

MINUTES OF BOARD OF DIRECTORS MEETING  
MAY 19, 2026

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

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The Board of Directors (the “*Board*”) of Harris County Municipal Utility District No. 109 (the “*District*”) met in regular session, open to the public, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, on May 19, 2026, at 5:30 p.m.; whereupon the roll was called of the Board, to-wit:

Owen H. Parker, President  
Chris Green, Vice President  
Cheryl Moore, Secretary  
Robin Sulpizio, Assistant Secretary  
Dennis Bone, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Ms. Jonie Hassinger and Mr. Larry Hassinger, residents of the District; Ms. Odett Newman of Bob Leared Interests (“BLI”), tax assessor and collector for the District; Deputy E. Krieg, Sergeant J. Boepple and Lieutenant Steve Romero of Harris County Precinct 4 Constable’s Office; Mr. Cory Burton of Municipal Accounts & Consulting, LP (“MAC”), bookkeeper for the District; Mr. Chris Meinhardt of BGE, Inc. (“BGE”), engineer for the District; Mr. Clint Gehrke of Water Waste Water Management Services, Inc. (“WWWMS”), operator for the District; and Mr. Dimitri Millas, Ms. Leslie Bacon and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

**Call to Order.** President Parker called the meeting to order in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as *Exhibit A*, and the following business was transacted:

1. **Public Comments.** There were no public comments.
2. **Minutes.** The Board considered the proposed minutes of the meeting held on April 21, 2026, previously distributed to the Board. Upon motion by Director Sulpizio, seconded by Director Green, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meetings held on April 21, 2026, as presented.
3. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of April 2026, a copy of which is attached hereto as *Exhibit B*. Upon motion by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Security Report.

Lieutenant Romero discussed the upcoming contract renewals. He noted that for the 2027 contract, there will be a option for 65/35 percent. It was the consensus of the Board for the 2027 to opt for the 65/35 percent contract.

4. **Discuss HOA elimination of Constable contracts and take any necessary action.** President Parker stated that this agenda item was resolved and that the HOA decided to keep their constable contracts in place.

5. **Qualify Directors and Election of Officers.** President Parker recognized Ms. Bacon, who stated that Directors Sulpizio, Moore and Bone have executed their new Statement of Officer and Oath of Officer, thereby qualifying them to serve as directors for the term beginning May 2026. Discussion ensued regarding election of officers and there were no nominations presented.

Upon motion by Director Green, seconded by Director Bone, after full discussion and the question being put to the Board, the Board voted unanimously to qualify elected Directors Sulpizio, Moore and Bone for the term beginning May 2026 and to keep the same slate of officers.

6. **Engage auditor for fiscal year ending May 31, 2026.** President Parker recognized Ms. Bacon, who reviewed the auditor engagement continuance letter from McCall Gibson Swedlund Barfoot Ellis PLLC ("McCall"), a copy of which is attached hereto as *Exhibit C*. She stated that the District has an evergreen agreement with McCall and that the estimated fees for the audit for the fiscal year ending May 31, 2025 are between \$20,000 and \$22,000.

Upon motion by Director Bone, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the auditor engagement continuance letter with McCall.

7. **Review Operations Report, authorize repairs, approve termination of delinquent accounts in accordance with the District's Rate Order and approve Consumer Confidence Report.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated May 19, 2026 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit D*. Mr. Gehrke reported that 94.75% of the water pumped was billed for the period April 1, 2025 through April 30, 2026.

Mr. Gehrke reported on various maintenance items.

Mr. Gehrke reported on Water Plant No. 1. He stated that the well was running fine until Sunday morning. He reviewed an estimate from C&C Water Services, LLC to televise the well in the amount of \$12,300.00. He noted that should an under the pump survey be required that estimate is \$25,500.00.

Mr. Gehrke reported on 5707 Enchanted Timbers. He stated that the customer is requesting that the \$200 tampering fee be waived.

Upon motion by Director Bone, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, approve the termination of delinquent accounts in accordance with the terms of the District's Rate Order, authorize waiving the \$200 tampering fee for 5707 Enchanted Timbers and to approve the estimate from C&C Water Services, LLC in the amount of \$12,300.00, and in the event an under the pump survey is required, \$25,500.00.

8. **Tax Collector's Report and authorize payment of certain bills.** President Parker recognized Ms. Newman, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of April 2026, a copy of which is attached hereto as *Exhibit E*. She provided an update on the transition and tax payments. She reported that as of today, 96.2% of the District's 2025 taxes have been collected.

Upon motion by Director Bone, seconded by Director Sulpizio, after full discussion and the

question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of checks therein, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

9. **Review Bookkeeper's Report, and authorize payment of certain bills, and approve quarterly investment report.** President Parker recognized Mr. Burton, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as *Exhibit F*.

Upon motion by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein.

10. **Adopt budget for fiscal year ending May 31, 2027.** President Parker recognized Mr. Burton, who reviewed the budget for fiscal year ending May 31, 2027, a copy of which is attached to the Bookkeeper's Report. Discussion ensued.

Discussion ensued regarding the District's Rate Order and water rates. Mr. Gehrke stated that he can provide examples of gallon structures at the next meeting. Discussion ensued regarding sewer rates and the discount to the North Harris County Regional Water Authority ("NHCRWA") fee. Upon motion by Director Green, seconded by Director Bone, after full discussion and the question being put to the Board, the Board voted unanimously to increase the base sewer rates by \$5 and to remove the "less \$0.25 per 1,000 gallons of water used" discount from the NHCRWA fee.

Upon motion by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the budget for the fiscal year ending May 31, 2027, as revised.

11. **Review Rate Order and take appropriate action.** This item was addressed under the previous item.

12. **Renewal of District insurance (expires 5-22-26) and indemnification of Directors.** President Parker reviewed with the Board the insurance proposal from Arthur J. Gallagher Waterworks Insurance Network ("WIN"), a copy of which is attached hereto as *Exhibit G*. Discussion ensued.

President Parker stated that the Board received an additional insurance proposal from WIN for an optional TML insurance contribution, a copy of which is attached hereto as *Exhibit H*.

Upon motion by Director Green, seconded by Director Bone, after full discussion and the question being put to the Board, the Board voted unanimously to approve the original insurance Proposal from WIN.

President Parker recognized Ms. Bacon, who presented the Resolution Authorizing Indemnification of Directors, a copy of which is attached hereto as *Exhibit I*. She stated that to the extent that Directors are acting in good faith in carrying out their duties, the District may indemnify Directors from losses or costs in connection with lawsuits that are not otherwise covered by the Directors and Officers liability insurance.

Upon motion by Director Green, seconded by Director Bone, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution Authorizing Indemnification of Directors.

13. **Engineer's Report.** President Parker recognized Mr. Meinhardt who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit J*.

Mr. Meinhardt reported on the Wastewater Treatment Plant Belt Press Replacement/Belt Press Building Rehabilitation. He stated that there is no update.

Mr. Meinhardt reported on the Sanitary Sewer Rehabilitation. He stated that the project is currently being advertised and that bid opening is scheduled for June 11, 2026. He noted that BGE anticipates presenting the Recommendation of Award at the June Board Meeting.

Mr. Meinhardt reported on the Capital Improvement Plan. He reviewed a proposal to update the CIP in an amount of \$16,000.00.

Mr. Meinhardt reported on Lift Station No. 3 Rehabilitation/Fence Replacement. He stated that the project is substantially complete. He presented Pay Estimate No. 2 and Final is recommended in the amount of \$134,640.00.

Mr. Meinhardt reported on the Interconnect with Harris County Municipal Utility District No. 46 ("HCMUD No. 46"). He stated that the design is ongoing and that BGE anticipates 70% of design plans by the end of June.

Mr. Meinhardt reported on Water Plant No. 1 and No. 2 Electrical Improvements. He stated that BGE anticipates 80% design plans by the end of June.

Mr. Meinhardt reported on the Woodland Hills Tract. He stated that there is no update.

Mr. Meinhardt reported on Capacity Commitments. He stated that there is no update.

Mr. Meinhardt reported on a District drainage request. He stated that BGE received an information request from LAN, Inc. on behalf of Harris County. He stated that Harris County requested drainage plans sent to engineering firm representing Harris County on April 28, 2026.

Mr. Meinhardt reported on the Risk and Resilience Five-year Reassessment ("RRA"). He reviewed a memo summary report sent to the Board on May 12, 2026 for review.

Mr. Meinhardt reported on the Master Storm Water Quality Permit Renewal. He reviewed documents that need to be executed by Board President for the Master SWQ permit renewal.

Mr. Meinhardt reported on an Annexation/Capacity Request. He stated that BGE was contacted by Scott Leichtenberg, with Light Hill Homes, on May 13, 2026, regarding annexation/capacity request for tract off of Greenstill Drive. He reviewed the vicinity map. He stated that he will have more information at the next meeting.

Upon motion by Director Sulpizio, seconded by Director Bone, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Engineer's Report; (2) approve BGE's proposal to update the CIP in the amount of \$16,000.00; (3) approve

Pay Estimate No. 2 and Final in the amount of \$134,640.00 for Lift Station No. 3 Rehabilitation/Fence Replacement Project; and (4) authorize the President to execute the documents for the Master SWQ permit renewal.

14. **Executive Session pursuant to Section 551.076 of the Open Meetings Act to deliberate the deployment, or specific occasions for implementation, of security personnel or devices, or a security audit.** The Board did not enter into Executive Session.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board of Directors on June 16, 2026.



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President, Board of Directors

ATTEST:



\_\_\_\_\_  
Secretary, Board of Directors

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

### NOTICE

In accordance with chapter 551, Texas Government Code and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Directors of Harris County Municipal Utility District No. 109 will meet in regular session, open to the public, at **Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346**, at **5:30 p.m. on Tuesday, May 19, 2026**. At such meeting, the Board will consider and act on the following matters:

1. Public comments (3 minutes maximum per person);
2. Approve minutes of the meeting held on April 21, 2026;
3. Report by Harris County Precinct Four Constable and take any necessary action;
4. Discuss HOA elimination of Constable contracts and take any necessary action;
5. Qualify Directors and Elections of Officers;
6. Engage auditor for fiscal year ending May 31, 2026;
7. Approve Operations Report, authorize repairs, approve termination of delinquent accounts in accordance with the District's Rate Order and approve consumer confidence report;
8. Review Tax Collector's Report and authorize payment of certain bills;
9. Review Bookkeeper's Report, and authorize payment of certain bills, and approve quarterly investment report;
10. Adopt budget for fiscal year ending May 31, 2027;
11. Review Rate Order and take appropriate action;
12. Renewal of District insurance (expires 5-22-26) and indemnification of Directors; and such other matters as may properly come before the Board;
13. Review Engineer's Report, including approval of pay estimates, authorization of change orders to pending construction contracts, proposal for construction materials testing, annexation matters, capital improvement plan, variance request and authorize capacity commitments;
14. Executive Session pursuant to Section 551.076 of the Open Meetings Act to deliberate the deployment, or specific occasions for implementation, of security personnel or devices, or a security audit.



Norton Rose Fulbright US LLP  
Attorneys for District

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Sections 551.071-551.084 of the Texas Government Code and the Texas Open Meetings Act, including, but not limited to, Section 551.071 - for the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's paralegal at (713) 651-5589 at least three business days prior to the meeting so that appropriate arrangements can be made.

203193507.1

Exhibit A

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|  | Ten Month<br>Actuals | Twelve<br>Months<br>Annualized | Approved    | Proposed    |
|--|----------------------|--------------------------------|-------------|-------------|
|  | 06/25 - 03/26        | FYE 05/26                      | 2026 Budget | 2027 Budget |

## Revenues

|                                              |                    |                    |                    |                    |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| 14101 · Water- Customer Service Revenue      | 508,165            | 609,798            | 577,000            | 615,900            |
| 14102 · Surface Water - Reserve              | 510,364            | 612,436            | 1,022,900          | 770,565            |
| 14103 · Capital Contribution Credit - NHCRWA | 122,613            | 147,135            | 147,135            | 147,135            |
| 14105 · Connection Fees                      | 31,350             | 37,620             | 29,300             | 38,700             |
| 14108 · Water Sales to HC 151                | 6,956              | 8,348              | 10,600             | 8,600              |
| 14201 · Wastewater-Customer Service Rev      | 661,201            | 793,441            | 795,800            | 945,100            |
| 14301 · Maintenance Tax Collections          | 2,084,275          | 2,167,657          | 1,916,709          | 2,199,510          |
| 14401 · COH Rebate                           | 84,201             | 99,802             | 91,300             | 102,800            |
| 14501 · Tap Connections                      | 3,840              | 8,940              | 5,000              | 5,000              |
| 14502 · Inspection Fees                      | 8,348              | 10,018             | 10,300             | 10,300             |
| 14702 · Penalties & Interest                 | 66,190             | 79,428             | 107,900            | 81,800             |
| 14801 · Interest Earned on Checking          | 1,042              | 1,102              | 2,300              | 1,300              |
| 14802 · Interest Earned on Temp. Invest      | 190,721            | 228,865            | 296,980            | 189,920            |
| 15801 · Miscellaneous Income                 | 80                 | 90                 | 1,000              | 0                  |
| 15906 · Insurnace Reimbursement              | 180                | 180                | 0                  | 0                  |
| <b>Total Revenues</b>                        | <b>\$4,279,525</b> | <b>\$4,804,859</b> | <b>\$5,014,224</b> | <b>\$5,116,630</b> |

## Expenditures

|                                       |         |         |         |         |
|---------------------------------------|---------|---------|---------|---------|
| 16102 · Operations - Water            | 122,809 | 147,370 | 118,800 | 154,700 |
| 16105 · Maintenance & Repairs - Water | 311,308 | 373,570 | 303,200 | 393,000 |
| 16107 · Chemicals - Water             | 47,157  | 63,517  | 63,300  | 66,700  |
| 16108 · Laboratory Expense - Water    | 10,320  | 12,384  | 10,400  | 13,000  |
| 16109 · Mowing - Water                | 7,001   | 8,401   | 7,800   | 8,800   |
| 16110 · Utilities - Water             | 72,861  | 87,434  | 96,800  | 91,800  |
| 16111 · Reconnections                 | 11,180  | 13,416  | 10,600  | 14,100  |
| 16112 · Disconnection Expense         | 6,075   | 7,290   | 5,900   | 7,700   |
| 16113 · Service Account Collection    | 0       | 0       | 28,900  | 0       |
| 16114 · Telephone Expense - Water     | 6,010   | 7,212   | 5,600   | 7,600   |
| 16115 · Meter Replacement             | 3,318   | 4,696   | 0       | 3,500   |
| 16116 · Permit Expense - Water        | 7,759   | 7,759   | 8,000   | 8,000   |

