

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

24 April 2024

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 April 2024 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 JoAnn Vasina, an interested party; Leroy Rose, a resident of the District; Mark Eyring of Mark C. Eyring, CPA, PLLC, the District's Auditor; Claudia Redden of Claudia Redden & Associates, L.L.C., the District's Bookkeeper; Troy Bordelon, P.E. and Jared Daly, P.E. of A&S Engineers, Inc. ("A&S"), the District's Engineer; David Rowe and Tyler Marley of Water District Management Company, Inc. ("WDM"), the District's Operator; and Cole Konopka and Gabby Gomez 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 approving the minutes of the meetings of 27 March 2024 and 3 April 2024. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of 27 March 2024 and 3 April 2024, as written.

Annual Financial Report

Mr. Eyring then reviewed a draft Annual Financial Report (the "Financial Report") for the District for the fiscal year ended 31 December 2023. He noted that the District's Auditor had issued a "clean opinion" on the financial statements, meaning that the District's Auditor believed they had been provided with all the materials necessary for preparing an accurate Financial Report for the District. After review, upon a motion duly

made and seconded, the Board voted unanimously to: (1) approve the Financial Report for the District for the fiscal year ended 31 December 2023, subject to a 10-day review period; and (2) authorize filing of the final Financial Report with the Texas Commission on Environmental Quality (the "TCEQ") and other agencies as required. Copies of the draft and final Financial Reports are filed in the permanent records of the District.

Operator's Report

Next, Mr. Marley reviewed the Operator's Report, a copy of which is attached. He noted that the total water accountability rate for the District's water wells was 92.07% for the month of March 2024. Mr. Marley also reviewed the Arsenic Analysis Report, a copy of which is attached.

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. Mr. Marley 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.

Then Mr. Marley updated the Board on the status of the installation of smart meters in the District. He reported that 179 meters had been installed as of 23 April 2024.

Director Vasina then requested an update regarding the transfer of the District's phone service from AT&T to Verizon Wireless. Ms. Redden stated that she contacted AT&T to request a return label for the phones that were delivered to WDM. She noted that once the phones were returned she would cancel the District's service with AT&T.

After review and discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) approve the Operator's Report; and (2) authorize WDM to terminate the water and sewer service to those accounts listed on the termination list.

Engineer's Report

Mr. Bordelon then reviewed the Engineer's Report, a copy of which is attached.

Mr. Bordelon next stated that he had no new updates regarding the condition of the District's water wells.

Mr. Bordelon then updated the Board on the District's request for an Alternative Capacity Requirement submitted to the TCEQ on 19 October 2023. He recalled that the TCEQ granted a total production amount of 0.55 gallons per minute, per connection, which included a 15% contingency. Mr. Bordelon then reported that the TCEQ granted the District's request to reduce the 15% contingency and that the TCEQ would be issuing a letter to the District soon regarding this matter.

Mr. Bordelon then updated the Board on the status of renewal of the District's Wastewater Discharge Permit. He reported that the TCEQ issued the renewal Permit to the District on 21 March 2024, a copy of which is attached. Mr. Bordelon then noted that the Permit would expire at midnight, five years from the date of issuance on 21 March 2029.

Next, Mr. Bordelon updated the Board on the status of the outstanding sanitary sewer repairs for Woodgate Subdivision. He stated that Lopez Utilities Contractor, LLC ("Lopez") completed the project and that A&S requested close-out documents from Lopez.

Mr. Bordelon then stated that he had no new updates regarding the proposed annexation of the approximately 28-acre tract of land owned by Werner Enterprises, Inc. ("Werner"). Mr. Konopka then presented a draft Utility Commitment, Annexation, Service, Development and Financing Agreement ("DFA") between the District and Werner. He stated that the DFA was distributed to Werner for review and that he was awaiting comments from Werner.

