

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

24 May 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 24th day of May 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
Barbara K. Burson	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; 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; Leroy Rose, a resident of the District; JoAnn Vasina, an interested party; and Cole Konopka and David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

Director Vasina called the meeting to order.

Approval of Minutes

The Board first considered approval of the minutes of the meetings of 26 April 2023 and 3 May 2023. Director Vasina requested a revision to page 2 of the minutes of 3 May 2023. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 26 April 2023 as written and the minutes of the meeting of 3 May 2023 as amended.

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 93.8% for the month of April 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 238,000 gallons per day during the month, representing a flow equal to 47.6% 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 Well No. 1 ("Well No. 1"). Mr. Wright reported on the status of the rehabilitation of Well No. 1 (the "Well Rehabilitation") by C & C Water Services, LLC ("C & C"). He stated that WDM was reviewing the invoice submitted by C & C and is preparing the insurance claim to be submitted to the District's insurance carrier in connection with the Well Rehabilitation. Mr. Wright reported that G-M Inspection Services, Inc. would test the performance of Well No. 1 on 25 May 2023. He stated that the District's Operator anticipates Well No. 1 being returned to service during the following week.

Hurricane Season Preparedness. Mr. Wright reported on the actions being taken by the District's Operator to prepare the District's facilities in advance of hurricane season, which begins on 1 June 2023. He noted that the District's auxiliary generator had been serviced.

Contractor Backcharge. Mr. Wright reported that the District's Operator had received a check in the amount of \$8,969 from AnSCO & Associates, which represents payment in full of the backcharge that was due to the District.

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.

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 4.7984% 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 and authorize the payment of the District's bills. 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.

Renewal of Wastewater Discharge Permit. Mr. Bordelon reported that earlier this week the District's Engineer had submitted the renewal application packet to the Texas Commission on Environmental Quality (the "Commission").

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Bordelon reported that the District's Engineer had received conditional approval from the Commission for construction of the proposed backwash modification to the Arsenic System. He called the Board's attention to the approval letter dated 25 April 2023 from the Commission, a copy of which is attached hereto and will be considered to be part of these minutes. Mr. Bordelon stated that A&S was continuing to work with the Commission regarding the corrosivity engineering report relating to the Arsenic System. He explained that the required testing and reporting would resume when Well No. 1 is returned to service.

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. 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 noted that a meeting of the District's Engineer with City representatives to discuss this matter had been scheduled for 1 June 2023. A discussion then ensued regarding the letter from the District's Engineer to the City requesting that the District be granted an extension with regard to the schedule for connecting with the City Water Line and accepting surface water from the City (the "Extension Letter"). In response to a question from Director Zahradnik, Mr. Bordelon stated that the Extension Letter was posted with the U.S. Postal Service on or about 18 May 2023.

Development of 3.76-acre Tract on Aldine-Western Road (the "Tract"). The Board briefly discussed the development of the FEDEX staging facility in the Tract located along Aldine-Western Road adjacent to the Harris County Emergency Services District No. 17 Fire Station. In response to a question from the Board, Mr. Bordelon stated that the District's Engineer would look into whether the Tract had been platted.

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

Status of Request to District Consultants for Insurance Certificates

Mr. Konopka stated that Coats Rose had received insurance certificates from all of the District's consultants. Copies of the certificates are attached as an exhibit to these minutes.

Security Service Contract

Mr. Konopka submitted to and reviewed with the Board a letter dated 22 May 2023 from the Harris County Precinct 4 Constable's Office regarding the increase in the rates to be charged to entities that enter into a Security Service Contract with Harris County (the "Contract"). A copy of the letter is attached hereto as an exhibit to these minutes. According to the Constable's Office, he told the Board, the Harris County Commissioners Court had approved a 5% increase in the rates to be charged under the Contract, to be effective 1 October 2023. He explained that the rate increase would affect Contracts for both Deputy Constables and Sheriff's Deputies.

Attorney's Report

Mr. Konopka presented the Attorney's Report.

Public Facility Corporations ("PFCs"). Mr. Konopka reviewed with the Board an informative flyer from the Association of Water Board Directors – Texas regarding the creation of PFCs by local government entities such as a city, county, or public housing authority. A copy of the flyer is attached hereto. He explained that multifamily residential developments that reserve a certain number of units for certain low-income affordable housing programs could possibly apply for tax-exempt status with regard to the property taxes levied by a water district. He stated that a city or county could create a PFC that acquires projects within a water district, thereby removing the property from the tax rolls of that water district. Mr. Konopka noted that Texas Representative Jacey Jetton and Texas Senator Paul Bettencourt had sponsored House Bill 2071 for consideration by the 88th Texas Legislature ("HB 2071"). Under HB 2071, he continued, the property tax exemption for a PFC would not apply to taxes imposed on a multifamily residential development by a conservation and reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that provides water, sewer, or drainage services to the development, unless the applicable PFC had entered into a written agreement with the district to make a payment to the district in lieu of taxation, in the amount specified in the agreement. Director Zahradnik observed that, at this time, there were no multifamily residential developments in the District.

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 26 April 2023
Attachments

1. Operator's Report;
2. Bookkeeper's Report;
3. Engineer's Report;
4. Conditional approval letter from the TCEQ;
5. Insurance Certificates from the District's consultants;
6. Letter from Harris County Precinct 4 Constable; and
7. AWBD Flyer / Public Finance Corporations.