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|                                         | Ten Month<br>Actuals | Twelve<br>Months<br>Annualized | Approved    | Proposed    |
|-----------------------------------------|----------------------|--------------------------------|-------------|-------------|
|                                         | 06/25 - 03/26        | FYE 05/26                      | 2026 Budget | 2027 Budget |
| 16117 · TCEQ Regulatory Expense - Water | 2,093                | 3,508                          | 3,432       | 3,903       |
| 16118 · Pumpage Fees                    | 695,203              | 834,243                        | 1,022,900   | 917,700     |
| 16122 · Lead & Copper Survey            | 1,320                | 1,320                          | 0           | 1,700       |
| 16202 · Operations - Wastewater         | 50,847               | 61,016                         | 24,600      | 64,100      |
| 16203 · Grease Trap Inspections         | 1,162                | 1,394                          | 0           | 1,500       |
| 16204 · Purchase Wastewater Service     | 362,804              | 496,357                        | 415,900     | 521,200     |
| 16205 · Maint & Repairs - Wastewater    | 306,786              | 368,143                        | 337,700     | 386,600     |
| 16207 · Chemicals - Wastewater          | 439                  | 527                            | 700         | 600         |
| 16209 · Mowing - Wastewater             | 6,107                | 7,328                          | 6,200       | 7,700       |
| 16210 · Utilities - Lift Station        | 24,929               | 29,915                         | 31,400      | 31,400      |
| 16212 · Sludge Removal                  | 57,909               | 69,491                         | 0           | 73,000      |
| 16214 · Telephone Expense - Wastewater  | 4,483                | 5,380                          | 6,200       | 5,600       |
| 16217 · TCEQ Regulatory Exp-Wastewater  | 2,093                | 3,508                          | 3,432       | 3,903       |
| 16218 · Sanitary Sewer Televising       | 0                    | 0                              | 200,000     | 118,000     |
| 16301 · Garbage Expense                 | 9,575                | 11,490                         | 5,600       | 12,100      |
| 16404 · Detention Pond Mowing           | 17,671               | 21,205                         | 15,500      | 22,300      |
| 16501 · Tap Connection Expense          | 43,097               | 51,716                         | 3,000       | 5,000       |
| 16502 · Inspection Expense              | 2,310                | 2,772                          | 5,000       | 2,900       |
| 16703 · Legal Fees                      | 65,744               | 78,893                         | 94,900      | 94,900      |
| 16705 · Auditing Fees                   | 25,810               | 25,810                         | 20,500      | 22,000      |
| 16706 · Engineering Fees                | 62,769               | 75,323                         | 80,000      | 80,000      |
| 16708 · GIS Expense                     | 16,550               | 16,550                         | 10,000      | 10,000      |
| 16710 · Website Expense                 | 765                  | 918                            | 1,300       | 1,000       |
| 16712 · Bookkeeping Fees                | 62,894               | 75,473                         | 65,000      | 75,000      |
| 16714 · Printing & Office Supplies      | 24,015               | 28,818                         | 25,400      | 30,300      |
| 16716 · Delivery Expense                | 982                  | 1,178                          | 600         | 1,200       |
| 16717 · Postage                         | 844                  | 1,012                          | 700         | 1,000       |
| 16718 · Insurance & Surety Bond         | 0                    | 81,545                         | 44,200      | 85,000      |
| 16719 · AWBD Expense                    | 1,745                | 1,745                          | 900         | 1,800       |

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|                                    | Ten Month<br>Actuals | Twelve<br>Months<br>Annualized | Approved    | Proposed    |
|------------------------------------|----------------------|--------------------------------|-------------|-------------|
|                                    | 06/25 - 03/26        | FYE 05/26                      | 2026 Budget | 2027 Budget |
| 16722 · Bank Service Charges       | 1,127                | 1,247                          | 500         | 1,500       |
| 16723 · Travel Expense             | 325                  | 390                            | 500         | 500         |
| 16727 · Arbitrage Expense          | 4,045                | 4,045                          | 10,000      | 5,100       |
| 16728 · Record Storage Fees        | 620                  | 744                            | 500         | 800         |
| 16729 · Consumer Confidence Report | 12,476               | 12,476                         | 0           | 13,100      |
| 16801 · Security Patrol Expense    | 297,284              | 362,596                        | 400,000     | 391,512     |
| 16802 · Security Monitoring        | 20,983               | 25,179                         | 10,000      | 26,400      |
| 17101 · Payroll Expenses           | 17,459               | 20,951                         | 25,000      | 22,000      |
| 17103 · Payroll Tax Expense        | 1,336                | 1,603                          | 0           | 1,800       |
| 17104 · Payroll Administration     | 75                   | 125                            | 0           | 300         |
| 17802 · Miscellaneous Expense      | 2,347                | 2,817                          | 3,500       | 3,000       |

|                           |                    |                    |                    |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Expenditures</b> | <b>\$2,814,820</b> | <b>\$3,521,799</b> | <b>\$3,534,364</b> | <b>\$3,816,317</b> |
|---------------------------|--------------------|--------------------|--------------------|--------------------|

## Other Revenues

|                                          |  |           |           |           |
|------------------------------------------|--|-----------|-----------|-----------|
| 14720 · Transfer from Operating Reserves |  | 1,150,892 | 2,229,140 | 1,083,287 |
|------------------------------------------|--|-----------|-----------|-----------|

|                             |            |                    |                    |                    |
|-----------------------------|------------|--------------------|--------------------|--------------------|
| <b>Total Other Revenues</b> | <b>\$0</b> | <b>\$1,150,892</b> | <b>\$2,229,140</b> | <b>\$1,083,287</b> |
|-----------------------------|------------|--------------------|--------------------|--------------------|

## Capital Outlay

|                                        |           |           |           |           |
|----------------------------------------|-----------|-----------|-----------|-----------|
| 17901a · Capital Outlay - General      | 544,195   | 544,195   | 50,000    | 50,000    |
| 17901b · Capital Outlay - AJOB         | 344,563   | 413,475   | 450,000   | 450,000   |
| 17901c · WP 1 Well Rehab               | 0         | 0         | 50,000    | 0         |
| 17901d · WP 1 Electrical Improvements  | 62,400    | 62,400    | 1,230,000 | 1,167,600 |
| 17901e · WP 1 GST 1 Replacement        | 1,091,138 | 1,091,138 | 1,200,000 | 0         |
| 17901f · HC 46 Water Interconnect      | 4,490     | 4,490     | 200,000   | 195,000   |
| 17901h · LS Wet Well/Piping Rehab      | 184,175   | 304,847   | 325,000   | 0         |
| 17901i · Fence Replacement             | 0         | 0         | 40,000    | 0         |
| 17901k · Lift Station 1                | 0         | 0         | 115,000   | 115,000   |
| 17901l · Lift Station 4                | 0         | 0         | 49,000    | 0         |
| 17901m · WP 1 Booster Pump Replacement | 0         | 0         | 0         | 136,000   |

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|                                                 | Ten Month<br>Actuals<br>06/25 - 03/26 | Twelve<br>Months<br>Annualized<br>FYE 05/26 | Approved<br>2026 Budget | Proposed<br>2027 Budget |
|-------------------------------------------------|---------------------------------------|---------------------------------------------|-------------------------|-------------------------|
| 17901n - WP2 Well & Pump Rehab                  | 0                                     | 0                                           | 0                       | 150,000                 |
| 17901o - Lift Station 6                         | 0                                     | 0                                           | 0                       | 120,000                 |
| 17904 · Capital Outlay - Barents Dr L/S         | 13,406                                | 13,406                                      | 0                       | 0                       |
| <b>Total Capital Outlay</b>                     | <b>\$2,244,367</b>                    | <b>\$2,433,951</b>                          | <b>\$3,709,000</b>      | <b>\$2,383,600</b>      |
| <b>Net Excess Revenues &lt;Expenditures&gt;</b> | <b>(\$779,662)</b>                    | <b>\$0</b>                                  | <b>\$0</b>              | <b>\$0</b>              |

## Exhibit B

### Taxpayer Impact Statement

|                                                                                    | Current Budget<br>Fiscal Year Ending**<br><i>05/2026</i> | Proposed Budget<br>Fiscal Year Ending**<br><i>05/2027</i> | No-New-Revenue<br>Tax Rate Budget*** |
|------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------|
| Estimated District Operations and<br>Maintenance Tax Bill on Average<br>Homestead* | \$605.05                                                 | \$693.60                                                  | \$605.05                             |

\*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$0.205 per \$100 of assessed value. Average homestead values are determined by the county appraisal district. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

\*\*Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

\*\*\*This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.

CERTIFICATE OF POSTING NOTICE  
OF MEETING OF BOARD OF DIRECTORS

THE STATE OF TEXAS

§

COUNTY OF HARRIS

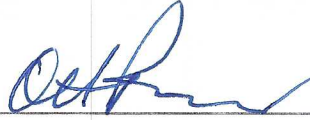
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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

§

I hereby certify that on MAY 13., 2026, I posted the Notice of Meeting of the Board of Directors of Harris County Municipal Utility District No. 109, a true copy of which is attached hereto, at a place convenient to the public in Plexiglas enclosed bulletin boards located on the grounds of the District's Water Plant No. 1 at 5722 Forest Timbers Drive, Water Plant No. 2 at 20322 Burle Oak, Lift Station No. 1 at 19419 Timber Forest Drive, and Lift Station No. 2 at 4630 Springlea, within said political subdivision, as required by law.

EXECUTED this 13 day of May 2026.



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**Jane Maher**

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**From:** Russell Lambert <russ@texasnetwork.com>  
**Sent:** Tuesday, May 12, 2026 9:30 PM  
**To:** Jane Maher  
**Cc:** The Texas Network  
**Subject:** RE: 109 & AJOB May Postings



## CERTIFICATE OF POSTING OF NOTICE OF PUBLIC MEETING

THE STATE OF TEXAS       §  
                                          §  
COUNTY OF HARRIS       §

I hereby certify that on the date listed in this email above, that I have posted the May 19, 2026 notice of public meeting on the website at the following location: <https://www.waterdistrict109.com/meetings>

Russell Lambert  
[russ@texasnetwork.com](mailto:russ@texasnetwork.com)

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**From:** Jane Maher <jane.maher@nortonrosefulbright.com>  
**Sent:** Tuesday, May 12, 2026 5:14 PM  
**To:** Russell Lambert <russ@texasnetwork.com>  
**Cc:** The Texas Network <support@texasnetwork.com>  
**Subject:** 109 & AJOB May Postings

Good afternoon,

Please post the attached agendas for 109 & AJOB. Please note that with recent legislative changes, agendas must be posted at least 3 full business days in advance, so the agendas must be posted by 5:00 p.m. tomorrow. Please return the certificates of posting to me at your earliest convenience.

Thanks,

**Jane Maher** | Senior Paralegal  
Norton Rose Fulbright US LLP  
1550 Lamar Street, Suite 2000, Houston, Texas 77010-4106, United States  
Tel +1 713 651 5589 | Fax +1 713 651 5246  
jane.maher@nortonrosefulbright.com

## **NORTON ROSE FULBRIGHT**

*Law around the world*  
[nortonrosefulbright.com](http://nortonrosefulbright.com)

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# HARRIS COUNTY CONSTABLE, PRECINCT 4

## CONSTABLE MARK HERMAN

*"Proudly Serving the Citizens of Precinct 4"*

6831 Cypresswood Drive ★ Spring, Texas 77379 ★ (281) 376-3472 ★ www.ConstablePct4.com

Monthly Contract Stats

## HARRIS CO MUNICIPAL UTILITY DIST #109

For April 2026

### Categories

|                        |                         |                       |
|------------------------|-------------------------|-----------------------|
| Burglary Habitation: 0 | Burglary Vehicle: 0     | Theft Habitation: 0   |
| Theft Vehicle: 1       | Theft Other: 1          | Robbery: 0            |
| Assault: 1             | Sexual Assault: 0       | Criminal Mischief: 0  |
| Disturbance Family: 6  | Disturbance Juvenile: 0 | Disturbance Other: 7  |
| Alarms: 13             | Suspicious Vehicles: 15 | Suspicious Persons: 5 |
| Runaways: 0            | Phone Harrassment: 2    | Other Calls: 664      |

### Detailed Statistics By Deputy

| Unit Number  | Contract Calls | District Calls | Reports Taken | Felony Arrests | Misd Arrests | Tickets Issued | Recovered Property | Charges Filed | Mileage Driven | Days Worked |
|--------------|----------------|----------------|---------------|----------------|--------------|----------------|--------------------|---------------|----------------|-------------|
| 112          | 6              | 14             | 5             | 0              | 1            | 38             | 0                  | 2             | 1356           | 19          |
| H67          | 8              | 3              | 2             | 1              | 1            | 63             | 0                  | 1             | 532            | 10          |
| H68          | 91             | 26             | 20            | 0              | 0            | 28             | 0                  | 0             | 715            | 20          |
| H69          | 30             | 21             | 13            | 0              | 0            | 19             | 0                  | 0             | 840            | 20          |
| H70          | 23             | 32             | 11            | 0              | 6            | 73             | 0                  | 3             | 1551           | 19          |
| R10          | 0              | 2              | 0             | 0              | 0            | 25             | 0                  | 0             | 70             | 1           |
| R11          | 2              | 0              | 0             | 0              | 0            | 3              | 0                  | 0             | 84             | 1           |
| R12          | 0              | 1              | 0             | 0              | 0            | 0              | 0                  | 0             | 65             | 1           |
| <b>TOTAL</b> | <b>160</b>     | <b>99</b>      | <b>51</b>     | <b>1</b>       | <b>8</b>     | <b>249</b>     | <b>0</b>           | <b>6</b>      | <b>5213</b>    | <b>91</b>   |

### Summary of Events

Alarms:

Deputies were dispatched to 13 alarm call that were cleared false.

Checks:

Deputies conducted combined MUD, park, neighborhood, and other miscellaneous checks.

Traffic Enforcement:

Deputies conducted numerous traffic stops and traffic initiatives throughout the contract during the month in the interest of public safety, and in an attempt to reduce the risk of motor vehicle accidents.

Exhibit B

5300 Upper Lake Dr – Deputy conducted a traffic stop. The violator was in possession of marijuana.

#### Stolen Vehicle:

19700 Oak Branch Ct – Deputy responded to a stolen vehicle call. Complainant's vehicle was stolen by a known person.

#### Theft Other:

19400 Forest Timbers Ct – Deputy responded to a theft. The complainant alleged that an uber delivery driver stole her item during transport.

#### Assault:

19200 ARTESIAN WAY- Deputy on viewed a disturbance other. Investigation revealed an altercation occurred. No charges were filed.

#### Family Disturbance:

19900 Bambiwoods Dr .– Deputies were dispatched to family disturbance. Investigation revealed family members had an altercation. No charges were filed.

5700 Enchanted Timbers Dr – Deputy responded to a family assault call. Investigation revealed family members had an altercation. No charges filed.

5700 Enchanted Timbers Dr – Deputy responded to a family assault call. Investigation revealed family members had an altercation. No charges filed.

5500 Enchanted Timbers Dr - Deputy responded to a family assault call. Investigation revealed family members had an altercation. No charges filed.

5300 Dawnburst Dr – Deputy responded to a family disturbance call. Investigation revealed family members had an altercation. No charges filed.

19600 Swiftbrook Dr - Deputy responded to a family disturbance call. Investigation revealed family members had an altercation. No charges filed.

#### Suspicious Vehicle:

Deputies responded to 15 suspicious vehicle calls within the community. Each incident was investigated and cleared without further action required.

#### Suspicious Persons:

Deputies responded to 5 suspicious person calls within the community. Each incident was investigated and cleared without further action required.

#### Telephone Harassment:

19200 Lakeshire St- Deputy responded to a telephone harassment call. Unknown suspect, no charges at this time.

5600 Forest Timbers Dr – Deputy responded to a telephone harassment call. The complainant was

receiving unwanted text messages from an ex-girlfriend's cousin.

Other:

5500 FM 1960 Rd E- Deputy responded to an accident minor, charges filed for DWI.

5600 FM 1960 Rd E- Deputy responded to a disturbance, subject taken into custody for a warrant.

19100 Moon Trail Dr - Deputy was flagged down about an elderly man in hotel. Deputy contacted APS, no charges at this time.

19800 Swiftbrook Dr – Deputies responded to a drive by shooting. Unknown suspects shot at the complainant's house and caused damage. No injuries and no suspects identified.

0 Kings Lake Estates Blvd- Deputy responded to a missing person. Person was entered into NCIC/TCIC.

18800 Lakeshire St - Deputy responded to a fraudulent use of identity call. Unknown suspect used the complainant's information.

5400 Dove Forest Ln - Deputy responded to a mental health call. Subject placed under an emergency detention order transported to hospital.

19600 Atasca Oaks Dr – Deputy responded to a missing person call. An elderly male walked away from the residence sometime overnight and was later located in a trailer park and driven home.

19700 Burle Oaks Ct – Deputy responded to a child custody dispute. Parents couldn't agree on their custody issues and wished to file a report.

# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

May 19, 2026

Board of Directors  
Harris County Municipal Utility District No. 109  
Harris County, Texas

We previously provided you with an evergreen audit engagement letter dated May 16, 2017. This letter serves as a reminder of the terms of the evergreen audit engagement letter including audit scope and objectives, an overview of the audit procedures to be performed, management's responsibilities, auditor's responsibilities and any other services we may perform as part of the annual audit or developer reimbursement engagements.

