

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

Minutes of Meeting of Board of Directors

January 22, 2024

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 109 (the "District") met at 5302 Old Lodge Drive, Houston, Harris County, Texas, on January 22, 2024, in accordance with the duly posted notice for such public meeting, and the roll was called of the duly constituted officers and members of said Board as follows:

Warren Carroll, President
Vic Robson, Vice President
Allen Schreiber, Secretary
William Lakin, Assistant Secretary
W. Kemp Culbreth III, Assistant Secretary

all of whom were present, except William Lakin, thus constituting a quorum.

Also attending the meeting were: Debra Loggins of L&S District Services, LLC ("L&S"); Ashlie Whittmore of Wheeler & Associates, Inc. ("Wheeler"); Brad Tutunjian of CenterPoint Energy ("CenterPoint"); John Elder and Stewart Black of Acclaim Energy Services ("Acclaim"); and Eric Lai of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no comments offered, the Board continued to the next item of business.

BOOKKEEPER'S REPORT

Ms. Loggins reviewed with the Board the Bookkeeper's Report dated January 22, 2024, a copy of which report is attached hereto as Exhibit A, and the disbursements presented for payment. After discussion, Director Schreiber moved that the Board approve the Bookkeeper's Report, and the disbursements presented for payment, as reflected in the Bookkeeper's Report, with the addition of check nos. 12777 and 12778. Director Culbreth seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Whittmore presented to and reviewed with the Board the tax assessor-collector's report and delinquent collections report for the month of December 2023, copies of such reports being attached hereto as Exhibit B. After discussion on the matter, Director Schreiber moved that the tax assessor-collector's report be approved and that the checks identified in the report be

approved for payment. Director Culbreth seconded said motion, which unanimously carried.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Lai outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Schreiber moved that the District (a) not grant the residential homestead exemption and (b) grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024 in the amount of \$15,000, and that the Resolution attached hereto as Exhibit C relative to same be approved and adopted by the Board and District. Director Culbreth seconded said motion, which carried unanimously.

PRESENTATION BY ACCLAIM ENERGY

Mr. Elder, Mr. Tutunjian, and Mr. Black presented Acclaim's Demand Response Participation Report, a copy of which is attached hereto as Exhibit D. Mr. Elder reported to the Board that the District paid \$29,890.00 in 2023 for its participation in the Demand Response Program ("Program").

Mr. Elder next presented to and reviewed with the Board Acclaim's Texas Reliability Solution Program which is a pilot program that endeavors to provide electricity to the entire District through a microgrid in the event of a power outage failure in the District. Mr. Elder stated that the District would be compensated for its participation in the pilot program and requested that a director be designated to participate in discussions with Acclaim to revise the current terms of the District's participation in the Program. In connection with the Program, the Board appointed Director Culbreth as the District's representative to discuss the District's participation in the Program with Mr. Elder.

Mr. Tutunjian reported to the Board that CenterPoint is developing a proof of concept for the pilot program and will enlist a third-party to determine the logistics to implementing the Reliability Solution Program. He stated that the study should be completed in sixty (60) days. A lengthy discussion ensued regarding the District's requirements to participate in the pilot program. Mr. Tutunjian addressed questions from the Board. Upon discussion, Director Schreiber moved that Director Culbreth be designated to participate in discussions with Acclaim regarding the Texas Reliability Solution Program and the Program and report back to the Board. Director Culbreth seconded said motion, which unanimously carried.

FUTURE AGENDAS

Other than as discussed earlier in the meeting and reflected above, there were no additional agenda items requested.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Schreiber, seconded by Director Robson, and unanimously carried, the meeting was adjourned.

Allen Schreiber, Secretary
Board of Directors

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List of Exhibits

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Resolution Concerning Exemptions From Taxation
- Exhibit D Acclaim Demand Response Participation Report

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