

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

2 August 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 2nd 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 Robin Goin of Bob Leared Interests, the District's Tax Assessor/Collector; 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; 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 teleconference was Cole Konopka of Coats Rose.

Director Vasina called the meeting to order.

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.

Water Well No. 1 ("Well No. 1"). Mr. Wright reported that the adjuster for the District's insurance carrier had approved the insurance claim filed by the District in connection with the emergency repairs to Well No. 1. Director Vasina expressed his view that the District should also submit an insurance claim in connection with the starter unit on Water Well No. 2 ("Well No. 2"). The Board agreed with Director Vasina's suggestion. A discussion then ensued regarding the condition of Well No. 1 and Well No. 2. Director Zahradnik expressed his concern regarding the decline of the water production rate of Well No. 2 from 1,000 gallons per minute ("gpm") to 800 gpm. Mr. Wright remarked that G-M Inspection Services, Inc. ("G-M") was now conducting the

well performance tests on both of the water wells on a quarterly basis rather than semiannually.

Request for Adjustment to Service Account. Mr. Wright reported that the Maple Ridge Place Community Association, Inc. (the "Association"), was requesting an adjustment to its service account for water usage because of damage to a water meter on the irrigation system, which resulted in the usage of an additional 80,000 to 90,000 gallons of water. The Directors agreed to authorize a one-time adjustment to the Association's service account based on typical usage for this time of the year but taking into account the recent increase in the groundwater pumpage fee charged to the District by the City of Houston (the "Adjustment").

After further discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Operator's Report; and (2) authorize the District's Operator to grant the Adjustment as described above.

Storm Water Management Program

The Board next reviewed the Storm Water Management Program Report dated August 2023 (the "Management Report") as prepared by Storm Water Solutions, LLC regarding the maintenance of the stormwater detention facilities in the District. A copy of the Management Report is attached hereto as an exhibit to these minutes.

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 96.6% collected as of 31 July 2023. She asked for the Board's approval of three checks written on the District's tax account and two transfer by wire as follows: the transfer of \$1,536.96 in revenues from the District's tax for maintenance and operations to the General Fund and the transfer for \$5,000 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.

Development Status of the District

Mr. Konopka informed the Board that pursuant to Section 49.236 of the Texas Water Code as amended by Senate Bill 2 ("SB 2") adopted by the 86th Texas Legislature (Regular Session – 2019), the District must determine whether it is a "developed district" or a "developing district" with regard to the Truth-In-Taxation requirements promulgated by SB 2. He stated that the District's Engineer had confirmed that the District was a developing district because to date the District has not yet financed, completed, and issued bonds to pay for all land, works improvements, and

appliances necessary to serve at least 95% of the projected build-out of the District. Mr. Konopka submitted for the Board's review and approval a RESOLUTION DECLARING DEVELOPMENT STATUS OF DISTRICT FOR 2023 TAX YEAR. He explained that the Resolution states that the Board has declared the District to be a developing district as defined by Section 49.23602 of the Texas Water Code for the 2023 tax year.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to adopt the Resolution, a copy of which is attached hereto and shall be considered to be part of these minutes.

Engineer's Report

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

Water Well Performance Testing. Mr. Williams reviewed with the Board the updated and corrected Well Performance Test reports dated 5 July 2023 (the "Test Reports") prepared by G-M Inspection Services, Inc. in connection with testing conducted on the District's Water Wells Nos. 1 and 2. Copies of the Test Reports are included with the Engineer's Report.

Mr. Williams then reported that the District's Engineer is preparing a report outlining the District's options with regard to future sources of drinking water for the District's water distribution system. He stated that, as requested by the Board, A&S had contacted Forest Hills Municipal Utility District to inquire about that water district's water supply capacity.

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 stated that he had nothing new to report at this time regarding 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 "Alignment"). He noted that the City over time had continually revised its target date to finalize the Alignment. In response to a question from Director Vasina, Mr. Williams stated that the District's Engineer would submit an inquiry to the Central Harris County Regional Water Authority (the "CHCRWA") regarding the construction schedule for the CHCRWA's surface water transmission line project. A discussion then ensued regarding the memorandum addressed to the City's Public Works Department that Director Vasina

had presented for consideration at the Board's meeting on 26 July 2023, in which he outlined an alternative method for the City to provide surface water to the District and Forest Hills Municipal Utility District (the "Memorandum"). Mr. Konopka stated that a vote of the Board would be necessary to authorize the District's Engineer to transmit the Memorandum to the City. He expressed his concern that submitting the Memorandum to the City might prove to be counterproductive to the District's interests. The Directors declined to take any action regarding the Memorandum.

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 A&S is coordinating with CenterPoint Energy Houston Electric, LLC regarding the bracing of the power pole located near a certain sanitary sewer manhole that will be rehabilitated as part of the Sewer Repairs. Mr. Williams added that the District's Engineer is contacting several contractors to determine their availability to complete the Sewer Repairs project.

Requests For Service. Mr. Williams reported that he had nothing new to report at this time regarding a possible request for water and sanitary sewer service to a tract located at 2701 Brownie Campbell Drive. Director Vasina reminded Mr. Williams that the Board has a standing policy that tracts located outside the District's boundaries must be annexed by the District in order to receive water and sanitary sewer service.

Mr. Williams then reported that A&S had received an Application For Service from Romco / The Urban Companies regarding proposed service to a 28-acre tract of land (the "Romco Tract") located east of the District, south of Beltway 8, and north of Aldine Western Road. A copy of the Application for Service is included with the Engineer's Report. He stated that the proposed development in the Romco Tract would consist of a warehouse, yard, office, and repair shop. In response to a question from the Board, Mr. Williams estimated that the Romco Tract was located approximately 0.9 miles from the boundary of the District.

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

Security Patrol Report

Director Zahradnik reviewed with the Board the Security Patrol Report for the month of July 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.

Security Service Contract

The Board then considered approval of the Security Service Contract for the term of 1 October 2023 through 30 September 2024. Mr. Konopka remarked that Harris County would likely provide the document in mid-August and would require the District to sign and return it shortly thereafter. The Board noted that the Harris County Commissioners Court had approved a 5% increase in the rates to be charged under the Security Service Contract, to be effective 1 October 2023. A discussion then ensued

regarding the security patrols being conducted in the District pursuant to the Security Service Contract. Director Rose expressed her concern that the visibility of the contract officer assigned to the District was less than desired. Director Zahradnik stated that he would invite Sergeant David Angstadt and Deputy Isaac Lopez of the Harris County Sheriff's Office to attend the Board's meeting on 6 September 2023 in order to respond to questions from the Directors regarding the security patrols.

After further discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Security Service Contract and to authorize Director Vasina to execute same, subject to review by the District's Attorney.

Attorney's Report

Mr. Konopka stated that there were no additional items to be discussed under the Attorney's Report.

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 2 August 2023
Attachments

1. Operator's Report;
2. Storm Water Management Program Report;
3. Tax Assessor/Collector's Report;
4. Resolution Declaring Development Status of District;
5. Engineer's Report; and
6. Security Patrol Report.