

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

Minutes of Meeting of Board of Directors

March 11, 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 March 11, 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 Director Lakin, thus constituting a quorum. Director Lakin entered later in the meeting as noted herein.

Also attending the meeting were: Bradley Jenkins and Conner Murphy of Quiddity Engineering, LLC ("Quiddity"); Johnson Ashcroft of Environmental Development Partners, L.L.C. ("EDP"); Karen Sears of Storm Water Solutions, LP ("SWS"); Dane Turner of Best Trash, LLC ("Best Trash"); Kim Courte of Arthur J. Gallagher Insurance ("AJG"); 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.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its meeting held on February 12, 2024. Upon discussion, Director Culbreth moved that said minutes be approved, as presented. Director Robson seconded said motion, which unanimously carried.

DETENTION AND DRAINAGE REPORT

Ms. Sears presented to and reviewed with the Board a Detention and Drainage Report, a copy of which is attached hereto as Exhibit A. 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 B. Mr. Lai reviewed said report with the Board. Upon review, the Board concurred that no action was required.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board considered approval of insurance proposals for the term ending March 31, 2025. Ms. Courte presented a proposal from Arthur J. Gallagher ("Gallagher") to the Board, a copy of which is attached hereto as Exhibit C. She then responded to questions from the Board regarding the increase in premiums from last year. Upon discussion, the Board requested that Ms. Courte provide the Board with a renewal proposal that includes options for an increase in deductibles but lower premiums.

Director Lakin entered the meeting during the above discussion.

Ms. Courte exited the meeting at this time.

ANNUAL CONSUMER PRICE INDEX ADJUSTMENT AND AMENDMENT OF DISTRICT'S RATE ORDER; REQUEST FOR ADDITIONAL INCREASE FROM BEST TRASH, LLC ("BEST TRASH")

Mr. Turner presented to and reviewed with the Board correspondence from Best Trash concerning its annual Consumer Price Index adjustment, a copy of which is attached hereto as Exhibit D. He stated that the current rate of \$28.50 will increase to \$30.56 effective April 12, 2024, and will continue through February 2025. Upon discussion, Director Lakin moved that the (i) annual CPI adjustment be accepted, effective April 12, 2024, and (ii) the Rate Order be amended to increase the residential sanitary sewer flat rate to \$33.56, effective April 1, 2024, and that any and all prior Rate Orders be revoked as of said date. Director Culbreth seconded said motion, which unanimously carried. A copy of the Rate Order is attached hereto as Exhibit E.

Mr. Turner exited the meeting at this time.

OPERATOR'S REPORT

Mr. Ashcroft reviewed with the Board an Operator's Report, a copy of which is attached hereto as Exhibit F, and discussed the information contained therein. He presented to and reviewed with the Board proposals from Inframark for the replacement of (i) Booster Pumps Nos. 1 and 4 at Water Plant No. 3 in the amount of \$6,550, and (ii) Lift Pump No. 2 at Lift Station No. 3 in the amount of \$24,517. Mr. Jenkins stated that Quiddity will review the pump curves of the lift pump and provide a recommendation. Upon discussion, Director Lakin moved that the proposals from Inframark be approved for the replacement of (i) Booster Pumps 1 and 4 at Water Plant No. 3, and (ii) Lift Pump No. 2 at Lift Station No. 3, subject to coordination with Quiddity. Director Culbreth seconded said motion, which unanimously carried.

Mr. Ashcroft requested authorization for Inframark to dispose of the District's old paperwork that has since been stored digitally on Inframark's server. A copy of the list of contents is included in the Operator's Report. Mr. Ashcroft stated that the District will save \$2,400 in annual storage costs as a result. The Board requested that all Texas Commission on Environmental Quality ("TCEQ") materials be retained and not destroyed. Upon discussion, Director Lakin moved that Inframark be authorized to dispose of the District's old paperwork as listed in the Operator's Report, but retain all TCEQ materials. Director Culbreth seconded said motion, which unanimously carried.

Mr. Ashcraft stated that Inframark is reviewing the District's water conservation plan and drought contingency plan for any updates.

ANNUAL SUBMISSION OF DISTRICT FACILITIES THAT QUALIFY FOR CRITICAL LOAD STATUS

Mr. Lai reported that Section 13.1396, Water Code, requires that the District annually submit a list of its potential critical load status facilities to each electric distribution utility and each retail electric utility provider for a determination that the facilities qualify for critical load status. After discussion on the matter, Director Lakin moved that EDP be authorized to make such annual submission on behalf of the District. Director Schreiber seconded the motion, which carried unanimously.

ENGINEERING REPORT

Mr. Murphy presented to and reviewed with the Board a written Engineering Report dated March 7, 2024, a copy of which is attached hereto as Exhibit G, detailing the status of various projects within the District.

A discussion ensued regarding the Lift Station No. 2 Expansion Project (the "Project"). Mr. Murphy requested authorization for Quiddity to proceed with actions in accordance with the scope memo attached to the Engineer's Report, and approve a sixty (60) day extension for said Project. Mr. Lai stated that after a considerable review of the District's records, it appears that the site was never conveyed to the District by the original developer of the District. Accordingly, the Board may consider condemnation of the site at its next meeting.

Upon discussion, Director Lakin moved that (i) Pay Estimate No. 1 in the amount of \$68,088.60 payable to McDonald Municipal and Industrial for the 2023 Off-site Lift Station Improvements, be approved, and (ii) Quiddity be authorized to proceed with the design of Water Well No. 3 Rework. Director Schreiber seconded said motion, which unanimously carried.

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

The status of the F.M. 1960 sidewalk and/or road expansion project was discussed under the Operator's Report.

F.M. 1960 GREEN MEDIANS PROJECT

Director Carroll stated that the next meeting of the F.M. 1960 Green Medians Joint Powers Board will occur on April 1st.

UNCLAIMED PROPERTY REPORT AS OF MARCH 1, 2024

The Board then considered authorizing the preparation of an Unclaimed Property Report as of March 1, 2024, and the filing of same with the Texas State Comptroller prior to July 1, 2024. After discussion on the matter, Director Lakin moved that the District's consultants be authorized to prepare an Unclaimed Property Report, if necessary, and that the District's bookkeeper file said report with the Texas State Comptroller prior to July 1, 2024. Director Culbreth seconded said motion, which unanimously carried.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 4, 2024. Mr. Lai advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 16, 2024. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Lai then presented and reviewed the Order Declaring Candidates Elected, attached hereto as Exhibit H. After discussion, it was moved by Director Lakin, seconded by Director Culbreth, and unanimously carried that the Order be adopted by the Board declaring Warren Carroll, Victor Robson and W. Kemp Culbreth III elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Lai 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

Director Kemp requested that an item discussing Acclaim Energy Advisors' Texas Reliability Solution Program be added to the next agenda.

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 Culbreth, and unanimously carried, the meeting was adjourned.

Allen Schreiber, Secretary
Board of Directors

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HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

List of Exhibits

- Exhibit A Detention and Drainage Report
- Exhibit B Delinquent Tax Report
- Exhibit C Arthur J. Gallagher Insurance Proposal
- Exhibit D Best Trash correspondence of Annual Consumer Price Index
- Exhibit E Rate Order
- Exhibit F Operator's Report
- Exhibit G Engineering Report
- Exhibit H Order Declaring Candidates Elected

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