## **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the years ended May 31, 2026. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI are required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited: the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. The document we submit to you will include various supplementary schedules as required by the Texas Commission on Environmental Quality (the "Commission") as published in the *Water District Financial Management Guide*. This supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole except for that portion marked "unaudited", on which we will express no opinion.

Exhibit C

*Houston | Austin | Dallas*

*13100 Wortham Center Drive, Suite 235, Houston, Texas 77065-5610 713-462-0341*

### **Audit Scope and Objectives (Continued)**

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP); and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

As part of our audit planning, we have identified capital assets, long-term debt, management override of controls, and improper revenue recognition as audit areas with significant risks of material misstatement. We will design and perform audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement. Our audit of the financial statements does not relieve you of your responsibilities.

#### **Audit Procedures – Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

#### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Other Services**

We will also prepare the financial statements and the appropriate capital asset schedules including calculation of depreciation on the capital assets in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. Statement on Auditing Standards No. 133, Auditor Involvement with Exempt Offering Documents, requires us to perform certain procedures related to bond sales in which our audited financial statements are included in the bond offering documents. The cost to complete those procedures will be \$2,500 per bond sale.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

### **Responsibilities of Management for the Financial Statements (Continued)**

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations. With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information. You agree to assume all management responsibilities for our preparation of the financial statements and our preparation of the capital asset schedule, including calculation of depreciation on the capital assets; oversee the services by designating the bookkeeper, who has the suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Engagement Administration, Fees and Other**

We are aware of the State statute requiring the audit to be completed within 120 days and filed with the Texas Commission on Environmental Quality within 135 days from the closing date of the audit and barring any unforeseen circumstances every effort will be made to comply with this rule.

### **Engagement Administration, Fees and Other (Continued)**

We will also comply with the Rules of Professional Conduct of the Texas State Board of Public Accountancy and retain our records for five years. We expect to present a draft of the audit report within 45 days of the availability of the District's accounting records. Noel Barfoot is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. The fees for the audit of the District's financial statements and for the other services to be provided for the year ended May 31, 2026, will range between \$20,000 and \$22,000.

The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement. The District will be obligated to compensate us for our time expended through the date of withdrawal or termination.

### **Reporting**

We will issue a written report upon completion of our audit of the District's financial statements, which will also address other information required by the Commission in accordance with *AU-C 725, Supplementary Information in Relation to the Financial Statements as a Whole*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

### **AGREED-UPON PROCEDURES REIMBURSEMENT REPORT**

When requested, we will perform the procedures enumerated below, which are agreed to by the Board of Directors, on any invoices and schedules submitted by the Developer(s) for payment from District bond proceeds, bond anticipation note proceeds or any other source. These procedures will be performed solely to assist you in evaluating the reasonableness of those costs as required by the Texas Commission on Environmental Quality (the "Commission") and the report is not to be used for any other purpose. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgement that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. The agreement and acknowledgment are contained with this letter. A refusal to provide such agreement and acknowledgment will result in our withdrawal from the engagement. We make no representation that the procedures we will perform are appropriate for the intended purpose of the engagement or for any other purpose.

The procedures we will perform are summarized below:

- A. We will inspect all correspondence from the Commission relative to any reimbursement request. Our inspection will be for the purpose of identifying those items authorized for District participation and those items the District is specifically prohibited from purchasing.
- B. We will inspect for completeness certain Developer schedules, supporting invoices and contract estimates in substantiation of the costs to be reimbursed. Our inspection will include all documentation supporting items, amounts, and proof of payment for which reimbursement is requested.
- C. We will read the development and financing agreements for particular items that might affect the reimbursement. The agreements inspected will be referenced in our report.
- D. We will foot the extensions of any engineering invoices pertaining to the reimbursement on a test basis and compare the contract amounts used in determining the fee for the design and construction phase portions of the invoice to the related construction contracts and to the engineering contract, when appropriate.
- E. For construction pay estimates, we will foot and test extensions of any individual items on a test basis on payments made on behalf of the District.
- F. For all payments, we will compare the payment dates to copies of cancelled checks. If cancelled checks are not available, alternate procedures will be designed to support dates and amounts of payments.
- G. We will inspect the formulas for computation of developer interest to be reimbursed to the Developer(s) and limit interest, if appropriate, in accordance with the orders and rules of the Commission.
- H. If possible, we will obtain verbal confirmation from construction contractors concerning whether or not the contract estimates to date have been paid in full and whether or not the contractor has any claims to be made against either the District or Developer on the project.
- I. A draft of our report will be provided to the District's Attorney, Engineer, Financial Advisor, Bookkeeper, and Developer(s) prior to reimbursing the Developer(s).
- J. We will prepare for submittal to the Commission our report detailing the costs payable to the Developer(s) and a schedule reflecting the results of the payment and future costs to complete as compared with the amount approved by the Commission.

The objective of this agreed-upon procedures engagement will be to assist you in evaluating the reasonableness of the aforementioned costs. Because the above agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the aforementioned reimbursable costs. In addition, we have no obligation to perform any procedures beyond those listed above. We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Board of Directors of the District.

If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. You understand that the report is intended for the information and use of the Board of Directors of the District in compliance with certain rules of the Commission and should not be used by anyone other than these specified parties. We are aware that the report is subject to distribution under provisions of the Texas Open Records Act. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the aforementioned reimbursable costs that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the aforementioned reimbursable costs, we will disclose those matters in our report.

As the engaging party, the Board of Directors agrees to the procedures performed and acknowledges that they are appropriate to meet the intended purposes of this engagement. The Board of Directors will engage an engineer, the responsible party, to prepare and submit any bond application or surplus funds application to the Commission. The engineer is responsible for the aforementioned reimbursable costs and that they are in accordance with certain rules of the Commission; and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. Together with the engineer, you are responsible for providing us with or causing to be provided (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the reimbursable costs, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons and District consultants from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from you. We will also request written representations from the engineer as the responsible party who prepared and submitted the bond or surplus funds application. Noel Barfoot is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. A portion of the cost of these procedures will be determined by the condition of the records submitted by the Developer(s) to be reimbursed. We will provide an estimate of the fees to complete our services at the time such services are required.

#### **GENERAL TERMS AND CONDITIONS**

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written documentation from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter. The agreement may be terminated by either party, with or without cause, upon 30 days written notice. You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

**Fossil Fuels Boycott Verification**

As required by 2276.002, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC (“MGSBE”) hereby verifies that MGSBE, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code, as amended.

**Firearms Discrimination Verification**

As required by Section 2274.002, Texas Government Code, as amended, MGSBE hereby verifies that MGSBE, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code, as amended.

**Israel Boycott Verification**

As required by Chapter 2271, Texas Government Code, as amended, MGSBE hereby verifies that MGSBE, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. As used in the foregoing verification, the term "boycott Israel" has the meaning assigned to such term in Section 808.001, Texas Government Code, as amended.

**Anti-Terrorism Representation**

Pursuant to Chapter 2252, Texas Government Code, MGSBE represents and certifies that, at the time of execution of this letter neither MGSBE, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a company listed by the Texas Comptroller pursuant to Section 2252.153 of the Texas Government Code. The term “foreign terrorist organization” has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code.

We appreciate the opportunity to serve as the District’s auditor again this coming year.

Sincerely,

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

**WWWMS, INC.**  
**HARRIS COUNTY MUD # 109**  
**OPERATIONS REPORT**  
 Tuesday, May 19, 2026

**BILLING AND COLLECTION RECAP:**

**DEPOSITED IN YOUR ACCOUNT LAST MONTH:**

|                           |                      |
|---------------------------|----------------------|
| Period Ending:            | Apr-26               |
| Deposit:                  | \$ 5,087.46          |
| Penalty:                  | \$ 3,324.22          |
| Water:                    | \$ 58,341.95         |
| Sewer:                    | \$ 68,865.55         |
| Inspection:               | \$ 740.31            |
| Voluntary Fire & EMS:     | \$ -                 |
| Misc:                     | \$ 6,295.03          |
| NHCRWA:                   | \$ 46,429.96         |
| Reconnect:                | \$ -                 |
| NSF Fee:                  | \$ 312.44            |
| <b>Total Collections:</b> | <b>\$ 189,396.92</b> |

**CUSTOMER AGED RECEIVABLES:**

|                           |     |                     |
|---------------------------|-----|---------------------|
| 30 Day                    | 14% | \$ 24,571.31        |
| 60 Day                    | 6%  | \$ 11,397.23        |
| 90 Day                    | 1%  | \$ 2,041.91         |
| 120 Day                   | 18% | \$ 31,025.62        |
| Overpayments              |     | \$ (9,327.15)       |
| <b>Total Receivables:</b> |     | <b>\$ 59,708.92</b> |

**WATER PLANT OPERATIONS:**

**Period: 4/1/2026 thru 4/30/2026**

**MONTHLY TOTAL**

|                              |        |    |
|------------------------------|--------|----|
| Production:                  | 22.707 | MG |
| Amount Purchased:            | 0.000  | MG |
| Total Amount:                | 22.707 | MG |
| Consumption: (Billed)        | 20.715 | MG |
| 46 I/C                       | 0.000  | MG |
| Maint. / Leaks / Flushing    | 0.000  | MG |
| Est. Amt. Sold to HC MUD 151 | 0.800  | MG |
| Total:                       | 21.515 | MG |
| Daily Average Production:    | 0.756  | MG |
| Percent Accounted For:       | 94.75% |    |

**CONNECTION COUNT:**

|                          |             |
|--------------------------|-------------|
| Residential:             | 3008        |
| Commercial:              | 101         |
| Clubs/Schools:           | 1           |
| Irrigation:              | 19          |
| Vacant:                  | 57          |
| Builders:                | 24          |
| Vacation:                | 0           |
| No Bill:                 | 6           |
|                          | <hr/> 3216  |
| New Finals and Transfers | -39         |
|                          | <b>3177</b> |

**CURRENT BILLING:**

|                       |                      |
|-----------------------|----------------------|
| Period Ending:        | May-26               |
| Deposit:              | \$ -                 |
| Penalty:              | \$ 3,095.25          |
| Water:                | \$ 49,606.18         |
| Sewer:                | \$ 70,570.02         |
| Inspection:           | \$ 800.00            |
| Voluntary Fire & EMS: | \$ -                 |
| Misc:                 | \$ 3,030.00          |
| NHCRWA:               | \$ 48,682.31         |
| <b>Total Billing:</b> | <b>\$ 175,783.76</b> |

**HGCSO PERIOD: 4/1/26 THRU 4/30/26**

**Period 6/1/25 thru 5/31/26**

**MONTHLY TOTAL**

|                          |         |    |
|--------------------------|---------|----|
| Gallons Authorized:      | 450.000 | MG |
| Current Month Produced:  | 23.244  | MG |
| Cum. Gallons Produced:   | 291.878 | MG |
| Auth. Gallons Remaining: | 158.122 | MG |
| Avg. Gallons Per Month:  | 26.534  | MG |
| Permit Months Remaining: | 1       |    |

**NEW METER INSTALLATIONS:**

|               |         |
|---------------|---------|
| Residential:  | 0       |
| Commercial:   | 0       |
| <b>Total:</b> | <hr/> 0 |

**ACCOUNTS SENT TO COLLECTIONS:**

Total of (0)

## HARRIS COUNTY MUD #109

### ACTIVITY REPORT

May 19, 2025

Item 1: Attached Reports are listed as follows:

- A.) Accounts turned over to collections (0).
- B.) Historical data on water production report.
- C.) NHCRWA Pumpage and Billing report for APRIL 2026
- D.) Billing / Recap Summary Report

Item 2: Water Plant 1

- A.) Water Plant #1 back in operation, reprogram PLC and adjust well pump set points accordingly for new ground storage tank. Adjust pressure set points with new pressure transmitters.

Item 3: Customer Appeal Letters

[Additional details will be provided Monday via e-mail.](#)

- A.) 19814 Oak Branch Dr.  
Customer requested for payment plan, customer is upset with procedures to submit letter to be reviewed by board for approval.
- B.) 5707 Enchanted Timbers  
3-18-2026 Service disconnected for non-payment.  
3-20-2026 Customer paid bill, technician arrived at 5:15 PM and found water on.  
Customer was charged for tampering fee.

Item 4: Cut off Report / Status on Arrears Account

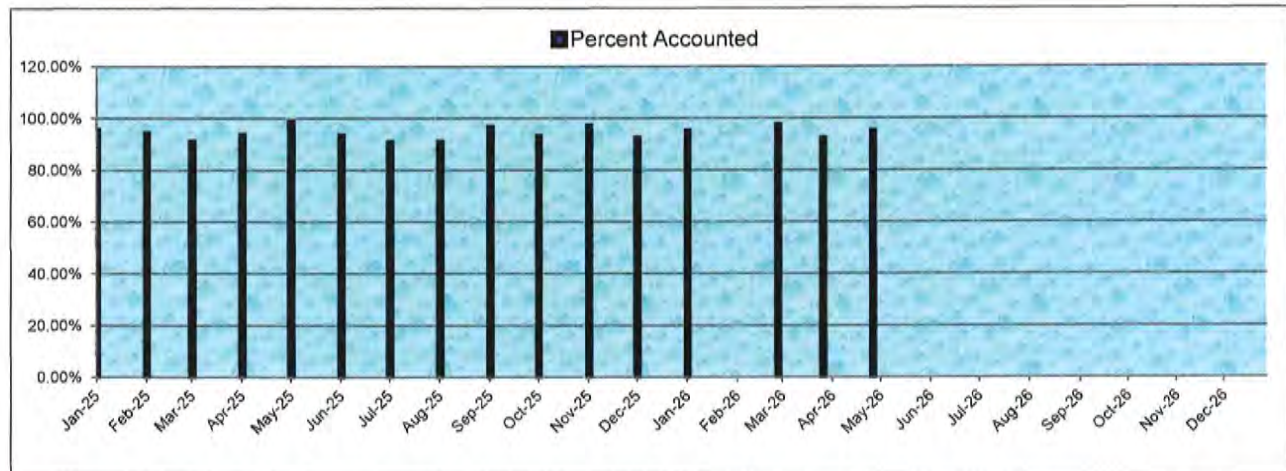
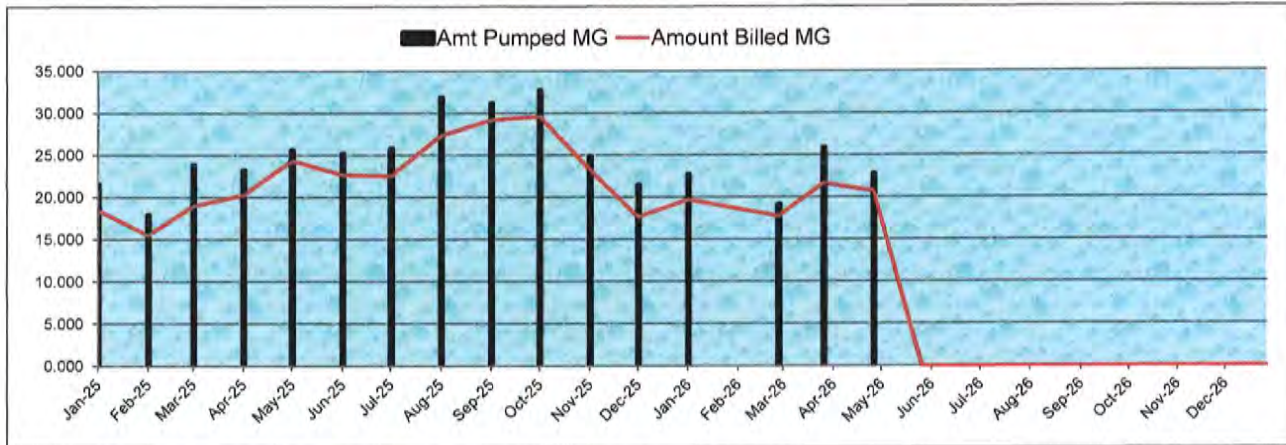
- A.) Due Date: 5/8/2026  
Door hangers: 5/18/2026  
Cut offs: 5/21/2026

