

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

22 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 22nd 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 Troy Bordelon, P.E., and Eric Williams, 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; Dick Yale and David Green of Coats Rose, P.C., the District's Attorney; and JoAnn Vasina.

Director Vasina called the meeting to order.

Approval of Minutes

The Board first considered approval of the minutes of the meetings of 22 February 2023 and 1 March 2023. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of 22 February 2023 and 1 March 2023, as written.

Bookkeeper's Report

Mr. Yale distributed to the Board copies of the Bookkeeper's Report on behalf of Claudia Redden & Associates, L.L.C., the District's Bookkeeper. The Directors reviewed the income to the District, the activity in each of the District's accounts, and the balance in each account. The Board then reviewed the District's Investment Report as included in the Bookkeeper's Report. The Directors noted that TexPool had paid an average interest rate of 4.491% 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: (1) accept the Bookkeeper's Report; (2) authorize the payment of the District's bills; and (3) approve the Investment Report. A copy of the Bookkeeper's Report is attached hereto as an exhibit to these minutes.

Engineer's Report

Then 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. Bordelon reported that C & C had ordered all of the components for the Well Rehabilitation. In response to a question from Director Zahradnik, Mr. Wright stated that the District's Operator would look into whether the old pump motor from Well No. 1 could be repaired and used as a spare unit for Water Well No. 2.

Renewal of Wastewater Discharge Permit. Mr. Bordelon reported that the District's Engineer was preparing the application to the Texas Commission on Environmental Quality (the "Commission") for the renewal of the Discharge Permit.

Rehabilitation of Sanitary Sewer Lines in Woodgate Subdivision, Sections 1 and 2 (the "Sewer Repairs"). Mr. Bordelon reported on the status of the contract with King Solution Services LLC ("KSS") for the Sewer Repairs. He stated that KSS had submitted Pay Estimate No. 7 and FINAL in the amount of \$121,308.90 in connection with the Sewer Repairs. A copy of Pay Estimate No. 7 and FINAL is included with the Engineer's Report. Mr. Bordelon then submitted to and reviewed with the Board Change Order No. 1 to the Sewer Repairs contract, which would provide for the adjustment of quantities to reflect the actual quantities constructed in the field as required per field conditions. He noted that Change Order No. 1 would increase the cost of the Sewer Repairs contract by \$22,854.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Bordelon reported that the District's Engineer had submitted the corrosivity study on the District's water to the Commission.

Water Supply and Groundwater Reduction Plan Wholesale Agreement (the "GRP Agreement"). The Board briefly discussed matters relating to the GRP Agreement dated 5 March 2003 between the District and the City of Houston (the "City"). Mr. Bordelon reported that the District's Engineer was awaiting confirmation from the City regarding the alignment of the City's proposed surface water line (the "City Water Line") to provide surface water to the District, Harris County Municipal Utility District No. 119, and El Dorado Utility District. He stated that the City's Infrastructure Planning Group had recently informed A&S that the District should receive an official response by the end of this month regarding the alignment of the City Water Line.

List of Proposed Replacement Items. Mr. Bordelon reported that Mr. Williams and Mr. Wright had met with Neil Technical Services, Corp. and were working to prepare a list of replacement items for the District's facilities.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) authorize payment of Pay Estimate No. 1 and FINAL to KSS; and (3) approve Change Order No. 1 to the Sewer Repairs contract. A copy of Change Order No. 1 as approved by the Board is attached hereto and shall be considered to be part of these minutes.

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 91.4% for the month of February 2023. 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 296,000 gallons per day during the month, representing a flow equal to 59.2% 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.

Identity Theft Prevention Program / Annual Review. The Board then discussed the District's Identity Theft Prevention Program that was adopted 28 April 2009 and was effective 1 May 2009. Mr. Wright reviewed with the Board a letter from WDM stating that WDM had implemented procedures and controls that provide for the security of accounts as required under the District's Identity Theft Program and under the Identity Theft Rules adopted by the Federal Trade Commission. He stated that, according to WDM, it appeared that no "red flags" had been raised during the past year and that all of the procedures were working smoothly for WDM. A copy of the letter is attached hereto as an exhibit.

Contractor Backcharge. Mr. Wright reported on the backcharge of \$8,969 that AnSCO & Associates ("AnSCO") owes to the District (the "Backcharge"). He recalled that on 1 March 2023 the District's Operator had transmitted the fourth invoice to AnSCO for payment of the Backcharge. As of this date, he continued, AnSCO had not rendered payment for the Backcharge. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Attorney to draft a demand letter to AnSCO for payment of the Backcharge.

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.

Renewal of Insurance Coverage

Then the Board briefly discussed matters relating to the renewal of the District's insurance policies (the "Insurance Policies"), which expire on 1 May 2023. Mr. Yale reported that the District's Attorney was working with Brown & Brown Lone Star Insurance Agency, Inc. (the successor firm to HARCO Insurance Services, Inc.) to obtain a proposal for the renewal of the Insurance Policies.

Attorney's Report

Mr. Yale presented the Attorney's Report.

Directors Election. The Board discussed matters relating to the 6 May 2023 Directors Election. Mr. Yale 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. After discussion, the Directors agreed to meet at 5:00 p.m. on Tuesday, 9 May 2023, to canvass the results of the Directors Election.

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. Yale reported that the District's Attorney, as directed by the Board, had prepared an Encroachment Agreement between the District and CHCRWA with respect to a future District water line encroaching upon or crossing the Easement. He then reviewed the proposed Encroachment Agreement with the Board. Mr. Yale remarked that the District's Attorney would not release the District's signature pages for the Easement Agreement until the CHCRWA executes and returns the Encroachment Agreement. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Encroachment Agreement and to authorize execution of same. A copy of the Encroachment Agreement as approved by the Board is attached hereto and shall be considered to be part of these minutes.

Texas Comptroller / Special Purpose District Report. Mr. Yale reported that on 10 March 2023 the District's Attorney had filed the Special Purpose District Report (the "SPD Report") with the Texas Comptroller's Office pursuant to Senate Bill 625 as approved by the 85th Texas Legislature (Regular Session – 2017). He reviewed with the Board the SPD Report Confirmation and Summary, copies of which are attached hereto as exhibits 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 22 March 2023
Attachments

1. Bookkeeper's Report;
2. Engineer's Report;
3. Change Order No. 1;
4. Operator's Report;
5. Letter from WDM / Identity Theft Prevention Program;
6. Encroachment Agreement with CHCRWA; and
7. SPD Report Confirmation and Summary.