

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

Minutes of Meeting of Board of Directors

February 13, 2023

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 February 13, 2023, in accordance with the duly posted notice for such special 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 participated in the meeting, thus constituting a quorum.

Also attending the meeting were: Bradley Jenkins and Conner Murphy of Quiddity Engineering, LLC ("Quiddity"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Karen Sears of Storm Water Solutions, LP ("SWS"); Judith Cool, District resident; and Rick Barker 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. Ms. Cool addressed the Board requesting a waiver of delinquent fees. She stated that she was unable to timely pay her water bill online because the water account was still under the name of her late husband. Ms. Cool also expressed concerns regarding the timing of delivery for the various delinquent notices and notices of water termination. Mr. Thiry reported that there is approximately \$375.00 total in delinquent fees and notice fees on the account. Upon discussion, Director Lakin moved that Ms. Cool's request be approved, and that EDP be authorized to waive the delinquent and notice fees associated with Ms. Cool's account. Director Culbreth seconded said motion, which unanimously carried.

Ms. Cool exited the meeting at this time.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its meeting held on January 9, 2023. After discussion, Director Culbreth moved that said minutes be approved, as written. Director Lakin seconded said motion, which unanimously carried.

MUTUAL TERMINATION OF RESIDENTIAL SOLID WASTE COLLECTION CONTRACT WITH TEXAS PRIDE DISPOSAL SOLUTIONS, LLC

The Board considered approval of a Mutual Termination of Residential Solid Waste Collection Contract with Texas Pride Disposal Solutions, LLC ("Texas Pride"), a copy of which is attached hereto as Exhibit A. Mr. Barker advised that Texas Pride agreed to the termination being effective March 4, 2023. Upon discussion, Director Lakin moved that the Mutual Termination Agreement with Texas Pride be approved, effective March 4, 2023. Director Robson seconded said motion, which unanimously carried.

RESIDENTIAL SOLID WASTE COLLECTION, DISPOSAL AND RECYCLING AGREEMENT WITH BEST TRASH, LLC

The Board considered approval of a Residential Solid Waste Collection, Disposal and Recycling Agreement ("Solid Waste Agreement") with Best Trash, LLC ("Best Trash"), a copy of which is attached hereto as Exhibit B. Mr. Barker reviewed the provisions of the Solid Waste Agreement with the Board. He stated that Best Trash first pickup date will be March 7, 2023. Upon discussion, Director Lakin moved that the Solid Waste Agreement with Best Trash be approved subject to SPH's review, and that the Texas Ethics Commission Form 1295 be acknowledged in connection therewith. Director Robson seconded said motion, which unanimously carried.

DETENTION AND DRAINAGE REPORT

Ms. Sears presented to and reviewed with the Board a Storm Water Management Report prepared by SWS, a copy of which is attached hereto as Exhibit C. Upon review, the Board concurred that no action was required.

DELINQUENT TAX REPORT

The Board considered a Delinquent Tax Report prepared by Ted A. Cox, P.C., ("Cox") a copy of which is attached hereto as Exhibit D. Mr. Barker reviewed said report with the Board. Upon review, the Board concurred that no action was required.

Ms. Sears exited the meeting at this time.

OPERATOR'S REPORT

Mr. Thiry reviewed with the Board an Operator's Report, a copy of which is attached hereto as Exhibit E, and discussed the information contained therein. He then reviewed with the Board a Write-Off Report, attached as part of the Operator's Report. Upon discussion, Director Culbreth moved that Account Nos. 1-35 listed on the Write-Off Report be authorized for removal in the amount of \$9,307.45, and that Account No. 36 listed on the Write-Off Report remain on such report pending collection efforts. Director Schreiber seconded said motion, which unanimously carried.

RATE ORDER

The Board next considered amending its Rate Order, to take into account: (i) the reduction in surface water/groundwater pumpage fees by the North Harris County Regional Water Authority ("NHCRWA"), (ii) an adjustment water of and sanitary sewer rates, and (iii) the incorporation of Best Trash's fees for trash and recycling collection services to be effective March 1, 2023. Mr. Barker reported to the Board that, effective February 1, 2023, the NHCRWA reduced its surface water rate from \$5.05 to \$4.55 per 1,000 gallons of water pumped, and reduce its groundwater pumpage rate from \$4.60 to \$4.10 per 1,000 gallons of water pumped. Accordingly, Mr. Barker recommended that the Board similarly reduce its surface water fees and groundwater pumpage fees.

Next, Mr. Jenkins presented to and reviewed with the Board a Water and Sewer Rate Analysis, a copy of which is attached hereto as Exhibit F. Mr. Jenkins recommended that the Board adopt a tiered structure for billing the District's water and sewer rates. He then responded to questions from the Board.