# HARRIS COUNTY MUD #109

## WATER PRODUCTION REPORT

May 19, 2026

| Month /Year    | Amt Pumped<br>MG | Amt Billed MG  | Maint. MG    | MG | Amt. Sold I/C | Amt.Sold<br>HC 151 | Total<br>Amount | Percent<br>Accounted |
|----------------|------------------|----------------|--------------|----|---------------|--------------------|-----------------|----------------------|
| Jan-25         | 21.476           | 18.468         | 1.200        |    | 0.000         | 0.800              | 20.468          | 95.31%               |
| Feb-25         | 17.868           | 15.464         | 0.500        |    | 0.000         | 0.800              | 16.764          | 93.82%               |
| Mar-25         | 23.782           | 18.949         | 1.800        |    | 0.000         | 0.800              | 21.549          | 90.61%               |
| Apr-25         | 23.193           | 20.247         | 0.600        |    | 0.000         | 0.800              | 21.647          | 93.33%               |
| May-25         | 25.550           | 24.333         | 0.000        |    | 0.000         | 0.800              | 25.133          | 98.37%               |
| Jun-25         | 25.170           | 22.607         | 0.000        |    | 0.000         | 0.800              | 23.407          | 93.00%               |
| Jul-25         | 25.751           | 22.499         | 0.000        |    | 0.000         | 0.800              | 23.299          | 90.48%               |
| Aug-25         | 31.783           | 27.275         | 0.700        |    | 0.000         | 0.800              | 28.775          | 90.54%               |
| Sep-25         | 31.135           | 29.146         | 0.000        |    | 0.000         | 0.800              | 29.946          | 96.18%               |
| Oct-25         | 32.678           | 29.520         | 0.000        |    | 0.000         | 0.800              | 30.320          | 92.78%               |
| Nov-25         | 24.833           | 23.211         | 0.000        |    | 0.000         | 0.800              | 24.011          | 96.69%               |
| Dec-25         | 21.399           | 17.598         | 1.300        |    | 0.000         | 0.800              | 19.698          | 92.05%               |
| Jan-26         | 22.649           | 19.653         | 1.000        |    | 0.000         | 0.800              | 21.453          | 94.72%               |
| Feb-26         | 19.079           | 17.725         | 0.000        |    | 0.000         | 0.800              | 18.525          | 97.10%               |
| Mar-26         | 25.812           | 21.648         | 1.300        |    | 0.000         | 0.800              | 23.748          | 92.00%               |
| Apr-26         | 22.707           | 20.715         | 0.000        |    | 0.000         | 0.800              | 21.515          | 94.75%               |
| May-26         |                  |                |              |    |               |                    |                 |                      |
| Jun-26         |                  |                |              |    |               |                    |                 |                      |
| Jul-26         |                  |                |              |    |               |                    |                 |                      |
| Aug-26         |                  |                |              |    |               |                    |                 |                      |
| Sep-26         |                  |                |              |    |               |                    |                 |                      |
| Oct-26         |                  |                |              |    |               |                    |                 |                      |
| Nov-26         |                  |                |              |    |               |                    |                 |                      |
| Dec-26         |                  |                |              |    |               |                    |                 |                      |
| <b>Total</b>   | <b>394.865</b>   | <b>349.058</b> | <b>8.400</b> |    | <b>0.000</b>  | <b>12.800</b>      | <b>370.258</b>  | <b>1501.73%</b>      |
| <b>Average</b> | <b>24.679</b>    | <b>21.816</b>  | <b>0.525</b> |    | <b>0.000</b>  | <b>0.800</b>       | <b>23.141</b>   | <b>93.86%</b>        |



**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**  
**Groundwater and/or Surface Water Reporting and Billing Form - 2026**

\*\*\*Report filed online\*\*\* <http://oprs.nhcrwa.com>

Name of Well Owner or Recipient of Surface Water: Harris County MUD 109

*Billing period for which the report is being filed*

| Billing Period    | Rate per 1,000 gallons                     | Due Date      |
|-------------------|--------------------------------------------|---------------|
| April 01-30, 2026 | \$2.60 groundwater<br>\$3.05 surface water | June 18, 2026 |

*Gallons of Groundwater Pumped for Billing Period*

|            | Start Meter Reading | End Meter Reading | Total      |
|------------|---------------------|-------------------|------------|
| Well #2083 | 408,344 x1000       | 431,627 x1000     | 23,283,000 |
| Well #4448 | 1,719               | 1,883             | 164        |
| Adjustment |                     |                   | 0          |

*Gallons of Surface Water Pumped for Billing Period*

| Start Meter Reading | End Meter Reading | Total |
|---------------------|-------------------|-------|
|                     |                   |       |

*Water imported from outside NHCRWA*

| Imported water<br>Meter reading: | Source: |       |   |
|----------------------------------|---------|-------|---|
|                                  | 0 x 0   | 0 x 0 | 0 |

*Miscellaneous water (not billed)*

| Other entity | Water Type  | Direction | Amount |
|--------------|-------------|-----------|--------|
|              | Groundwater | Out       |        |

|    |                                                                          |               |
|----|--------------------------------------------------------------------------|---------------|
| 1  | Enter total gallons of groundwater pumped and/or imported                | 23,283,164    |
| 2  | Divide by 1000                                                           | 23,283        |
| 3  | Total groundwater fee due (multiply line 2 x \$2.60)                     | \$60,536.23   |
| 4  | Enter total gallons of surface water received                            | 0             |
| 5  | Divide by 1000                                                           | 0             |
| 6  | Total surface water fee due (multiply line 5 x \$3.05)                   | \$0.00        |
| 7  | Deduct 2003 Capital Contribution Credit amount, if applicable            | (\$12,261.25) |
| 8  | Deduct 2005 Capital Contribution Credit amount, if applicable            | (\$0.00)      |
| 9  | Deduct 2008 Capital Contribution Credit amount, if applicable            | (\$0.00)      |
| 10 | Deduct Chloramination System Credit or other asset credit, if applicable | (\$0.00)      |
| 11 | Other Credits:                                                           | (\$0.00)      |
| 12 | Total due                                                                | \$48,274.98   |

If your payment is received late, the Authority will send you an invoice for the late fees set forth in the Rate Order.

I declare that the above information is true and correct to the best of my knowledge and belief.

Date: May 14, 2026

Signed: Paul Villarreal

Name: Paul Villarreal

Title: Operator

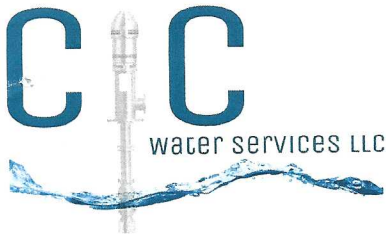
Make check payable to:

North Harris County Regional Water Authority; Dept. 35, P.O. Box 4346 Houston, Texas 77210-4346

**Please mail this form with the payment or fax to 281-440-4104, phone: 281-440-3924**

[Click here](#) to return to the Home Page.





May 18, 2026

BGE Inc  
10777 Westheimer, Suite 400  
Houston, Texas 77042

Attention: Chris Meinhardt, PE  
Reference: Harris County Mud 109 Well No. 1 Pull and Televis

Mr. Meinhardt,

Due to increased sand production in the above-referenced well, it is recommended to pull the pumping equipment and televise well. Once this is completed, a report will be sent with findings from the survey. If the survey does not reveal any apparent issues or failure within the screen/blank sections, an under the pump survey may be the next step in determining where the sand is coming in from.

|                           |                 |
|---------------------------|-----------------|
| 1. Mobilize Equipment     | \$1,500.00      |
| 2. Pull Pumping Equipment | 9,000.00        |
| 3. Televis Well           | <u>1,800.00</u> |
| Total                     | \$12,300.00     |

Should an under the pump survey be required, C & C Water would lower camera into well and set pumping equipment back in place. The camera would then be used to inspect screen sections while the pump is operating so that we are able to determine where the sand intrusion is.

|                                                 |                  |
|-------------------------------------------------|------------------|
| 1. Install Camera and Install Pumping Equipment | \$11,500.00      |
| 2. Under the Pump Camera Survey                 | 2,500.00         |
| 3. Remove Pumping Equipment and Remove Camera   | <u>11,500.00</u> |
| Total:                                          | \$25,500.00      |

---

C & C Water Services appreciates the opportunity to be of services,  
should you have any questions regarding the above scope of work, please call.

Regards,

*Garrett Huebner*

Garrett Huebner  
979-877-9169  
832-761-7793 Office  
garrett@c-waterservices.com  
[www.c-waterservices.com](http://www.c-waterservices.com)



TAX COLLECTOR'S OATH

Hc MUD #109 }

STATE OF TEXAS

COUNTY OF Harris }

BRENDA MCLAUGHLIN, BEING duly sworn, states that she is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

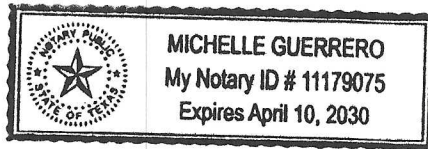
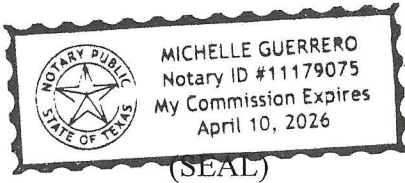
*Brenda McLaughlin*

BRENDA MCLAUGHLIN

SWORN TO AND SUBSCRIBED BEFORE ME, this 12<sup>th</sup> day of May, 2026.

*Michelle Guerrero*

NOTARY PUBLIC, STATE OF TEXAS



Submitted to Taxing Unit's Governing Body on \_\_\_\_\_.

**HARRIS COUNTY MUD #109**  
**TAX ASSESSOR/COLLECTOR'S REPORT**

4/30/2026

District no: 109

|                                       |    |                     |                             |
|---------------------------------------|----|---------------------|-----------------------------|
| Taxes Receivable: 8/31/2025           | \$ | .00                 |                             |
| Reserve for Uncollectables            | (  | .00)                |                             |
| Adjustments                           |    | <u>203,215.63</u>   | \$ <u>203,215.63</u>        |
| Original 2025 Tax Levy                | \$ | 3,867,956.35        |                             |
| Adjustments                           |    | <u>289,029.84</u>   | <u>4,157,144.76</u>         |
| <b>Total Taxes Receivable</b>         |    |                     | <b>\$ 4,360,360.39</b>      |
| Prior Years Taxes Collected           | \$ | 33,168.79           |                             |
| 2025 Taxes Collected ( 95.9%)         |    | <u>3,987,898.17</u> | <u>4,021,922.33</u>         |
| <b>Taxes Receivable at: 4/30/2026</b> |    |                     | <b>\$ <u>338,438.06</u></b> |

2025 Receivables:

    Debt Service 77,814.52

    Maintenance 91,432.07

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*bob leared interests*

11111 Katy Freeway, Suite 725  
Houston, Texas 77079-2197

Phone: (713) 932-9011  
Fax: (713) 932-1150

HARRIS COUNTY MUD #109

|                                   | Month of<br>4/2026     | Fiscal to Date<br>10/01/2025 - 4/30/2026 |
|-----------------------------------|------------------------|------------------------------------------|
| Beginning Cash Balance            | \$ 304,154.23          | 40,000.00                                |
| <b>Receipts:</b>                  |                        |                                          |
| Current & Prior Years Taxes       | 34,148.78              | 4,019,778.86                             |
| Penalty & Interest                | 4,951.53               | 31,200.00                                |
| Additional Collection Penalty     | 695.49                 | 9,404.44                                 |
| Overpayments                      | 282.39                 | 6,502.84                                 |
| Funds Pending Certification       |                        | 1.17                                     |
| Erroneous Payment                 | 6,409.19               | 6,409.19                                 |
| Refund - due to adjustments       | 893.26                 | 8,121.14                                 |
| Unpaid Account                    |                        | 4,025.31                                 |
| Substantial Error Penalty         |                        | 73.95                                    |
| Rendition Penalty                 | 35.93                  | 601.34                                   |
| Refund Rendition Penalty          |                        | 3.04                                     |
| Prior TAC Account Transfer        |                        | 326,547.06                               |
| <b>TOTAL RECEIPTS</b>             | <b>\$ 47,416.57</b>    | <b>4,412,668.34</b>                      |
| <b>Disbursements:</b>             |                        |                                          |
| Atty's Fees, Delq. collection     |                        | 3,587.10                                 |
| CAD Quarterly Assessment          |                        | 16,227.00                                |
| Publications, Legal Notice        |                        | 854.90                                   |
| Refund - due to adjustments       | 1,309.14               | 5,925.92                                 |
| Refund - due to overpayments      | 448.05                 | 6,220.45                                 |
| Tax A/C Bond Premium              |                        | 250.00                                   |
| Transfer to Debt Service Fund     | 130,000.00             | 2,090,000.00                             |
| Transfer to General Fund          | 53,382.01              | 2,137,656.52                             |
| Erroneous Payment                 | 6,409.19               | 6,409.19                                 |
| Tax Assessor/Collector Fee        | 3,327.85               | 19,961.40                                |
| Unpaid Account                    |                        | 4,025.31                                 |
| Postage/Deliveries                | 547.36                 | 2,879.22                                 |
| Additional Services - BLI         |                        | 200.00                                   |
| Copies                            |                        | 219.05                                   |
| Envelopes - Original Stmts        |                        | 538.20                                   |
| Notice to Purchaser               |                        | 120.00                                   |
| Duplicate Statements              |                        | 15.00                                    |
| Mileage Expense                   | 50.75                  | 382.63                                   |
| Meeting Attendance - Night        | 120.00                 | 600.00                                   |
| Envelopes - Feb Delinq Stmts      | 146.40                 | 146.40                                   |
| Tax Lien Transfers                |                        | 80.00                                    |
| Tax Rate Calculation              |                        | 200.00                                   |
| Positive Pay                      | 25.00                  | 125.00                                   |
| Tax Code 26.16 & 26.17            |                        | 240.00                                   |
| <b>TOTAL DISBURSEMENTS</b>        | <b>(\$ 195,765.75)</b> | <b>( 4,296,863.29)</b>                   |
| <b>CASH BALANCE AT: 4/30/2026</b> | <b>\$ 155,805.05</b>   | <b>155,805.05</b>                        |

HARRIS COUNTY MUD #109

Additional disbursements for the month April, 2026

| Check #                   | Payee            | Description       | Amount        |
|---------------------------|------------------|-------------------|---------------|
| 1062                      | Wesolowski Vince | Erroneous Payment | 6,409.19      |
| TOTAL DISBURSEMENTS       |                  |                   | \$ 6,409.19   |
| Cash Balance at 4/30/2026 |                  |                   | \$ 155,805.05 |

Disbursements for month of May, 2026

| Check #                | Payee                         | Description                     | Amount       |
|------------------------|-------------------------------|---------------------------------|--------------|
|                        | W/T to General Fund 5/14/26   | Transfer to General Fund        | \$ 18,536.06 |
|                        | W/T to Operating Fund 5/14/26 | Reimbursement to Operating Fund | 40,000.00    |
| 1063                   | Boisseau Frededrick           | Refund - due to adjustments     | 21.75        |
| 1064                   | Smith Robert M                | Refund - due to adjustments     | 108.75       |
| 1065                   | Rita S Turner                 | Refund - due to adjustments     | 108.75       |
| 1066                   | Klapesky Sylvia A             | Refund - due to adjustments     | 108.75       |
| 1067                   | Ganter Shannon P              | Refund - due to adjustments     | 217.50       |
| 1068                   | Little Virginia               | Refund - due to adjustments     | 217.50       |
| 1069                   | Medina Juan & Graciela        | Refund - due to adjustments     | 110.26       |
| 1070                   | Bob Leared                    | Tax Assessor/Collector Fee      | 3,929.46     |
| TOTAL DISBURSEMENTS    |                               |                                 | \$ 63,358.78 |
| Remaining Cash Balance |                               |                                 | \$ 92,446.27 |

