

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

Minutes of Meeting of Board of Directors

September 11, 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 September 11, 2023, 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 participated in the meeting, thus constituting a quorum.

Also attending the meeting were: Conner Murphy and Grady Turner of Quiddity Engineering, LLC ("Quiddity"); Tommy Merck and Johnson Ashcroft of Environmental Development Partners, L.L.C. ("EDP"); Greg Lentz of Masterson Advisors LLC ("Masterson"); Rene Anadel of Wheeler & Associates, Inc. ("Wheeler"); 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 August 14, 2023. Mr. Lai stated that the minutes will be revised to reflect a name correction from Maureen Langford to Maureen Lankford. Upon discussion, Director Schreiber moved that said minutes be approved, as revised. Director Lakin seconded said motion, which unanimously carried.

DETENTION AND DRAINAGE REPORT

In the absence of the representative from Storm Water Solutions, LP, Mr. Lai stated that the Storm Water Management Report was sent to the Board prior to today's meeting. A copy of said report 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. Upon review, the Board concurred that no action was required.

ENGINEERING REPORT

Mr. Murphy presented to and reviewed with the Board a written Engineering Report dated September 8, 2023, a copy of which is attached hereto as Exhibit C, detailing the status of various projects within the District. Upon review and discussion, Director Schreiber moved that the action items in the Engineering Report be approved, including (i) approval of Pay Estimate No. 1 to W.W. Payton Corp. for replacement of the hydropneumatic tank at Water Plant No. 3; (ii) approval of Final Pay Estimate to McDonald Municipal and Industrial ("McDonald") for construction of Hurst Park lighting improvements; (iii) approval of construction contracts with McDonald for construction of the 2023 off-site lift station improvements; (iv) authorization for Quiddity to prepare easement documents in connection with the F.M. 1960 TxDOT sidewalk project; and (iv) award of a contract to LEM Construction Company, Inc. in connection with the 2022 Wastewater Treatment Plant Improvements, subject to SPH's review of bonds and receipt of Texas Ethics Commission Form 1295. Director Lakin seconded said motion, which unanimously carried.

Mr. Turner next presented to and reviewed with the Board a Wastewater Treatment Plant Re-Rating Evaluation ("WWTP Evaluation"), a copy of which is attached hereto as Exhibit D. Upon discussion, the Board requested that Quiddity provide cost estimates for each of the potential scenarios identified in the WWTP Evaluation.

OPERATOR'S REPORT

Mr. Merck reviewed with the Board an Operator's Report, a copy of which is attached hereto as Exhibit E, and discussed the information contained therein.

Mr. Merck reported to the Board that EDP received three (3) billing disputes prior to today's meeting. He then reviewed same and responded to questions from the Board. Upon discussion, the Board concurred that no action was required for the above-referenced disputes.

UTILITY COMMITMENTS

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

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

Mr. Lai reported that SPH is communicating with outside condemnation counsel concerning the acquisition of easements required by TxDOT for the F.M. 1960 sidewalk and/or road 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 action concerning the amendment to the Sanitary Sewer Treatment Contract by and between the District and No. 202.

F.M. 1960 GREEN MEDIANS PROJECT

Director Carroll reported to the Board that the next meeting of the F.M. 1960 Green Medians Joint Powers Board will be held in December 2023.

FINANCIAL ADVISOR'S RECOMMENDATION FOR THE DISTRICT'S PROPOSED 2023 TAX RATE

There was next a discussion concerning the requirements for providing notice of the District's intention to adopt a 2023 tax rate. Mr. Lai advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Lai further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Mr. Lentz presented the Board with his recommendation regarding the proposed 2023 debt service tax rate, a copy of which is attached hereto as Exhibit F. Mr. Lentz advised that he is recommending a proposed 2023 debt service tax rate of \$0.1350 per \$100 of assessed valuation. Mr. Lentz further noted that the total tax rate as published would include an unused increment as authorized by Texas Water Code §49.23602. After discussion on the matter, Director Lakin moved that (i) the Board accept the financial advisor's recommendation of a proposed 2023 debt service tax rate of \$0.1350 per \$100 of assessed valuation and a proposed maintenance tax rate of \$0.093 per \$100 of assessed valuation, for a total tax rate of \$0.2280 per \$100 of assessed valuation, and (ii) the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt such 2023 tax rate at its meeting of October 9, 2023, in the form and at the time required by law. Director Schreiber seconded said motion, which unanimously carried. The Board concurred that such notice be published in *The Houston Chronicle*.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board considered the Tax Assessor-Collector's Report for the month ending August 31, 2022, and a delinquent tax roll, copies of which are attached hereto as Exhibit G. Upon discussion, Director Lakin moved that the tax report and delinquent tax roll be approved and the disbursements listed in the report be authorized for payment. Director Schreiber seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Lai presented to and reviewed with the Board a Sales and Use Tax Administration Report dated August 2023, a copy of which is attached hereto as Exhibit H. Upon review, the Board concurred that no action was required.

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 Culbreth, and unanimously carried, the meeting was adjourned.

Allen Schreiber, Secretary
Board of Directors

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List of Exhibits

- Exhibit A Storm Water Management Report
- Exhibit B Delinquent Tax Report
- Exhibit C Engineering Report
- Exhibit D Wastewater Treatment Plant Re-Rating Evaluation
- Exhibit E Operator's Report
- Exhibit F 2023 Tax Rate Recommendation
- Exhibit G Tax Assessor-Collector's Report
- Exhibit H Sales and Use Tax Administration Report

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