

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

26 July 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 26th day of August 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; 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; Michelle Kincer representing Storm Water Solutions, LLC (called "SWS"); Cole Konopka, David Green, and Gabrielle Gomez 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.

Storm Water Management Program

The Board first discussed matters relating to the maintenance of the stormwater detention facilities in the District. Mr. Konopka presented for the Board's approval a letter to the Harris County Engineering Department stating that the District had designated SWS as its representative for the submission of Storm Water Quality permit renewal materials (the "Designation Letter"). After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Designation Letter and authorize Director Vasina to execute same. A copy of the Designation Letter is attached hereto and shall be considered to be part of these minutes.

Approval of Minutes

The Board next considered approval of the minutes of the meetings of 28 June 2023 and 5 July 2023. Director Zahradnik requested a revision to page 2 of the minutes

of the meeting of 5 July 2023. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 28 June 2023 as written and the minutes of the meeting of 5 July 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 90.6% for the month of June 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 246,000 gallons per day during the month, representing a flow equal to 49.2% 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.

Sinkhole at 10323 Veterans Memorial Drive (the "Sinkhole"). Mr. Wright reported that the District's Operator was continuing to monitor the status of the Sinkhole. He stated that no progression in the Sinkhole had been observed as of late.

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.

Engineer's Report

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

Water Well No. 1 ("Well No. 1"). Mr. Williams reported that Well No. 1 is in service at this time and that the District's Engineer and Operator will closely monitor its status.

Water Distribution System. Mr. Williams reported that A&S is preparing a report outlining the District's options with regard to future sources of drinking water for the District's water distribution system. Director Vasina inquired as to the feasibility of the District purchasing water from Forest Hills Municipal Utility District as an alternative to

constructing Water Well No. 3. Mr. Williams responded that the District's Engineer would look into this option.

Renewal of Wastewater Discharge Permit (the "Permit"). Mr. Williams reported that the District's Engineer was awaiting comment from the Texas Commission on Environmental Quality regarding the renewal application packet for the Permit.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Williams reported that A&S was working with the District's Operator to complete the testing for the required corrosivity engineering report relating to the Arsenic System.

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. Williams reported on the meeting held 7 July 2023 between the District's Engineer and City representatives to discuss the alignment of the City's proposed surface water line to provide surface water to the District, Harris County Municipal Utility District No. 119, and El Dorado Utility District (the "City Water Line"). Pursuant to the discussion at the meeting, he told the Board, the City is considering three options for the City Water Line, as follows:

- (1) The City could enter into an agreement to share the use of an existing North Harris County Regional Water Authority water line (the "NHCRWA Line") that is being constructed north of Beltway 8. The City would provide a connection point for the District on the NHCRWA Line that would be located north of Beltway 8;
- (2) The City could construct the City Water Line along Aldine-Western Road, in accordance with the prior plan. The City would provide a connection point for the District at a certain location along this route; or
- (3) The City could enter into an agreement to share the use of the existing Central Harris County Regional Water Authority water line (the "CHCRWA Line") that is being constructed north of Beltway 8. The City would provide a connection point for the District on the CHCRWA Line that would be located north of Beltway 8.

A discussion ensued regarding the options for the City Water Line. The Directors expressed their concern regarding the possible expense for the District to construct a water transmission line to connect with NHCRWA Line or the CHCRWA Line. Director Vasina presented Mr. Williams with a memorandum addressed to the City in which he outlined an alternative method for the City to provide surface water to the District and Forest Hills Municipal Utility District. Mr. Williams indicated that the District's Engineer would take the memorandum under advisement.

Development of 3.76-acre Tract on Aldine-Western Road (the "FEDEX Tract"). The Board discussed the development of the FEDEX staging facility in the FEDEX Tract located along Aldine-Western Road adjacent to the Harris County Emergency Services

District No. 17 Fire Station. Mr. Williams stated that Core Surveying had completed the survey (the "Survey") of a certain 2.49-acre tract out of the Abstract 732 J B Sanders (adjacent to the FEDEX Tract). According to the Survey report, he told the Board, Core Surveying had determined that the parking lot and improvements in the FEDEX Tract did not encroach upon the District's property that was adjacent thereto. A copy of the Survey report is included with the Engineer's Report.