Stellar Bank

HARRIS COUNTY MUD #109

HISTORICAL COLLECTIONS DATA

| Year | Collections<br>Month Of<br>4/2026 | Adjustments To<br>Collections<br>4/2026 | Total Tax<br>Collections<br>at 4/30/2026 | Total Taxes<br>Receivable<br>at 4/30/2026 | Collection<br>Percentage |
|------|-----------------------------------|-----------------------------------------|------------------------------------------|-------------------------------------------|--------------------------|
| 2025 | 38,789.68                         | 6,974.69-                               | 3,988,753.54                             | 169,246.59                                | 95.929                   |
| 2024 | 1,694.03                          | 327.76-                                 | 24,399.44                                | 52,563.72                                 | 98.729                   |
| 2023 | 967.52                            |                                         | 6,742.72                                 | 23,320.19                                 | 99.409                   |
| 2022 |                                   |                                         | 941.81                                   | 18,316.51                                 | 99.510                   |
| 2021 |                                   |                                         | 114.42                                   | 11,663.75                                 | 99.654                   |
| 2020 |                                   |                                         | 133.62                                   | 9,760.75                                  | 99.691                   |
| 2019 |                                   |                                         |                                          | 6,936.11                                  | 99.775                   |
| 2018 |                                   |                                         |                                          | 5,412.32                                  | 99.814                   |
| 2017 |                                   |                                         |                                          | 5,725.08                                  | 99.802                   |
| 2016 |                                   |                                         |                                          | 5,027.63                                  | 99.821                   |
| 2015 |                                   |                                         |                                          | 3,960.22                                  | 99.846                   |
| 2014 |                                   |                                         |                                          | 3,412.88                                  | 99.852                   |
| 2013 |                                   |                                         |                                          | 2,574.95                                  | 99.877                   |
| 2012 |                                   |                                         |                                          | 2,341.65                                  | 99.887                   |
| 2011 |                                   |                                         | 241.08                                   | 1,734.03                                  | 99.918                   |
| 2010 |                                   |                                         | 271.05                                   | 1,872.08                                  | 99.912                   |
| 2009 |                                   |                                         | 281.05                                   | 2,076.40                                  | 99.904                   |
| 2008 |                                   |                                         | 62.19                                    | 1,613.10                                  | 99.925                   |
| 2007 |                                   |                                         |                                          | 2,043.88                                  | 99.902                   |
| 2006 |                                   |                                         |                                          | 1,948.99                                  | 99.908                   |
| 2005 |                                   |                                         |                                          | 1,727.19                                  | 99.921                   |
| 2004 |                                   |                                         |                                          | 2,673.00                                  | 99.867                   |
| 2003 |                                   |                                         |                                          | 2,457.42                                  | 99.868                   |
| 2002 |                                   |                                         |                                          | 227.94                                    | 99.987                   |
| 2001 |                                   |                                         |                                          | 233.73                                    | 99.986                   |
| 2000 |                                   |                                         |                                          | 136.87                                    | 99.992                   |
| 1999 |                                   |                                         |                                          | 41.74                                     | 99.997                   |
| 1997 |                                   |                                         |                                          | 34.68                                     | 99.997                   |
| 1996 |                                   |                                         |                                          | 32.10                                     | 99.997                   |
| 1995 |                                   |                                         |                                          | 19.36                                     | 99.998                   |

(Percentage of collections same period last year )

HARRIS COUNTY MUD #109

HISTORICAL TAX DATA

| Year | Taxable Value | SR/CR   | Tax Rate | Adjustments | Reserve for Uncollectibles | Adjusted Levy |
|------|---------------|---------|----------|-------------|----------------------------|---------------|
| 2025 | 955,628,961   | 09 / 09 | .435000  | 289,029.84  |                            | 4,157,144.76  |
| 2024 | 950,950,426   | 20 / 20 | .435000  | 1,294.83-   |                            | 4,136,548.28  |
| 2023 | 897,189,743   | 32 / 32 | .440000  | 1,209.79    |                            | 3,947,385.74  |
| 2022 | 795,656,264   | 44 / 44 | .470000  | 1,159.07    |                            | 3,739,584.44  |
| 2021 | 702,942,310   | 56 / 56 | .480000  | 2.41-       |                            | 3,374,123.08  |
| 2020 | 658,929,764   | 65 / 65 | .480000  | .01-        |                            | 3,162,862.86  |
| 2019 | 641,962,199   | 00 / 00 | .480000  |             |                            | 3,081,590.26  |
| 2018 | 593,228,582   | 00 / 00 | .490000  |             |                            | 2,906,869.36  |
| 2017 | 579,121,338   | 00 / 00 | .500000  |             |                            | 2,895,613.63  |
| 2016 | 540,136,676   | 00 / 00 | .520000  |             |                            | 2,808,690.61  |
| 2015 | 494,944,745   | 00 / 00 | .520000  |             |                            | 2,573,712.76  |
| 2014 | 442,648,062   | 00 / 00 | .520000  |             |                            | 2,301,769.82  |
| 2013 | 403,370,606   | 00 / 00 | .520000  |             |                            | 2,097,527.32  |
| 2012 | 398,369,066   | 00 / 00 | .520000  |             |                            | 2,071,519.13  |
| 2011 | 408,021,927   | 00 / 00 | .520000  |             |                            | 2,121,714.06  |
| 2010 | 411,326,061   | 00 / 00 | .520000  |             |                            | 2,138,895.52  |
| 2009 | 415,504,618   | 00 / 00 | .520000  |             |                            | 2,160,628.25  |
| 2008 | 411,931,758   | 02 / 11 | .520000  |             |                            | 2,142,045.24  |
| 2007 | 400,957,245   | 01 / 20 | .520000  |             |                            | 2,084,977.70  |
| 2006 | 376,557,265   | 01 / 33 | .560000  |             |                            | 2,108,720.67  |
| 2005 | 366,208,721   | 01 / 46 | .600000  |             |                            | 2,197,283.24  |
| 2004 | 335,049,282   | 01 / 29 | .600000  |             |                            | 2,010,295.69  |
| 2003 | 310,501,847   | 06 / 24 | .600000  |             |                            | 1,863,011.08  |
| 2002 | 290,527,832   | 07 / 22 | .600000  |             |                            | 1,743,166.99  |
| 2001 | 275,035,288   | 11 / 23 | .620000  |             |                            | 1,705,006.18  |
| 2000 | 251,170,142   | 22 / 22 | .649140  |             |                            | 1,630,288.09  |
| 1999 | 217,977,950   | 15 / 15 | .680000  |             |                            | 1,482,019.84  |
| 1997 | 179,258,410   | 00 / 00 | .680000  |             |                            | 1,218,889.39  |
| 1996 | 172,555,210   | 00 / 00 | .670000  |             |                            | 1,156,053.10  |
| 1995 | 168,741,080   | 00 / 00 | .670000  |             |                            | 1,130,565.24  |

HARRIS COUNTY MUD #109

TAX RATE COMPONENTS

| Year | Debt Service Rate | Debt Service Levy | Maintenance Rate | Maintenance Levy |
|------|-------------------|-------------------|------------------|------------------|
| 2025 | .200000           | 1,911,330.86      | .235000          | 2,245,813.90     |
| 2024 | .205000           | 1,949,407.94      | .230000          | 2,187,140.34     |
| 2023 | .230000           | 2,063,406.29      | .210000          | 1,883,979.45     |
| 2022 | .250000           | 1,989,140.68      | .220000          | 1,750,443.76     |
| 2021 | .290000           | 2,038,532.81      | .190000          | 1,335,590.27     |
| 2020 | .315000           | 2,075,628.75      | .165000          | 1,087,234.11     |
| 2019 | .320000           | 2,054,393.61      | .160000          | 1,027,196.65     |
| 2018 | .360000           | 2,135,659.19      | .130000          | 771,210.17       |
| 2017 | .360000           | 2,084,841.81      | .140000          | 810,771.82       |
| 2016 | .410000           | 2,214,544.41      | .110000          | 594,146.20       |
| 2015 | .390000           | 1,930,284.57      | .130000          | 643,428.19       |
| 2014 | .390000           | 1,726,327.37      | .130000          | 575,442.45       |
| 2013 | .420000           | 1,694,156.67      | .100000          | 403,370.65       |
| 2012 | .420000           | 1,673,150.05      | .100000          | 398,369.08       |
| 2011 | .420000           | 1,713,692.11      | .100000          | 408,021.95       |
| 2010 | .420000           | 1,727,569.44      | .100000          | 411,326.08       |
| 2009 | .420000           | 1,745,122.80      | .100000          | 415,505.45       |
| 2008 | .420000           | 1,730,113.45      | .100000          | 411,931.79       |
| 2007 | .420000           | 1,684,020.43      | .100000          | 400,957.27       |
| 2006 | .460000           | 1,732,163.47      | .100000          | 376,557.20       |
| 2005 | .500000           | 1,831,069.29      | .100000          | 366,213.95       |
| 2004 | .500000           | 1,675,246.34      | .100000          | 335,049.35       |
| 2003 | .500000           | 1,552,509.17      | .100000          | 310,501.91       |
| 2002 | .500000           | 1,452,639.10      | .100000          | 290,527.89       |
| 2001 | .520000           | 1,430,005.22      | .100000          | 275,000.96       |
| 2000 | .573670           | 1,440,748.35      | .075470          | 189,539.74       |
| 1999 | .604600           | 1,317,689.92      | .075400          | 164,329.92       |
| 1997 | .630000           | 1,129,265.18      | .050000          | 89,624.21        |
| 1996 | .620000           | 1,069,780.44      | .050000          | 86,272.66        |
| 1995 | .620000           | 1,046,194.66      | .050000          | 84,370.58        |

HARRIS COUNTY MUD #109

Notes:

|                            |          |
|----------------------------|----------|
| 2025 Agriculture Deferment | 9,557.68 |
| Total --->                 | 9,557.68 |

\$ 6,409.19 - REPORT TAXES COLLECTED ON 1/26 REPORT. UNPAID ON 4/26 REPORT DUE TO AN ERRONEOUS PAYMENT.  
2025 TAXES - #0605-004-0070. CHECK #1062 REFLECTING NOW.

\$ 893.26 - REPORTED AS TAXES COLLECTED ON PRIOR REPORTS, TRANSFERRED TO REFUND OF ADJUSTMENTS DUE TO CAD C/R#'S 9 & 20.  
2024 TAXES - #0202-012-0190 - \$ 108.75  
                  #0704-001-0130 - \$ 108.75  
                  #0901-009-0100 - \$ 110.26  
2025 TAXES - #0001-007-0110 - \$ 21.75  
                  #0004-017-0510 - \$ 108.75  
                  #0004-023-0060 - \$ 108.75  
                  #0202-011-0040 - \$ 108.75  
                  #0202-012-0190 - \$ 108.75  
                  #0704-001-0130 - \$ 108.75

\$ 282.39 - ONLINE OVERPAYMENT TO BE REVERSED ON 05/26 REPORT.  
2025 TAXES - #9900-234-3249

\$ 40,000.00 - REIMBURSING THE OPERATING FUND FROM THE BOOKKEEPER TRANSACTION THAT WAS DONE ON THE 10/25 REPORT.

HARRIS COUNTY MUD #109

| Tax Exemptions: | 2025   | 2024   | 2023   |
|-----------------|--------|--------|--------|
| Homestead       | .00000 | .00000 | .00000 |
| Over 65         | 25,000 | 0      | 0      |
| Disabled        | 25,000 | 0      | 0      |

Last Bond Premium Paid:

| Payee               | Date of Check | Amount |
|---------------------|---------------|--------|
| Brown & Brown       | 11/13/2025    | 250.00 |
| 11/12/25 - 11/12/28 |               |        |

| Adjustment Summary: | 2025       |              |
|---------------------|------------|--------------|
| 11/2025             | / CORR 003 | 285,748.20   |
| 12/2025             | / CORR 005 | 2,264.42     |
| 1/2026              | / CORR 006 | 1,488.55-    |
| 2/2026              | / CORR 007 | 41.48        |
| 3/2026              | / CORR 008 | 647.96-      |
| 4/2026              | / CORR 009 | 3,112.25     |
| <b>TOTAL</b>        |            | 289,029.84 ✓ |

HARRIS COUNTY MUD #109  
Homestead Payment Plans

| <u>Account no.</u> | <u>Tax</u><br><u>Year</u> | <u>Last</u><br><u>Payment</u><br><u>Amount</u> | <u>Last</u><br><u>Payment</u><br><u>Date</u> | <u>Balance</u><br><u>Due</u> |
|--------------------|---------------------------|------------------------------------------------|----------------------------------------------|------------------------------|
| (I) 0003-014-0170  | 2025                      | .00                                            | None                                         | 1,045.41                     |
| (I) 0403-001-0410  | 2025                      | 117.98                                         | 04/30/26                                     | 1,010.90                     |

\*Total Count 2

(I) - BLI Contract            (A) - Delinquent Attorney Contract

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Standard Payment Plans

| <u>Account no.</u> | <u>Tax</u><br><u>Year</u> | <u>Last</u><br><u>Payment</u><br><u>Amount</u> | <u>Last</u><br><u>Payment</u><br><u>Date</u> | <u>Balance</u><br><u>Due</u> |
|--------------------|---------------------------|------------------------------------------------|----------------------------------------------|------------------------------|
| (S) 0202-007-0060  | 2025                      | 240.00                                         | 05/14/26                                     | 700.96                       |

\*Total Count 1



MUNICIPAL ACCOUNTS  
& CONSULTING, L.P.

**Bookkeeper's Report | May 19, 2026**

# **Harris County Municipal Utility District No. 109**

Exhibit F



**WEBSITE**

[www.municipalaccounts.com](http://www.municipalaccounts.com)



**ADDRESS**

1281 Brittmoores Road  
Houston, Texas 77043










**CONTACT**

Phone: 713.623.4539  
Fax: 713.629.6859

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### Your District Stats

-  Created in ..... **July 1974**
-  First Bond Sale ..... **1976**
-  Total ESFC Count ... **3,897**
-  Total Tax Rate ..... **\$0.435**
-  Cost Per 10K Gal .... **\$54.50**
-  Certified Value ..... **\$1,046,985,386**
-  Services Provided  
**Retail Water, Retail Wastewater, Joint Wastewater Facility, Security**








All values are from the most recent audited financial statements.