Upon further discussion, Director Lakin moved that the District's Rate Order be amended to (i) reduce the surface water rate to \$4.55 per 1,000 gallon of water, and reduce the groundwater pumpage rate to \$4.10 per 1,000 gallons of water, effective February 1, 2023, and (ii) incorporate the fee structure set forth in the Water and Sewer Rate Analysis presented by Quiddity. Director Schreiber seconded said motion, which unanimously carried. A copy of the Rate Order is attached hereto as Exhibit G.

ENGINEERING REPORT

Mr. Jenkins presented to and reviewed with the Board a written Engineering Report dated February 13, 2023, a copy of which is attached hereto as Exhibit H, detailing the status of various projects within the District. Upon review, Director Schreiber moved that (i) the bid for the Hurst Park lighting improvements be awarded to McDonald Municipal and Industrial, (ii) Quiddity be authorized to proceed with the design of the 2023 Lift Station Improvements, and (iii) Quiddity be authorized to proceed with the Wastewater Treatment Plant re-rating evaluation. Director Robson seconded said motion, which unanimously carried.

UTILITY COMMITMENTS

The Board deferred consideration of requests for utility commitments after noting that no new requests were received.

F.M. 1960 SIDEWALK AND/OR EXPANSION PROJECT BY TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT")

The Board deferred action items relative to TxDOT's F.M. 1960 sidewalk and/or expansion project.

AMENDMENT TO SANITARY SEWER TREATMENT CONTRACT BY AND BETWEEN THE DISTRICT AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 202 ("NO. 202")

The Board deferred consideration of an amendment to the Sanitary Sewer Treatment Contract by and between the District and No. 202.

AMENDMENT TO EMERGENCY WATER SUPPLY CONTRACT BY AND AMONG HEATHERLOCH MUNICIPAL UTILITY DISTRICT ("HEATHERLOCH"), HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 48 ("NO. 48") AND THE DISTRICT

The Board considered an amendment to the Emergency Water Supply Contract by and among Heatherloch, No. 48 and the District (the "Amendment"). Mr. Barker reviewed the provisions of the Amendment with the Board. He reported that the Amendment now reflected a rate in the amount of \$1.15 per 1,000 gallons for the provision of emergency water supply. Upon discussion, Director Lakin moved that the Amendment be approved, and that the President be authorized to execute same on behalf of the Board and District. Director Robson seconded said motion, which unanimously carried.

F.M. 1960 GREEN MEDIANS PROJECT

Director Carroll reported to the Board regarding the activities of the F.M. 1960 Green Medians Joint Powers Board.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Barker informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Barker recommended that, FORVIS, LLP ("FORVIS"), the District's auditor, be authorized to prepare and submit the information, which work will be performed on an hourly basis at an estimated cost of \$400-\$600. After discussion on the matter, it was moved by Director Schreiber, seconded by Director Robson, and unanimously carried that FORVIS be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board considered approval of insurance proposals for the term ending March 31, 2024. Mr. Barker presented a proposal from Arthur J. Gallagher ("Gallagher") to the Board, a copy of which is attached hereto as Exhibit I. Upon discussion, Director Lakin moved that the proposal received from Gallagher, be accepted for the term ending March 31, 2024. Director Robson seconded said motion, which unanimously carried.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 TAX YEAR

Mr. Barker advised that the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Barker then reviewed with the Board a worksheet completed by Quiddity to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2023 Tax Year. Following discussion, upon motion made by Director Robson, seconded by Director Lakin, and unanimously carried, the Board voted to pass and adopt the Resolution Concerning Developed District Status for 2023 Tax Year, attached hereto as part of Exhibit J.

CONSIDER RENEWAL OF LEASE AGREEMENT WITH GREENWOOD FOREST FUND, INC.

The Board discussed the renewal of the lease agreement with Greenwood Forest Fund in connection with the lease of the building located at 5302 Old Lodge Drive. Upon motion made by Director Lakin, seconded by Director Schreiber, the Board voted unanimously to approve said renewal of the lease agreement.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Barker stated that he did not have anything to report to the Board of a legal nature that was not already addressed under an agenda item.

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 Lakin, seconded by Director Robson, and unanimously carried, the meeting was adjourned.

Allen Schreiber, Secretary
Board of Directors

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List of Exhibits

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| Exhibit A | Mutual Termination of Residential Solid Waste Collection Contract |
| Exhibit B | Solid Waste Collection, Disposal and Recycling Agreement |
| Exhibit C | Storm Water Management Report |
| Exhibit D | Delinquent Tax Report |
| Exhibit E | Operator's Report |
| Exhibit F | Water and Sewer Rate Analysis |
| Exhibit G | Rate Order |
| Exhibit H | Engineering Report |
| Exhibit I | Arthur J. Gallagher Insurance Proposal |
| Exhibit J | Resolution Concerning Developed District Status for 2023 Tax Year |