Rehabilitation of Sanitary Sewer Lines in Woodgate Subdivision, Sections 1 and 2 (the "Sewer Repairs"). Mr. Williams reported on matters relating to the Sewer Repairs. He stated that CenterPoint Energy Houston Electric, LLC ("CenterPoint") had presented the District's Engineer with a proposed Facilities Extension Agreement relating to the bracing of the power pole and the trimming of trees at 10331 Veterans Memorial Boulevard (collectively, the "Bracing") in connection with the repairs to be undertaken by the District on the sanitary sewer manhole that is located near the power pole. He reviewed with the Board the invoice from CenterPoint in the amount of \$6,673, said amount to be charged to the District for the Bracing (the "Invoice"); the Service Outlet Location and Data Statement for Electric Service Form (the "Service Form") provided by CenterPoint; and the Facilities Extension Agreement.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) approve the Facilities Extension Agreement and authorize execution of same; (2) authorize execution of the Service Form; and (3) authorize payment of the Invoice. Copies of the documents described above are attached hereto and shall be considered to be part of these minutes.

Possible Request For Service. Mr. Williams reported that A&S had received no additional information regarding a possible request for water and sanitary sewer service to a tract located at 2701 Brownie Campbell Drive. The Board directed the District's Engineer to transmit a follow-up letter to the individual who had initially contacted A&S.

Electrical Components / List of Spares and Recommended Work. Mr. Williams called the Board's attention to the list prepared by Neil Technical Services, Corp. ("NTS") regarding the spare parts to be acquired and the recommended repair and replacement work to be performed on certain electrical systems at the District's facilities (the "Work List"). A copy of the Work List is included with the Engineer's Report. The Board noted that the projected cost to acquire the spare parts and perform the recommended work totaled \$207,320. Mr. Williams noted that the proposed replacement of the Motor Control Center at Water Plant No. 1 accounted for \$150,000 of the estimated total cost. A discussion ensued regarding the items in the Work List. The Board expressed their desire to use the District's surplus construction funds to help pay for the cost of the items outlined in the Work List rather than for the emergency repairs performed earlier this year on Water Well No. 1.

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

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 5.0543% per annum for the reporting period.

The Board discussed matters relating to the report reviewed at the Board's meeting on 28 June 2023 that details the balance of deposits paid by developers for legal and engineering fees incurred by the District for their respective projects (the "Developer Deposit Report"). Director Vasina reported that Troy Bordelon, P.E. of A&S had confirmed to him that the balance of all of the deposits listed in the Developer Deposit Report could be refunded with the exception of the balances of the deposits placed with the District by the developers of the Taco Bell restaurant and the Ice Cream Factory. Ms. Redden stated that she would verify this information.

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.

Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program

Mr. Konopka submitted to and reviewed with the Board the Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review (the "Review") dated 6 July 2023 as prepared by Arbitrage Compliance Specialists, Inc. ("ACSI") in connection with its review of the District's (1) Series 2016 Refunding Bonds; and (2) Series 2019 Bonds. A copy of the Review is attached hereto as an exhibit to these minutes. Mr. Konopka pointed out to the Board that the Series 2019 Bonds were subject to project fund yield restriction because the project fund balance totaled \$100,000 or more as 14 February 2022. As of that date, he told the Board, the project fund balance totaled \$602,059.67. As of 30 March 2023, he continued, the project fund balance for the Series 2019 Bonds totaled \$243,971.46. Mr. Konopka remarked that ACSI was recommending that the project funds from the proceeds of the sale of the Series 2019 Bonds (the "Surplus Funds") be spent below the minor portion (\$100,000) in the near future.

Then Mr. Konopka reviewed with the Board an engagement letter from ACSI (the "Engagement Letter") to complete a project fund yield restriction calculation with respect to the Series 2019 Bonds for the period of 24 February 2022 to 24 February 2024. He noted that the cost to the District for ACSI to perform the project yield fund restriction calculation would be \$1,450.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Engagement Letter and authorize Director Vasina to execute same. A copy of the executed Engagement Letter is attached hereto and shall be considered to be part of these minutes.

Attorney's Report

Mr. Konopka presented the Attorney's Report.

Legislative Update / 88th Texas Legislature (2023). Mr. Konopka reported that House Bill 73 relating to attacks by dangerous dogs and increasing the criminal penalty for same had been filed in the second Special Session of the Legislature.

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 August 2023
Attachments

1. Designation Letter to HCED;
2. Operator's Report;
3. Engineer's Report;
4. Facilities Extension Agreement, for Electric Service Form, and Invoice (CenterPoint Energy Houston Electric, LLC);
5. Bookkeeper's Report;
6. Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review;
7. Engagement Letter / Arbitrage Compliance Specialists, Inc.; and
8. Memo / Legislative Update.