### Spotlight On Neighbor Districts








#### Harris County Municipal Utility District No. 153 (HC MUD 153)

-  Created ..... **September 1977**
-  Total Tax Rate ..... **\$0.3915**
-  First Bond ..... **1985**
-  Cost Per 10K Gal ..... **\$86.70**
-  ESFC Count ... **4,315**
-  Certified Value ..... **\$1,256,215,788**
-  **Services Provided: Retail Water, Retail Wastewater, Solid Waste/Garbage, Joint Water Facility, Joint Wastewater Facility, Drainage, Security**

#### Harris County Municipal Utility District No. 151 (HC MUD 151)

-  Created ..... **March 1977**
-  Total Tax Rate ..... **\$0.298**
-  First Bond ..... **1978**
-  Cost Per 10K Gal ..... **\$73.50**
-  ESFC Count ... **2,713**
-  Certified Value ..... **\$855,919,531**
-  **Services Provided: Retail Water, Retail Wastewater, Joint Wastewater Facility**

#### Harris County Municipal Utility District No. 106 (HC MUD 106)

-  Created ..... **October 1978**
-  Total Tax Rate ..... **\$0.71**
-  First Bond ..... **2002**
-  Cost Per 10K Gal ..... **\$98.20**
-  ESFC Count ... **2,190**
-  Certified Value ..... **\$561,937,815**
-  **Services Provided: Retail Water, Retail Wastewater, Solid Waste/Garbage, Joint Water Facility, Joint Wastewater Facility, Drainage, Security**

#### Harris County Municipal Utility District No. 46 (HC MUD 46)

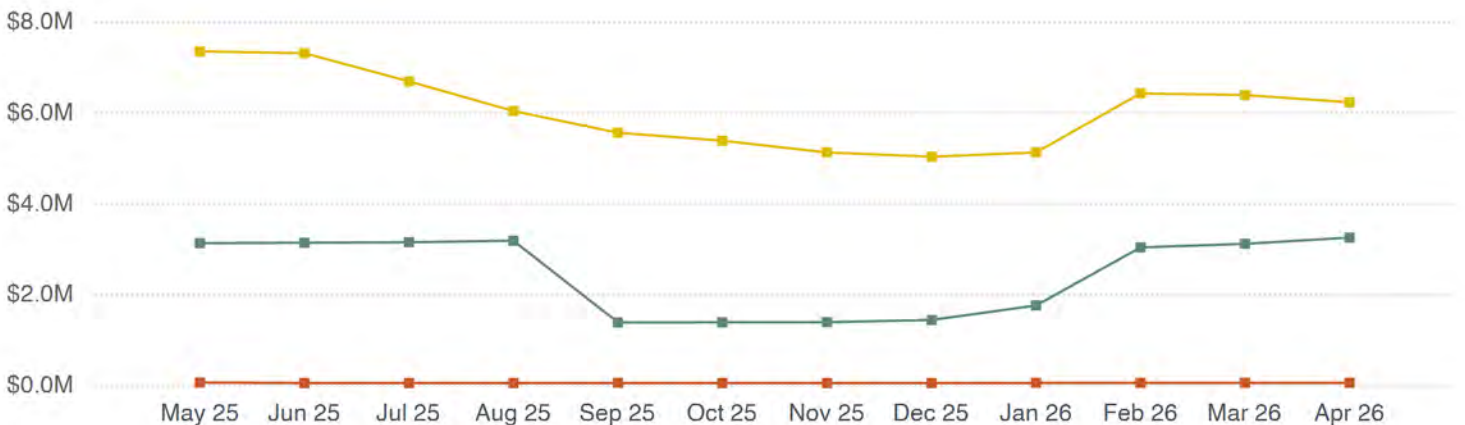
-  Created ..... **November 1976**
-  Total Tax Rate ..... **\$0.32**
-  First Bond ..... **1977**
-  Cost Per 10K Gal ..... **\$71.75**
-  ESFC Count ... **1,624**
-  Certified Value ..... **\$445,389,973**
-  **Services Provided: Retail Water, Retail Wastewater, Joint Wastewater Facility, Drainage**

### Account Balance | As of 05/19/2026

|                                                         |                                                        |                                                   |
|---------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------|
| <span style="color: yellow;">■</span> General Operating | <span style="color: orange;">■</span> Capital Projects | <span style="color: green;">■</span> Debt Service |
| \$5,619,104                                             | \$349                                                  | \$3,256,656                                       |

**Total For All Accounts: \$8,876,110**

### Account Balance By Month | May 2025 - April 2026



# Monthly Financial Summary - General Operating Fund

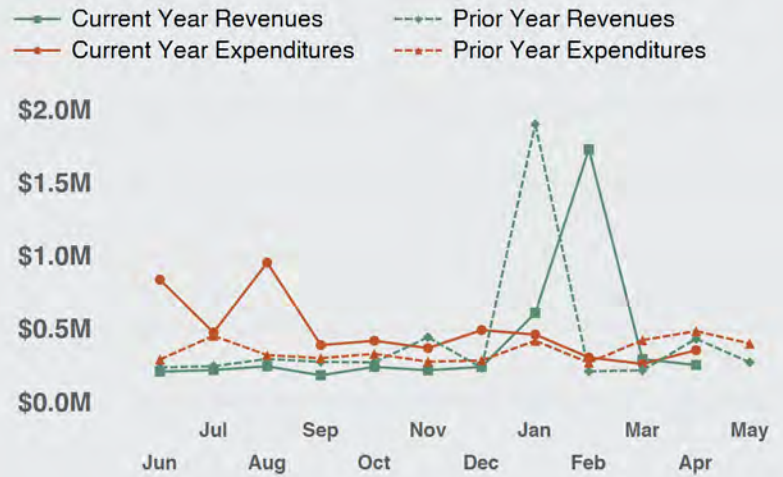
Harris County MUD No. 109 - GOF



## Account Balance Summary

|                                 |                    |
|---------------------------------|--------------------|
| <b>Balance as of 04/22/2026</b> | <b>\$6,208,146</b> |
| Receipts                        | 1,072,534          |
| Disbursements                   | (1,661,575)        |
| <b>Balance as of 05/19/2026</b> | <b>\$5,619,104</b> |

## Overall Revenues & Expenditures By Month (Year to Date)



## April 2026

### Revenues

| Actual    | Budget    | Over/(Under) |
|-----------|-----------|--------------|
| \$262,808 | \$517,324 | (\$254,515)  |

### Expenditures

| Actual    | Budget    | Over/(Under) |
|-----------|-----------|--------------|
| \$363,679 | \$421,736 | (\$58,058)   |

## June 2025 - April 2026 (Year to Date)

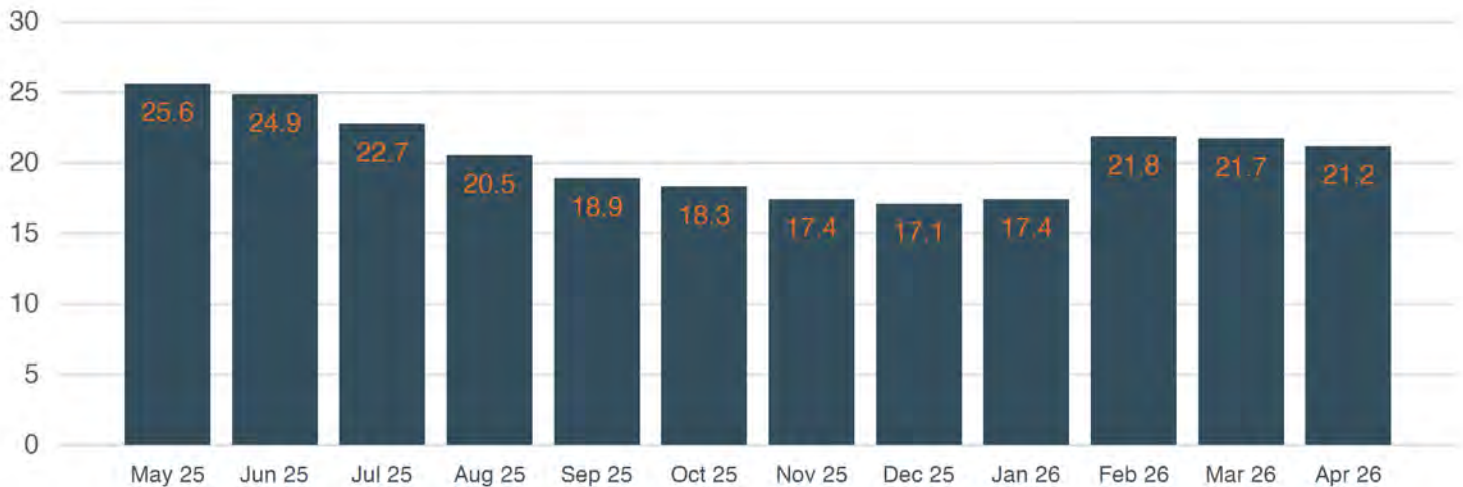
### Revenues

| Actual      | Budget      | Over/(Under) |
|-------------|-------------|--------------|
| \$4,542,333 | \$4,716,813 | (\$174,481)  |

### Expenditures

| Actual      | Budget      | Over/(Under) |
|-------------|-------------|--------------|
| \$5,422,866 | \$4,888,785 | \$534,081    |

## Operating Fund Reserve Coverage Ratio (In Months)



# Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF



| Number                          | Name                               | Memo                                     | Amount       | Balance             |
|---------------------------------|------------------------------------|------------------------------------------|--------------|---------------------|
| <b>Balance as of 04/22/2026</b> |                                    |                                          |              | <b>\$53,181.61</b>  |
| <b>Receipts</b>                 |                                    |                                          |              |                     |
|                                 | Wire Transfer from Money Market    |                                          | 125,371.00   |                     |
|                                 | HC 151 Water Supply                |                                          | 2,131.20     |                     |
|                                 | Sweep from Lockbox Account         |                                          | 163,513.17   |                     |
|                                 | Interest Earned on Checking        |                                          | 6.42         |                     |
|                                 | City of Houston - Sales Tax Rebate |                                          | 6,937.62     |                     |
|                                 | Transfer from Capital Projects     |                                          | 55,139.00    |                     |
|                                 | Wire Transfer from Money Market    |                                          | 510,000.00   |                     |
| <b>Total Receipts</b>           |                                    |                                          |              | <b>\$863,098.41</b> |
| <b>Disbursements</b>            |                                    |                                          |              |                     |
| 17994                           | Chris Green                        | VOID: Fees of Office - 04/21/2026        | 0.00         |                     |
| 18021                           | Brightspeed                        | Telephone Expense                        | (1,050.78)   |                     |
| 18022                           | Centerpoint Energy                 | Utilities Expense                        | (426.94)     |                     |
| 18023                           | NHCRWA                             | Water Authority Fees                     | (53,083.82)  |                     |
| 18024                           | Arthur J. Gallagher & Co.          | Insurance Expense                        | (259,383.00) |                     |
| 18025                           | Schier Construction Company, Inc.  | Pay Est. No 12 & Final - Water Plant No. | (125,371.00) |                     |
| 18026                           | Patricia Walker                    | Plumbing Reimbursement                   | (1,796.55)   |                     |
| 18027                           | Cheryl C. Moore                    | Fees of Office - 05/19/2026              | (204.10)     |                     |
| 18028                           | Chris Green                        | Fees of Office - 05/19/2026              | (204.10)     |                     |
| 18029                           | Dennis Bone                        | Fees of Office - 05/19/2026              | (204.10)     |                     |
| 18030                           | Owen H. Parker                     | Fees of Office - 05/19/2026              | (204.10)     |                     |
| 18031                           | Robin Sulpizio                     | Fees of Office - 05/19/2026              | (204.10)     |                     |
| 18032                           | Cheryl C. Moore                    | Expense                                  | (29.95)      |                     |
| 18033                           | Chris Green                        | Expense & Fees of Office 04/21 & 05/04   | (472.49)     |                     |
| 18034                           | Owen H. Parker                     | Expense                                  | (40.00)      |                     |
| 18035                           | Robin Sulpizio                     | Expense                                  | (65.00)      |                     |
| 18036                           | A & B Estates, LLC                 | Customer Refund                          | (108.80)     |                     |
| 18037                           | Alanna Heney                       | Customer Refund                          | (17.65)      |                     |
| 18038                           | Alcia Touchette Jr                 | Customer Refund                          | (24.50)      |                     |
| 18039                           | Ariana Sanchez                     | Customer Refund                          | (99.35)      |                     |
| 18040                           | Brenda Robinson                    | Customer Refund                          | (14.46)      |                     |
| 18041                           | Debbie Musselman                   | Customer Refund                          | (163.21)     |                     |
| 18042                           | Desmond White                      | Customer Refund                          | (43.48)      |                     |
| 18043                           | Frogbelly Productions, LLC         | Customer Refund                          | (166.00)     |                     |
| 18044                           | Heather Fortenbery                 | Customer Refund                          | (94.84)      |                     |
| 18045                           | Henry & Karen Livingston           | Customer Refund                          | (88.40)      |                     |
| 18046                           | Jaime Wu                           | Customer Refund                          | (129.04)     |                     |
| 18047                           | Jairo & Patricia Chupin            | Customer Refund                          | (98.96)      |                     |
| 18048                           | James Bice                         | Customer Refund                          | (74.49)      |                     |
| 18049                           | Jay Nell Kirkpatrick               | Customer Refund                          | (43.29)      |                     |
| 18050                           | Jeremy Farmer                      | Customer Refund                          | (20.26)      |                     |

# Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF



| Number               | Name                                      | Memo                             | Amount      | Balance |
|----------------------|-------------------------------------------|----------------------------------|-------------|---------|
| <b>Disbursements</b> |                                           |                                  |             |         |
| 18051                | Jeremy Hertel                             | Customer Refund                  | (38.87)     |         |
| 18052                | Jeremy Stewart                            | Customer Refund                  | (0.03)      |         |
| 18053                | Jesus Juan Castaneda & Tony Rodriguez     | Customer Refund                  | (175.11)    |         |
| 18054                | John Royalty                              | Customer Refund                  | (43.56)     |         |
| 18055                | Jose Salazar                              | Customer Refund                  | (124.53)    |         |
| 18056                | Joycelyn G Pouncy                         | Customer Refund                  | (98.96)     |         |
| 18057                | Juan Guevara                              | Customer Refund                  | (81.00)     |         |
| 18058                | Key Realtors Management, LLC              | Customer Refund                  | (173.05)    |         |
| 18059                | Mario Salazar Jr                          | Customer Refund                  | (133.46)    |         |
| 18060                | Michael Redolfo & Samantha Trevino        | Customer Refund                  | (160.54)    |         |
| 18061                | Niki L Jordan                             | Customer Refund                  | (80.36)     |         |
| 18062                | Open House Texas Realty & Investments LLC | Customer Refund                  | (178.40)    |         |
| 18063                | Oscar Torres                              | Customer Refund                  | (94.89)     |         |
| 18064                | Phyllis Boerm                             | Customer Refund                  | (114.90)    |         |
| 18065                | Siegfred Cortez Callanta                  | Customer Refund                  | (40.74)     |         |
| 18066                | Sridhar Pasham                            | Customer Refund                  | (174.73)    |         |
| 18067                | Super Contractors, Inc                    | Customer Refund                  | (181.73)    |         |
| 18068                | Torray V Robinson                         | Customer Refund                  | (38.18)     |         |
| 18069                | Tricon SFR 2020-2 Borrower LLC            | Customer Refund                  | (189.66)    |         |
| 18070                | Veso Group, LLC                           | Customer Refund                  | (172.10)    |         |
| 18071                | AOS Treatment Solutions, LLC              | Chemicals Expense                | (10,025.00) |         |
| 18072                | BGE, Inc.                                 | Engineering Fees                 | (33,042.66) |         |
| 18073                | DSHS Central Lab MC2004                   | Laboratory Expense               | (752.95)    |         |
| 18074                | G-M Inspection Services, Inc.             | Well Performance Test            | (475.00)    |         |
| 18075                | GFL Environmental                         | Garbage Expense                  | (354.80)    |         |
| 18076                | Harris County Treasurer                   | Patrol Services                  | (29,037.00) |         |
| 18077                | Hudson Energy                             | Utilities Expense                | (11,815.86) |         |
| 18078                | Municipal Accounts & Consulting, L.P.     | Bookkeeping Fees                 | (7,405.60)  |         |
| 18079                | Norton Rose Fulbright US LLP              | Legal Fees                       | (6,452.79)  |         |
| 18080                | Oaks of Atascocita Community Improvement  | Security Contribution - HOA      | (3,619.58)  |         |
| 18081                | PVS DX, Inc                               | Chemicals Expense                | (1,285.33)  |         |
| 18082                | STP Services                              | Maintenance & Repairs            | (6,620.00)  |         |
| 18083                | Texas Mutual Insurance Company            | Insurance Expense                | (400.00)    |         |
| 18084                | Today's Integration, Inc.                 | Security Monitoring - WP Cameras | (32,403.82) |         |
| 18085                | Water Utility Services, Inc.              | Laboratory Fees                  | (350.00)    |         |
| 18086                | WWWMS                                     | Maintenance and Operations       | (57,279.97) |         |
| 18087                | Brightspeed                               | Telephone Expense                | 0.00        |         |
| 18088                | Centerpoint Energy                        | Utilities Expense                | 0.00        |         |
| 18089                | NHCRWA                                    | Water Authority Fees             | 0.00        |         |
| 18090                | Arbitrage Compliance Specialists Inc.     | Arbitrage Expense                | (1,500.00)  |         |
| 18091                | Atascocita Joint Operations Board         | Schedule B & C Costs             | (76,844.17) |         |
| 18092                | CDC Unlimited, LLC                        | Mowing Expense                   | (1,975.00)  |         |

# Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF



| Number                          | Name               | Memo                                       | Amount       | Balance               |
|---------------------------------|--------------------|--------------------------------------------|--------------|-----------------------|
| <b>Disbursements</b>            |                    |                                            |              |                       |
| 18093                           | CFG Industries LLC | Pay App No. 2 & Final - Lift Station No. 3 | (134,640.00) |                       |
| Svc Chrg                        | Central Bank       | Service Charge                             | (30.00)      |                       |
| <b>Total Disbursements</b>      |                    |                                            |              | <b>(\$862,531.09)</b> |
| <b>Balance as of 05/19/2026</b> |                    |                                            |              | <b>\$53,748.93</b>    |

