

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

Minutes of Meeting of Board of Directors

October 9, 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 October 9, 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: Bradley Jenkins and Conner Murphy of Quiddity Engineering, LLC ("Quiddity"); Tommy Merck and Johnson Ashcroft of Environmental Development Partners, L.L.C. ("EDP"); Karen Sears of Storm Water Solutions, L.P. ("SWS"); and Eric Lai of Schwartz, Page & Harding, L.L.P. ("SPH"). Rene Anadel of Wheeler & Associates, Inc. ("Wheeler") entered later in the meeting as noted herein.

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 September 11, 2023. Mr. Lai stated that a minor numbering change will be made to the action items under the Engineer's Report. Upon discussion, Director Schreiber moved that said minutes be approved, as revised. Director Lakin seconded said motion, which unanimously carried.

DETENTION AND DRAINAGE REPORT

Ms. Sears presented to and reviewed with the Board a Storm Water Management Report, a copy of which is attached hereto as Exhibit A. She stated that SWS will begin fertilizing and overseeding in the District. Ms. Sears reported that there are cracks in the asphalt walking path located at the Hurst Park detention pond. She stated that SWS will monitor and report back to the Board, as needed. Ms. Sears next presented to and reviewed with the Board a flyer for inclusion in the District's next water bill, a copy of which is attached to the Storm Water Management

Report. She stated that she will forward same to EDP after today's meeting. 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, Director Lakin moved that Cox be authorized to proceed with notices and door hangers for water termination for those certain eligible delinquent tax accounts. Director Schreiber seconded said motion, which unanimously carried.

OPERATOR'S REPORT

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

Mr. Merck presented to and reviewed with the Board a notice from the North Harris County Regional Water Authority regarding its reduction in surface water fees and groundwater reduction fees, a copy of which is attached to the Operator's Report. He stated that the surface water fee will reduce from \$4.55 per 1,000 gallons to \$4.05 per 1,000 gallons. Mr. Lai stated that the District will amend its Rate Order, effective October 1, 2023. Upon discussion, Director Lakin moved that the District's Rate Order be amended to reflect a reduction in the NHCRWA's surface water fee from \$4.55 per 1,000 gallons to \$4.05 per 1,000 gallons, and that any an all prior Rate Orders be revoked as of October 1, 2023. Director Schreiber seconded said motion, which unanimously carried. A copy of said Rate Order is attached hereto as Exhibit D.

Mr. Merck reported to the Board that EDP received a request for a water bill adjustment. He stated the customer reported high water usage due to a leaking toilet that has subsequently been repaired. Upon discussion, Director Lakin moved that said appeal be approved, and that EDP be authorized to adjust the customer's bill to the lowest tiered rate. Director Schreiber seconded said motion, which unanimously carried.

Mr. Merck reported to the Board that the NHCRWA lowered its Drought Contingency Plan ("DCP") to Stage 1, and that, as a result, the District will also lower its DCP to Stage 1.

Mr. Merck reported to the Board that the clarifier at the District's Wastewater Treatment Plant ("WWTP") is in need of repairs due to a malfunctioning shaft and motor. Mr. Merck reported that Neil Technical Service ("NTS") provided a quote in the approximate amount of \$70,000 to perform said repairs. He further reported that the clarifier would also need to be cleaned out prior to any repairs being performed. Mr. Merck stated that NTS provided a quote in the amount of \$35,000 to clean out the clarifier. Upon discussion, Director Lakin moved that the quotes from NTS in the approximate amount of \$70,000 for the clarifier repairs, and the quote in the amount of \$35,000 for the cleanout of the clarifier at the WWTP be approved, respectively. Director Schreiber seconded said motion, which unanimously carried.

Ms. Andel entered the meeting at this time.

Mr. Merck reported to the Board that the flow meter at the WWTP had been under-registering but that EDP re-calibrated the flow meter in April of 2023. Mr. Jenkins advised the Board that the re-rate analysis will need to be redone based on the new flow data. He stated that Quiddity requires at least a few months of accurate flow data before a new re-rating analysis can be performed. The Board concurred to authorize Quiddity to re-analyze the WWTP re-rate once such data is available.