Next, Mr. Bordelon reviewed an updated Summary of Costs for the three priority projects to be included in the District's Bond Application Report, a copy of which is included in the Engineer's Report. He recalled that the three priority projects included Water Well No. 3, the Surface Waterline Extension from the City of Houston (the "City"), and the Water Plant No. 1 Chloramine Conversion. Mr. Bordelon then noted that the updated total bond issue amount was \$10,800,000. He stated that the increased cost was due to modifications to the Surface Waterline Extension project. The Board then discussed the details of the Surface Waterline Extension project, the status of the Water Supply and Groundwater Reduction Plan Wholesale Agreement between the District and the City, and the status of the Cost Sharing Agreement between the District and Forest Hills Municipal Utility District ("Forest Hills MUD").

Mr. Bordelon then presented updated proposals from A&S to perform engineering services related to the design phase for the three priority projects listed above, copies of which are included in the Engineer's Report. He also reviewed the schedule and scope of work for current and future projects of the District, copies of which are included in the Engineer's Report.

After review and discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) approve the Engineer's Report; and (2) approve the three proposals from A&S to perform engineering services related to the design phase for the three priority projects listed above.

Bookkeeper's Report

Next, Ms. Redden reviewed the Bookkeeper's Report and Investment Report, copies of which are attached. The Board then completed the review of the invoices to the District and the checks prepared in payment thereof.

Mr. Konopka then 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 but returned to the District or left uncashed for the period from 15 April 2023 through 15 April 2024 would have to be escheated to the State by 1 July 2024.

After review and discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) approve the Bookkeeper's Report and Investment Report, and authorize payment of the District's bills; and (2) authorize the District's Bookkeeper and Tax Assessor/Collector to escheat the unclaimed funds as described above to the Comptroller.

Renewal of District's Insurance Coverage

Next, the Board reviewed an Insurance Proposal from Brown & Brown Insurance Services, Inc. ("Brown & Brown") for renewal of the District's insurance coverage. After review and discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Insurance Proposal from Brown & Brown for renewal of the District's insurance coverage. A copy of the Insurance Proposal is attached.

New Business

Director Zahradnik next reported that he received correspondence from the Harris County Sheriff's Office ("HCSO") informing him that Sergeant Lonnie Cox would be the new point of contact for issues regarding deputies assigned to the District.

Director Zahradnik next stated that he spoke with Deputy Isaac Lopez regarding the homeowner that had graffiti on their fence. He reported that the graffiti had not been removed from the fence yet and that Deputy Lopez said he would follow up with the HCSO's Graffiti Abatement Department regarding this matter.

A discussion then ensued regarding other security matters in the District.

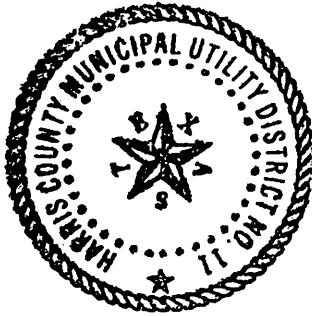
Attorney's Report

Next, Mr. Konopka updated the Board on the status of the Cost Sharing Agreement between the District and Forest Hills MUD for the Surface Waterline Extension project. He stated that he had not received a response from the attorney for Forest Hills MUD but that he would follow up with him regarding this matter.

Lastly, Director Zahradnik requested an update regarding his previous request for WDM to provide a cost estimate to televise the sanitary sewer lines in Woodgate Subdivision, Sections 1 and 2 prior to the warranty expiration date. Mr. Bordelon stated that he would coordinate with WDM to have the sewer lines televised every two years.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



Martin F. Johnson
ASA, Secretary, Board of Directors

**Harris County Municipal Utility District No. 11
Meeting of 24 April 2024
Attachments**

1. Operator's Report;
2. Arsenic Analysis Report;
3. Engineer's Report;
4. Renewal Wastewater Discharge Permit;
5. Bookkeeper's Report; and
6. Insurance Proposal from Brown & Brown Insurance Services, Inc.