# Cash Flow Report - Operator Account

Harris County MUD No. 109 - GOF



| Number                          | Name                  | Memo                         | Amount       | Balance               |
|---------------------------------|-----------------------|------------------------------|--------------|-----------------------|
| <b>Balance as of 04/22/2026</b> |                       |                              |              | <b>\$109,097.87</b>   |
| <b>Receipts</b>                 |                       |                              |              |                       |
|                                 | Accounts Receivable   |                              | 74,238.93    |                       |
|                                 | Accounts Receivable   |                              | 115,157.99   |                       |
|                                 | Tap Fees              |                              | 4,250.00     |                       |
| <b>Total Receipts</b>           |                       |                              |              | <b>\$193,646.92</b>   |
| <b>Disbursements</b>            |                       |                              |              |                       |
| Ret Ck                          | Central Bank          | Customer Returned Checks (3) | (129.57)     |                       |
| Svc Chrg                        | Central Bank          | Service Charge               | (30.00)      |                       |
| Sweep                           | Harris County MUD 109 | Transfer to Checking Account | (163,513.17) |                       |
| <b>Total Disbursements</b>      |                       |                              |              | <b>(\$163,672.74)</b> |
| <b>Balance as of 05/19/2026</b> |                       |                              |              | <b>\$139,072.05</b>   |

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



|                                     | April 2026                      |         |               | June 2025 - April 2026 |           |               | Annual Budget |           |
|-------------------------------------|---------------------------------|---------|---------------|------------------------|-----------|---------------|---------------|-----------|
|                                     | Actual                          | Budget  | Over/ (Under) | Actual                 | Budget    | Over/ (Under) |               |           |
| <b>Revenues</b>                     |                                 |         |               |                        |           |               |               |           |
| <b>Water Revenue</b>                |                                 |         |               |                        |           |               |               |           |
| 14101                               | Water- Customer Service Revenue | 50,585  | 46,160        | 4,425                  | 558,750   | 519,300       | 39,450        | 577,000   |
| 14102                               | Surface Water - Reserve         | 50,354  | 81,832        | (31,478)               | 560,718   | 920,610       | (359,892)     | 1,022,900 |
| 14103                               | Capital Contribution Credit-NHC | 0       | 12,261        | (12,261)               | 122,613   | 134,874       | (12,261)      | 147,135   |
| 14105                               | Connection Fees                 | 2,475   | 2,344         | 131                    | 33,825    | 26,370        | 7,455         | 29,300    |
| 14108                               | Water Sales to HC 151           | 476     | 508           | (32)                   | 7,432     | 9,925         | (2,493)       | 10,600    |
| <b>Total Water Revenue</b>          |                                 | 103,890 | 143,105       | (39,215)               | 1,283,337 | 1,611,079     | (327,742)     | 1,786,935 |
| <b>Wastewater Revenue</b>           |                                 |         |               |                        |           |               |               |           |
| 14201                               | Wastewater-Customer Service Rev | 70,779  | 63,664        | 7,115                  | 731,980   | 716,220       | 15,760        | 795,800   |
| <b>Total Wastewater Revenue</b>     |                                 | 70,779  | 63,664        | 7,115                  | 731,980   | 716,220       | 15,760        | 795,800   |
| <b>Property Tax Revenue</b>         |                                 |         |               |                        |           |               |               |           |
| 14301                               | Maintenance Tax Collections     | 53,382  | 268,889       | (215,507)              | 2,137,657 | 1,916,709     | 220,948       | 1,916,709 |
| <b>Total Property Tax Revenue</b>   |                                 | 53,382  | 268,889       | (215,507)              | 2,137,657 | 1,916,709     | 220,948       | 1,916,709 |
| <b>Sales Tax Revenue</b>            |                                 |         |               |                        |           |               |               |           |
| 14401                               | COH Rebate                      | 7,602   | 6,792         | 810                    | 91,803    | 84,199        | 7,604         | 91,300    |
| <b>Total Sales Tax Revenue</b>      |                                 | 7,602   | 6,792         | 810                    | 91,803    | 84,199        | 7,604         | 91,300    |
| <b>Tap Connection Revenue</b>       |                                 |         |               |                        |           |               |               |           |
| 14501                               | Tap Connections                 | 4,100   | 0             | 4,100                  | 7,940     | 5,000         | 2,940         | 5,000     |
| 14502                               | Inspection Fees                 | 950     | 858           | 92                     | 9,298     | 9,442         | (144)         | 10,300    |
| <b>Total Tap Connection Revenue</b> |                                 | 5,050   | 858           | 4,192                  | 17,238    | 14,442        | 2,796         | 15,300    |
| <b>Administrative Revenue</b>       |                                 |         |               |                        |           |               |               |           |
| 14702                               | Penalties & Interest            | 6,308   | 8,992         | (2,684)                | 72,498    | 98,908        | (26,411)      | 107,900   |
| <b>Total Administrative Revenue</b> |                                 | 6,308   | 8,992         | (2,684)                | 72,498    | 98,908        | (26,411)      | 107,900   |
| <b>Interest Revenue</b>             |                                 |         |               |                        |           |               |               |           |
| 14801                               | Interest Earned on Checking     | 6       | 192           | (185)                  | 1,048     | 2,108         | (1,060)       | 2,300     |
| 14802                               | Interest Earned on Temp. Invest | 15,788  | 24,748        | (8,960)                | 206,509   | 272,232       | (65,723)      | 296,980   |
| <b>Total Interest Revenue</b>       |                                 | 15,795  | 24,940        | (9,145)                | 207,557   | 274,340       | (66,783)      | 299,280   |
| <b>Other Revenue</b>                |                                 |         |               |                        |           |               |               |           |
| 15801                               | Miscellaneous Income            | 3       | 83            | (80)                   | 83        | 917           | (834)         | 1,000     |
| <b>Total Other Revenue</b>          |                                 | 3       | 83            | (80)                   | 83        | 917           | (834)         | 1,000     |
| <b>Total Revenues</b>               |                                 | 262,808 | 517,324       | (254,515)              | 4,542,153 | 4,716,813     | (174,661)     | 5,014,224 |

## Expenditures

### Water Service

|       |                    |        |       |       |         |         |        |         |
|-------|--------------------|--------|-------|-------|---------|---------|--------|---------|
| 16102 | Operations - Water | 12,595 | 9,900 | 2,695 | 135,403 | 108,900 | 26,503 | 118,800 |
|-------|--------------------|--------|-------|-------|---------|---------|--------|---------|

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



|                                       | April 2026    |                |                 | June 2025 - April 2026 |                  |                  | Annual Budget    |
|---------------------------------------|---------------|----------------|-----------------|------------------------|------------------|------------------|------------------|
|                                       | Actual        | Budget         | Over/ (Under)   | Actual                 | Budget           | Over/ (Under)    |                  |
| <b>Expenditures</b>                   |               |                |                 |                        |                  |                  |                  |
| <b>Water Service</b>                  |               |                |                 |                        |                  |                  |                  |
| 16105 Maintenance & Repairs - Water   | 14,947        | 25,267         | (10,320)        | 326,256                | 277,933          | 48,322           | 303,200          |
| 16107 Chemicals - Water               | 11,361        | 5,275          | 6,086           | 58,518                 | 58,025           | 493              | 63,300           |
| 16108 Laboratory Expense - Water      | 726           | 867            | (141)           | 11,045                 | 9,533            | 1,512            | 10,400           |
| 16109 Mowing - Water                  | 0             | 650            | (650)           | 7,001                  | 7,150            | (149)            | 7,800            |
| 16110 Utilities - Water               | 8,842         | 8,067          | 776             | 81,704                 | 88,733           | (7,030)          | 96,800           |
| 16111 Reconnections                   | 1,135         | 883            | 252             | 12,315                 | 9,717            | 2,598            | 10,600           |
| 16112 Disconnection Expense           | 450           | 492            | (42)            | 6,525                  | 5,408            | 1,117            | 5,900            |
| 16113 Service Account Collection      | 0             | 2,408          | (2,408)         | 0                      | 26,492           | (26,492)         | 28,900           |
| 16114 Telephone Expense - Water       | 630           | 467            | 163             | 6,640                  | 5,133            | 1,507            | 5,600            |
| 16115 Meter Replacement               | 1,128         | 0              | 1,128           | 4,446                  | 0                | 4,446            | 0                |
| 16116 Permit Expense - Water          | 0             | 667            | (667)           | 7,759                  | 7,333            | 426              | 8,000            |
| 16117 TCEQ Regulatory Expense - Water | 0             | 0              | 0               | 2,093                  | 3,432            | (1,339)          | 3,432            |
| 16118 Pumpage Fees                    | 0             | 81,832         | (81,832)        | 695,203                | 920,610          | (225,407)        | 1,022,900        |
| 16122 Lead & Copper Survey            | 0             | 0              | 0               | 1,320                  | 0                | 1,320            | 0                |
| <b>Total Water Service</b>            | <b>51,814</b> | <b>136,774</b> | <b>(84,960)</b> | <b>1,356,229</b>       | <b>1,528,400</b> | <b>(172,172)</b> | <b>1,685,632</b> |
| <b>Wastewater Service</b>             |               |                |                 |                        |                  |                  |                  |
| 16202 Operations - Wastewater         | 5,333         | 2,050          | 3,283           | 56,180                 | 22,550           | 33,630           | 24,600           |
| 16203 Grease Trap Inspections         | 303           | 0              | 303             | 1,465                  | 0                | 1,465            | 0                |
| 16204 Purchase Wastewater Service     | 42,286        | 34,658         | 7,627           | 405,090                | 381,242          | 23,849           | 415,900          |
| 16205 Maint & Repairs - Wastewater    | 17,079        | 28,142         | (11,063)        | 323,865                | 309,558          | 14,306           | 337,700          |
| 16207 Chemicals - Wastewater          | 0             | 58             | (58)            | 439                    | 642              | (203)            | 700              |
| 16209 Mowing - Wastewater             | 0             | 517            | (517)           | 6,107                  | 5,683            | 423              | 6,200            |
| 16210 Utilities - Lift Station        | 3,396         | 2,617          | 779             | 28,325                 | 28,783           | (458)            | 31,400           |
| 16212 Sludge Removal                  | 0             | 0              | 0               | 57,909                 | 0                | 57,909           | 0                |
| 16214 Telephone Expense - Wastewater  | 421           | 517            | (96)            | 4,904                  | 5,683            | (780)            | 6,200            |
| 16217 TCEQ Regulatory Exp-Wastewater  | 0             | 0              | 0               | 2,093                  | 3,432            | (1,339)          | 3,432            |
| 16218 Sanitary Sewer Televising       | 0             | 0              | 0               | 0                      | 0                | 0                | 200,000          |
| <b>Total Wastewater Service</b>       | <b>68,817</b> | <b>68,558</b>  | <b>259</b>      | <b>886,376</b>         | <b>757,574</b>   | <b>128,803</b>   | <b>1,026,132</b> |
| <b>Garbage Service</b>                |               |                |                 |                        |                  |                  |                  |
| 16301 Garbage Expense                 | 355           | 467            | (112)           | 9,930                  | 5,133            | 4,796            | 5,600            |
| <b>Total Garbage Service</b>          | <b>355</b>    | <b>467</b>     | <b>(112)</b>    | <b>9,930</b>           | <b>5,133</b>     | <b>4,796</b>     | <b>5,600</b>     |
| <b>Storm Water Quality</b>            |               |                |                 |                        |                  |                  |                  |
| 16404 Detention Pond Mowing           | 3,950         | 1,292          | 2,658           | 21,621                 | 14,208           | 7,413            | 15,500           |
| <b>Total Storm Water Quality</b>      | <b>3,950</b>  | <b>1,292</b>   | <b>2,658</b>    | <b>21,621</b>          | <b>14,208</b>    | <b>7,413</b>     | <b>15,500</b>    |
| <b>Tap Connection</b>                 |               |                |                 |                        |                  |                  |                  |
| 16501 Tap Connection Expense          | 2,036         | 250            | 1,786           | 45,132                 | 2,750            | 42,382           | 3,000            |
| 16502 Inspection Expense              | 0             | 417            | (417)           | 2,310                  | 4,583            | (2,273)          | 5,000            |

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



|                                      | April 2026     |                |                  | June 2025 - April 2026 |                  |                  | Annual Budget    |
|--------------------------------------|----------------|----------------|------------------|------------------------|------------------|------------------|------------------|
|                                      | Actual         | Budget         | Over/ (Under)    | Actual                 | Budget           | Over/ (Under)    |                  |
| <b>Expenditures</b>                  |                |                |                  |                        |                  |                  |                  |
| <b>Total Tap Connection</b>          | 2,036          | 667            | 1,369            | 47,442                 | 7,333            | 40,109           | 8,000            |
| <b>Administrative Service</b>        |                |                |                  |                        |                  |                  |                  |
| 16703 Legal Fees                     | 6,435          | 7,908          | (1,473)          | 72,179                 | 86,992           | (14,813)         | 94,900           |
| 16705 Auditing Fees                  | 0              | 0              | 0                | 25,810                 | 20,500           | 5,310            | 20,500           |
| 16706 Engineering Fees               | 6,518          | 6,667          | (149)            | 69,287                 | 73,333           | (4,047)          | 80,000           |
| 16708 GIS Expense                    | 0              | 833            | (833)            | 16,550                 | 9,167            | 7,383            | 10,000           |
| 16710 Website Expense                | 255            | 0              | 255              | 1,020                  | 1,045            | (25)             | 1,300            |
| 16712 Bookkeeping Fees               | 6,984          | 4,550          | 2,434            | 69,878                 | 60,450           | 9,428            | 65,000           |
| 16714 Printing & Office Supplies     | 2,491          | 2,117          | 375              | 26,506                 | 23,283           | 3,223            | 25,400           |
| 16716 Delivery Expense               | 52             | 50             | 2                | 1,034                  | 550              | 484              | 600              |
| 16717 Postage                        | 73             | 58             | 14               | 916                    | 642              | 275              | 700              |
| 16718 Insurance & Surety Bond        | 0              | 0              | 0                | 0                      | 0                | 0                | 44,200           |
| 16719 AWBD Expense                   | 0              | 0              | 0                | 1,745                  | 900              | 845              | 900              |
| 16722 Bank Service Charges           | 60             | 42             | 18               | 1,187                  | 458              | 729              | 500              |
| 16723 Travel Expense                 | 18             | 42             | (24)             | 343                    | 458              | (116)            | 500              |
| 16727 Arbitrage Expense              | 1,500          | 0              | 1,500            | 5,545                  | 4,045            | 1,500            | 10,000           |
| 16728 Record Storage Fees            | 104            | 42             | 62               | 724                    | 458              | 266              | 500              |
| 16729 Consumer Confidence Report     | 0              | 0              | 0                | 12,476                 | 0                | 12,476           | 0                |
| <b>Total Administrative Service</b>  | 24,489         | 22,308         | 2,181            | 305,199                | 282,282          | 22,917           | 355,000          |
| <b>Security Service</b>              |                |                |                  |                        |                  |                  |                  |
| 16801 Security Patrol Expense        | 32,657         | 33,333         | (677)            | 329,940                | 366,667          | (36,726)         | 400,000          |
| 16802 Security Monitoring            | 159            | 833            | (675)            | 21,142                 | 9,167            | 11,975           | 10,000           |
| <b>Total Security Service</b>        | 32,815         | 34,167         | (1,351)          | 351,082                | 375,833          | (24,751)         | 410,000          |
| <b>Payroll Expense</b>               |                |                |                  |                        |                  |                  |                  |
| 17101 Payroll Expenses               | 1,326          | 2,083          | (757)            | 18,785                 | 22,917           | (4,132)          | 25,000           |
| 17103 Payroll Tax Expense            | 101            | 0              | 101              | 1,437                  | 0                | 1,437            | 0                |
| 17104 Payroll Administration         | 25             | 0              | 25               | 100                    | 0                | 100              | 0                |
| <b>Total Payroll Expense</b>         | 1,452          | 2,083          | (631)            | 20,322                 | 22,917           | (2,595)          | 25,000           |
| <b>Other Expense</b>                 |                |                |                  |                        |                  |                  |                  |
| 17802 Miscellaneous Expense          | 260            | 292            | (32)             | 2,607                  | 3,208            | (601)            | 3,500            |
| <b>Total Other Expense</b>           | 260            | 292            | (32)             | 2,607                  | 3,208            | (601)            | 3,500            |
| <b>Total Expenditures</b>            | <b>185,989</b> | <b>266,607</b> | <b>(80,618)</b>  | <b>3,000,808</b>       | <b>2,996,889</b> | <b>3,919</b>     | <b>3,534,364</b> |
| <b>Total Revenues (Expenditures)</b> | <b>76,820</b>  | <b>250,717</b> | <b>(173,897)</b> | <b>1,541,344</b>       | <b>1,719,924</b> | <b>(178,580)</b> | <b>1,479,860</b> |