ENGINEERING REPORT

Mr. Murphy presented to and reviewed with the Board a written Engineering Report dated October 9, 2023, a copy of which is attached hereto as Exhibit E, detailing the status of various projects within the District. Upon review and discussion, Director Culbreth moved that the action items in the Engineering Report be approved, including (i) approval of Change Order No. 1 to Bull-G Construction for a deduction in the amount of \$5,610,00 to the Northwest Petroleum Sanitary Sewer Extension; (ii) approval of Pay Estimate No. 2 in the amount of \$23,175 to W.W. Payton Corp. for replacement of the hydropneumatic tank at Water Plant No. 3; and (iii) authorize Quiddity to proceed with the Lift Station No. 2 Expansion, subject to the receipt of required funds from Harris County Municipal Utility District No. 202. Director Schreiber seconded said motion, which unanimously carried.

The Board deferred action concerning the amendment to the Sanitary Sewer Treatment Contract by and between the District and No. 202.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board considered the Tax Assessor-Collector's Report for the month ending September 30, 2023, and a delinquent tax roll, copies of which are attached hereto as Exhibit F. 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.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S PROPOSED 2023 TAX RATE

As the next order of business, the Board conducted a public hearing regarding the imposition of a proposed tax rate for 2023. It was noted that no comments from taxpayers were presented at the hearing. Upon motion by Director Culbreth, seconded by Director Robson and unanimously carried, the hearing was closed.

CONSIDER THE LEVY OF THE DISTRICT'S 2023 DEBT SERVICE TAX RATE AND MAINTENANCE TAX RATE, AND THE ADOPTION OF AN ORDER IN CONNECTION THEREWITH

The Board next discussed the setting of the District's 2023 tax rate. Ms. Anandel confirmed that a notice of the District's intent to set its 2023 tax rate and the public hearing in connection therewith was published in *The Houston Chronicle* in the section directed to the zip code in which the District is located, in accordance with all legal requirements and as directed at the previous

meeting. After discussion on the matter, Director Culbreth moved that: (i) the Board adopt the tax rate as proposed at the September 11, 2023, meeting of the Board and as reflected in the above-referenced notice; (ii) the District levy a 2023 debt service tax of \$0.1350 per \$100 of assessed valuation and a maintenance tax of \$0.093 per \$100 of assessed valuation, resulting in a 2023 total tax rate of \$0.2280 per \$100 of valuation; and (iii) the Order Levying Taxes, attached hereto as Exhibit G, be adopted in connection therewith, and the President be authorized to execute and the Secretary be authorized to attest same on behalf of the Board and the District. Director Robson seconded said motion, which carried unanimously.

AUTHORIZE EXECUTION OF AN AMENDED DISTRICT INFORMATION FORM RELATIVE TO THE LEVY OF THE 2023 TAX RATE

Mr. Lai next presented to and discussed with the Board an Amendment to the District's Amended and Restated District Information Form reflecting the levy of the District's 2023 tax rate. After discussion, Director Culbreth moved that such amendment be approved and that the Board members present be authorized to execute same on behalf of the Board and District. Director Robson seconded said motion, which carried unanimously.

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 noted that the F.M. 1960 sidewalk and/or road expansion project was discussed under the Engineer's Report.

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 November 2023.

ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered the annual review of an Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order"), and the adoption of a Resolution in connection therewith, copies of which are attached hereto as Exhibit H. Mr. Lai reviewed with the Board the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). Mr. Lai then discussed the proposed changes with the Board. After discussion on the matter, Director Culbreth moved that the revised Order be adopted to reflect the proposed changes, that the Board adopt the Resolution and that the President and Secretary be authorized to execute same. Director Robson seconded said motion, which unanimously carried.

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

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 Culbreth, 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 Storm Water Management Report
- Exhibit B Delinquent Tax Report
- Exhibit C Operator's Report
- Exhibit D Rate Order
- Exhibit E Engineering Report
- Exhibit F Tax Assessor-Collector's Report
- Exhibit G Order Levying Taxes
- Exhibit H Order Establishing Policy for Investment of District Funds and Appointing Investment Officer and Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer