

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 109

Minutes of Meeting of Board of Directors

December 12, 2022

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 December 12, 2022, 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"); Tommy Merck of Environmental Development Partners, L.L.C. ("EDP"); Karen Sears of Storm Water Solutions, LP ("SWS"); Wendy Ramirez of FORVIS, LLP ("FORVIS"); Peggy Magsig and Rosina Boswell of the Greenwood Forest Homeowners Association ("HOA"); and Rick Barker of Schwartz, Page & Harding, L.L.P. ("SPH"). Debra Loggins of L&S District Services, LP ("L&S") and Rene Anandel of Wheeler and Associates, Inc. ("Wheeler") each 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 meetings held on November 14, 2022, and November 28, 2022. After discussion, Director Lakin moved that said minutes be approved, as presented. Director Robson seconded said motion, which unanimously carried.

ANNUAL CONTRIBUTION OF WOMEN'S CLUB OF THE HOA

A discussion ensued regarding the District's annual contributions to the Women's Club of the HOA for the purpose of maintaining certain landscaping areas. Ms. Magsig and Ms. Boswell addressed the Board and responded to questions. Upon discussion, Director Schreiber moved that (i) the District approve an annual contribution to the HOA in an amount up to \$5,000 per calendar year, (ii) the District's operating budget be amended to include a \$5,000 annual amount to the

HOA, and (iii) any and all prior contributions to the HOA be approved and ratified in all respects. Director Lakin seconded said motion, which unanimously carried.

Ms. Boswell and Ms. Magsig exited the meeting at this time. Ms. Anadel entered the meeting at this time.

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 A. Ms. Sears requested authorization for SWS to be designated as the District's Storm Water Renewal Representative and to submit correspondence to the Harris County Engineering Department regarding same. Director Robson seconded said motion, which unanimously carried.

Ms. Sears exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Anadel presented and reviewed with the Board the tax assessor-collector's report and delinquent collections report for the month of November 2022, 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 Lakin seconded said motion, which unanimously carried.

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 C. Mr. Barker reviewed said report with the Board. Upon review, the Board concurred that no action was required.

Ms. Loggins entered the meeting at this time.

CONSIDER ENGAGEMENT OF FORVIS FOR PREPARATION OF AUDIT FOR FISCAL YEAR ENDING DECEMBER 31, 2022

Ms. Ramirez presented to the Board an engagement letter from FORVIS, a copy of which is attached hereto as Exhibit D, relative to preparing an annual audit report for the District and the joint wastewater treatment plant for the District's fiscal year ending December 31, 2022. She stated that FORVIS' fee for preparing said reports will be \$19,000 for the District and \$3,000 for the wastewater treatment plant, plus a \$1,000 administrative fee. After discussion, Director Lakin moved that the District engage FORVIS to perform the audit for the fiscal year ending December 31, 2022, as presented in the engagement letter, and accept the related Texas Ethics Commission ("TEC") Form 1295. Director Culbreth seconded said motion, which unanimously carried.

Ms. Ramirez exited the meeting at this time.

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. Upon review, the Board concurred that no action was required.

Mr. Merck reported to the Board that EDP will present a water/sewer rate analysis to the Board at its next meeting.

BOOKKEEPER'S REPORT

Ms. Loggins presented to and reviewed with the Board a Bookkeeper's Report, a copy of which is attached hereto as Exhibit F. After discussion, it was moved by Director Robson that said report and the various payments listed therein be approved. Director Culbreth seconded said motion, which unanimously carried.

OPERATING BUDGETS FOR FISCAL YEAR ENDING DECEMBER 31, 2023

Ms. Loggins then presented the operating budgets for the District and for the joint Wastewater Treatment Plant for the fiscal year ending December 31, 2023, copies of which are attached hereto as Exhibit G. After review and discussion, Director Robson moved to approve the budgets, subject to final review by the District's consultants. Director Culbreth seconded said motion, which unanimously carried.

ENERGY REPORTING PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 2265

There was next a discussion regarding the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Ms. Loggins presented and reviewed with the Board Cost and Usage Report for the District for the period November 2021 through October 2022, a copy of which is attached hereto as Exhibit H. She noted that no further action is required for compliance.

ENGINEERING REPORT

Mr. Jenkins presented and reviewed with the Board a written Engineering Report dated December 9, 2022, a copy of which is attached hereto as Exhibit I, detailing the status of various projects within the District. Upon review, the Board concurred that no action was required.

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 considered ratification of the approval for the engagement of condemnation counsel in connection with the acquisition of certain easements for water meter relocations required because of TxDOT's F.M. 1960 sidewalk and/or expansion project. Upon discussion, Director Lakin moved that the Board's prior approval of the engagement of Phelps Dunbar LLP as the District's condemnation counsel in connection with such acquisitions including acceptance of the related TEC Form 1295, be ratified and approved in all respects. Director Culbreth seconded said motion, which unanimously carried.

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 deferred consideration of an amendment to the Emergency Water Supply Contract by and among Heatherloch, No. 48 and the District.

F.M. 1960 GREEN MEDIANS PROJECT

Director Carroll stated that he did not have anything new to report to the Board regarding the activities of the F.M. 1960 Green Medians Joint Powers Board. He stated that the next meeting will occur in January.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Barker presented to and reviewed with the Board a Memorandum prepared by SPH detailing the Public Utility Commission of Texas' (the "PUC") publication of 16 TAC, Sections 24.173 and 24.364 relating to the implementation of Senate Bill 3 ("S.B. 3"). A copy of the Memorandum is attached hereto as Exhibit J. The Board was informed that a notice containing certain required information must be provided to each of the District's retail water or sewer customers prior to January 31, 2023. After discussion, Director Schreiber, moved to approve the required notice language prepared by SPH, a copy of which is included in the Memorandum and to authorize EDP to include the approved notice as an insert into the District's next utility bill. Director Robson seconded the motion, which carried unanimously.

Mr. Barker next presented to and reviewed with the Board an amended Rate Order. He advised that this Rate Order would allow sixty (60) days to refund deposits to customers and would address changes in the law resulting from the PUC's implementation of S.B. 3. Following discussion, it was moved by Director Schreiber, seconded by Director Robson, and unanimously

carried that the Rate Order be amended, a copy of which amended Rate Order is attached as Exhibit K.

Mr. Barker reported that all political subdivisions with the power of eminent domain, including the District, are required to file an eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Robson, seconded by Director Schreiber and unanimously carried, that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

Mr. Barker presented to and reviewed with the Board a Sales and Use Tax Administration Report for November 2022, a copy of which is attached hereto as Exhibit L. Upon review, the Board concurred that no action was required.

Mr. Barker reported to the Board that a survey request was received from the U.S. Census Bureau – U.S. Department of Commerce, a copy of which is attached hereto as Exhibit M. Upon discussion, the Board concurred not to participate in said survey.

CLOSED SESSION

The Board did not enter into Closed Session.

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 Lakin, 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	Tax Assessor-Collector's Report
Exhibit C	Delinquent Tax Report
Exhibit D	FORVIS, LLP Engagement Letter
Exhibit E	Operator's Report
Exhibit F	Bookkeeper's Report
Exhibit G	Budget for Fiscal Year End December 31, 2023
Exhibit H	Acclaim Energy Report
Exhibit I	Engineering Report
Exhibit J	Memorandum concerning implementation of Senate Bill 3
Exhibit K	Rate Order
Exhibit L	Sales and Use Tax Administration Report (November 2022)
Exhibit M	U.S. Census Bureau Survey Request