. Mr. Konopka then stated that the Directors would need to schedule a special meeting of the Board during the period of 9 to 17 May 2023 in which to canvass the results of the Directors Election (the "Special Meeting"). The Directors agreed to consider scheduling the Special Meeting at a future meeting of the Board.

Central Harris County Regional Water Authority (the "CHCRWA") / Proposed Water Line Easement Agreement (the "Easement Agreement"). The Board discussed matters relating to the proposed Easement Agreement between the District and the CHCRWA in connection with 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. Mr. Konopka reported that he was preparing the letter agreement for execution by the District and the CHCRWA with respect to a future District water line encroaching upon or crossing the Easement.

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 1 March 2023
Attachments

1. Tax Assessor/Collector's Report;
2. Resolution Concerning Exemption of Residence Homesteads From Taxation;
3. Certificate of Board Action / 20% charge on delinquent taxes;
4. Engineer's Report;
5. TCEQ Letter / Emergency Repairs to Water Well No. 1;
6. Operator's Report;
7. Security Patrol Report; and
8. Election Agreement with Harris County.