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



|                                            | April 2026       |                  |                  | June 2025 - April 2026 |                    |                  | Annual Budget      |
|--------------------------------------------|------------------|------------------|------------------|------------------------|--------------------|------------------|--------------------|
|                                            | Actual           | Budget           | Over/ (Under)    | Actual                 | Budget             | Over/ (Under)    |                    |
| <b>Other Revenues</b>                      |                  |                  |                  |                        |                    |                  |                    |
| <b>Extra Ordinary Revenue</b>              |                  |                  |                  |                        |                    |                  |                    |
| 15901 Transfer from Operating Reserve      | 0                | 0                | 0                | 0                      | 0                  | 0                | 2,229,140          |
| 15906 Insurance Reimbursement              | 0                | 0                | 0                | 180                    | 0                  | 180              | 0                  |
| <b>Total Extra Ordinary Revenue</b>        | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>180</b>             | <b>0</b>           | <b>180</b>       | <b>2,229,140</b>   |
| <b>Total Other Revenues</b>                | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>180</b>             | <b>0</b>           | <b>180</b>       | <b>2,229,140</b>   |
| <b>Other Expenditures</b>                  |                  |                  |                  |                        |                    |                  |                    |
| <b>Capital Outlay</b>                      |                  |                  |                  |                        |                    |                  |                    |
| 17901 Capital Outlay                       |                  |                  |                  |                        |                    |                  |                    |
| 17901a Capital Outlay - General            | 22,561           | 0                | 22,561           | 566,756                | 50,000             | 516,756          | 50,000             |
| 17901b Capital Outlay - AJOB               | 34,456           | 34,456           | 0                | 379,019                | 379,019            | 0                | 450,000            |
| 17901c WP 1 Well Rehab                     | 0                | 0                | 0                | 0                      | 0                  | 0                | 50,000             |
| 17901d WP 1 Electrical Improvements        | 0                | 0                | 0                | 62,400                 | 62,400             | 0                | 1,230,000          |
| 17901e WP 1 GST 1 Replacement              | 0                | 0                | 0                | 1,091,139              | 1,091,139          | 0                | 1,200,000          |
| 17901f HC 46 Water Interconnect            | 0                | 0                | 0                | 4,490                  | 4,490              | 0                | 200,000            |
| 17901h LS Wet Well/Piping Rehab            | 120,673          | 120,673          | 0                | 304,848                | 304,848            | 0                | 325,000            |
| 17901i Fence Replacement                   | 0                | 0                | 0                | 0                      | 0                  | 0                | 40,000             |
| 17901k Lift Station 1                      | 0                | 0                | 0                | 0                      | 0                  | 0                | 115,000            |
| 17901l Lift Station 4                      | 0                | 0                | 0                | 0                      | 0                  | 0                | 49,000             |
| <b>Total Capital Outlay</b>                | <b>177,690</b>   | <b>155,129</b>   | <b>22,561</b>    | <b>2,408,651</b>       | <b>1,891,896</b>   | <b>516,756</b>   | <b>3,709,000</b>   |
| 17904 Capital Outlay - Barents Dr L/S      | 0                | 0                | 0                | 13,406                 | 0                  | 13,406           | 0                  |
| <b>Total Capital Outlay</b>                | <b>177,690</b>   | <b>155,129</b>   | <b>22,561</b>    | <b>2,422,058</b>       | <b>1,891,896</b>   | <b>530,162</b>   | <b>3,709,000</b>   |
| <b>Total Other Expenditures</b>            | <b>177,690</b>   | <b>155,129</b>   | <b>22,561</b>    | <b>2,422,058</b>       | <b>1,891,896</b>   | <b>530,162</b>   | <b>3,709,000</b>   |
| <b>Total Other Revenues (Expenditures)</b> | <b>(177,690)</b> | <b>(155,129)</b> | <b>(22,561)</b>  | <b>(2,421,877)</b>     | <b>(1,891,896)</b> | <b>(529,982)</b> | <b>(1,479,860)</b> |
| <b>Excess Revenues (Expenditures)</b>      | <b>(100,870)</b> | <b>95,587</b>    | <b>(196,458)</b> | <b>(880,533)</b>       | <b>(171,972)</b>   | <b>(708,561)</b> | <b>0</b>           |

# Balance Sheet as of 04/30/2026

Harris County MUD No. 109 - GOF



## Assets

### Bank

|                    |                  |
|--------------------|------------------|
| 11101 Cash in Bank | \$162,871        |
| 11102 Operator     | 139,072          |
| <b>Total Bank</b>  | <b>\$301,943</b> |

### Investments

|                          |                    |
|--------------------------|--------------------|
| 11201 Time Deposits      | \$5,936,283        |
| <b>Total Investments</b> | <b>\$5,936,283</b> |

### Receivables

|                                  |                  |
|----------------------------------|------------------|
| 11301 Accounts Receivable        | \$197,616        |
| 11303 Maintenance Tax Receivable | 117,492          |
| 11305 Accrued Interest           | 9,763            |
| 11306 Due From COH               | 25,231           |
| <b>Total Receivables</b>         | <b>\$350,102</b> |

### Interfund Receivables

|                                    |                  |
|------------------------------------|------------------|
| 11401 Due From Capital Projects    | \$55,139         |
| 11403 Due From Tax Account         | 553,121          |
| 11450 Due from HC MUD 46           | 4,573            |
| 11451 Due from HC MUD 106          | 13,510           |
| 11452 Due from HC MUD 132          | 9,011            |
| 11453 Due from HC MUD 151          | 6,242            |
| 11454 Due from HC MUD 152          | 6,716            |
| 11455 Due from HC MUD 153          | 38,101           |
| 11456 Due from HC MUD 494          | 8,238            |
| <b>Total Interfund Receivables</b> | <b>\$694,652</b> |

### Reserves

|                         |                  |
|-------------------------|------------------|
| 11601 Reserve in A.C.P. | \$460,213        |
| <b>Total Reserves</b>   | <b>\$460,213</b> |

## Total Assets

**\$7,743,194**

## Liabilities & Equity

### Liabilities

#### Accounts Payable

|                               |                  |
|-------------------------------|------------------|
| 12101 Accounts Payable        | \$248,305        |
| 12102 Payroll Liabilities     | 203              |
| <b>Total Accounts Payable</b> | <b>\$248,508</b> |

#### Other Current Liabilities

|                                        |                |
|----------------------------------------|----------------|
| 12201 Unclaimed Property               | \$4,608        |
| 12204 Retainage Payable                |                |
| Total Retainage Payable                |                |
| <b>Total Other Current Liabilities</b> | <b>\$4,608</b> |

# Balance Sheet as of 04/30/2026

Harris County MUD No. 109 - GOF



## Liabilities & Equity

|                                       |                                  |
|---------------------------------------|----------------------------------|
| Liabilities                           |                                  |
| Deferrals                             |                                  |
| 12502 Deferred Taxes                  | \$117,492                        |
| Total Deferrals                       | <u>\$117,492</u>                 |
| Deposits                              |                                  |
| 12601 Customer Meter Deposits         | \$330,114                        |
| Total Deposits                        | <u>\$330,114</u>                 |
| <b>Total Liabilities</b>              | <u><u>\$700,723</u></u>          |
| Equity                                |                                  |
| Unassigned Fund Balance               |                                  |
| 13101 Unallocated Fund Balance        | \$7,923,005                      |
| Total Unassigned Fund Balance         | <u>\$7,923,005</u>               |
| Net Income                            | (\$880,533)                      |
| <b>Total Equity</b>                   | <u><u>\$7,042,472</u></u>        |
| <b>Total Liabilities &amp; Equity</b> | <u><u><u>\$7,743,194</u></u></u> |

# Monthly Financial Summary - Capital Projects Fund

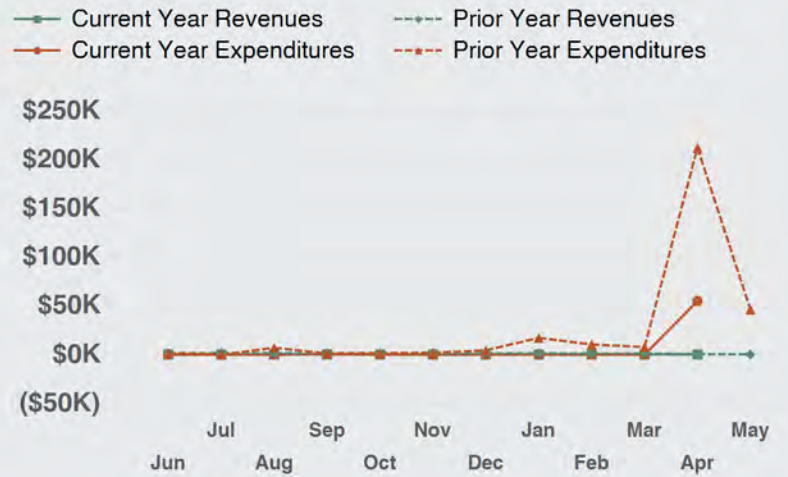
Harris County MUD No. 109 - CPF



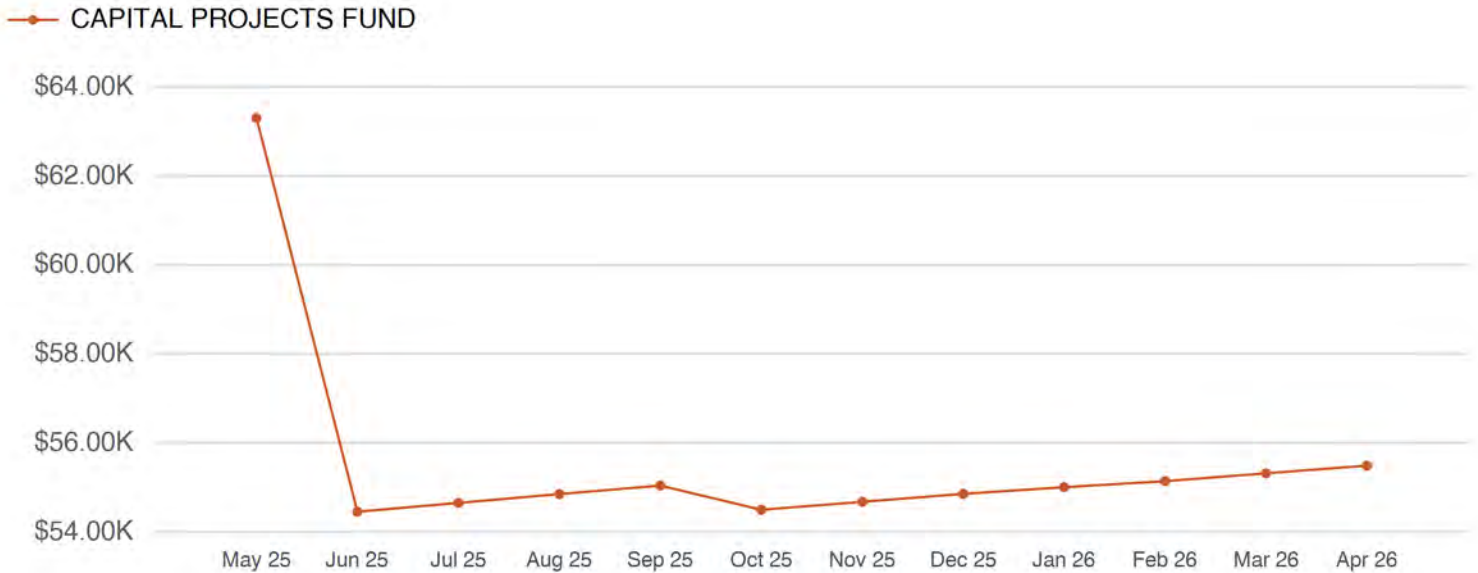
## Account Balance Summary

|                                 |                 |
|---------------------------------|-----------------|
| <b>Balance as of 04/22/2026</b> | <b>\$55,317</b> |
| Receipts                        | 172             |
| Disbursements                   | (55,139)        |
| <b>Balance as of 05/19/2026</b> | <b>\$349</b>    |

## Overall Revenues & Expenditures By Month (Year to Date)



## Account Balance By Month | May 2025 - April 2026



# District Debt Summary as of 05/19/2026

Harris County MUD No. 109 - DSF



|                            |               | WATER, SEWER,<br>DRAINAGE    | PARK/ROAD/OTHER              | REFUNDING                    |
|----------------------------|---------------|------------------------------|------------------------------|------------------------------|
| <b>Total \$ Authorized</b> |               | <b>Authorized</b>            | <b>Authorized</b>            | <b>Authorized</b>            |
| \$61.83M                   |               | \$61.83M                     | N/A                          | \$32.73M                     |
| <b>Total \$ Issued</b>     |               | <b>Issued</b>                | <b>Issued</b>                | <b>Issued</b>                |
| \$48.88M                   |               | \$48.88M                     | N/A                          | \$1.06M                      |
| <b>Yrs to Mat</b>          | <b>Rating</b> | <b>\$ Available To Issue</b> | <b>\$ Available To Issue</b> | <b>\$ Available To Issue</b> |
| 14                         | AA            | \$12.95M                     | N/A                          | \$31.67M                     |

\*Actual 'Outstanding' Refunding Bonds issued below may differ from the 'Issued' total above pursuant to Chapter 1207, Texas Government Code.

## Outstanding Debt Breakdown

| Series Issued    | Original Bonds Issued | Maturity Date | Principal Outstanding |
|------------------|-----------------------|---------------|-----------------------|
| 2021 - Refunding | \$3,705,000           | 2029          | \$1,660,000           |
| 2017 - WS&D      | \$12,100,000          | 2041          | \$9,945,000           |
| 2015 - Refunding | \$5,920,000           | 2030          | \$4,285,000           |
| <b>Total</b>     | <b>\$21,725,000</b>   |               | <b>\$15,890,000</b>   |

# District Debt Schedule

Harris County MUD No. 109 - DSF



| Paying Agent                | Series           | Principal             | Interest            | Total                 |
|-----------------------------|------------------|-----------------------|---------------------|-----------------------|
| Bank of New York            | 2021 - Refunding | \$430,000.00          | \$18,750.00         | \$448,750.00          |
| Bank of New York            | 2017 - WS&D      | \$460,000.00          | \$164,096.88        | \$624,096.88          |
| Regions Equipment Finance   | 2015 - Refunding | \$680,000.00          | \$69,417.00         | \$749,417.00          |
| <b>Total Due 10/01/2026</b> |                  | <b>\$1,570,000.00</b> | <b>\$252,263.88</b> | <b>\$1,822,263.88</b> |

| Paying Agent                | Series           | Principal     | Interest            | Total               |
|-----------------------------|------------------|---------------|---------------------|---------------------|
| Bank of New York            | 2021 - Refunding | \$0.00        | \$12,300.00         | \$12,300.00         |
| Bank of New York            | 2017 - WS&D      | \$0.00        | \$157,196.89        | \$157,196.89        |
| Regions Equipment Finance   | 2015 - Refunding | \$0.00        | \$58,401.00         | \$58,401.00         |
| <b>Total Due 04/01/2027</b> |                  | <b>\$0.00</b> | <b>\$227,897.89</b> | <b>\$227,897.89</b> |

# Investment Profile as of 05/19/2026

Harris County MUD No. 109

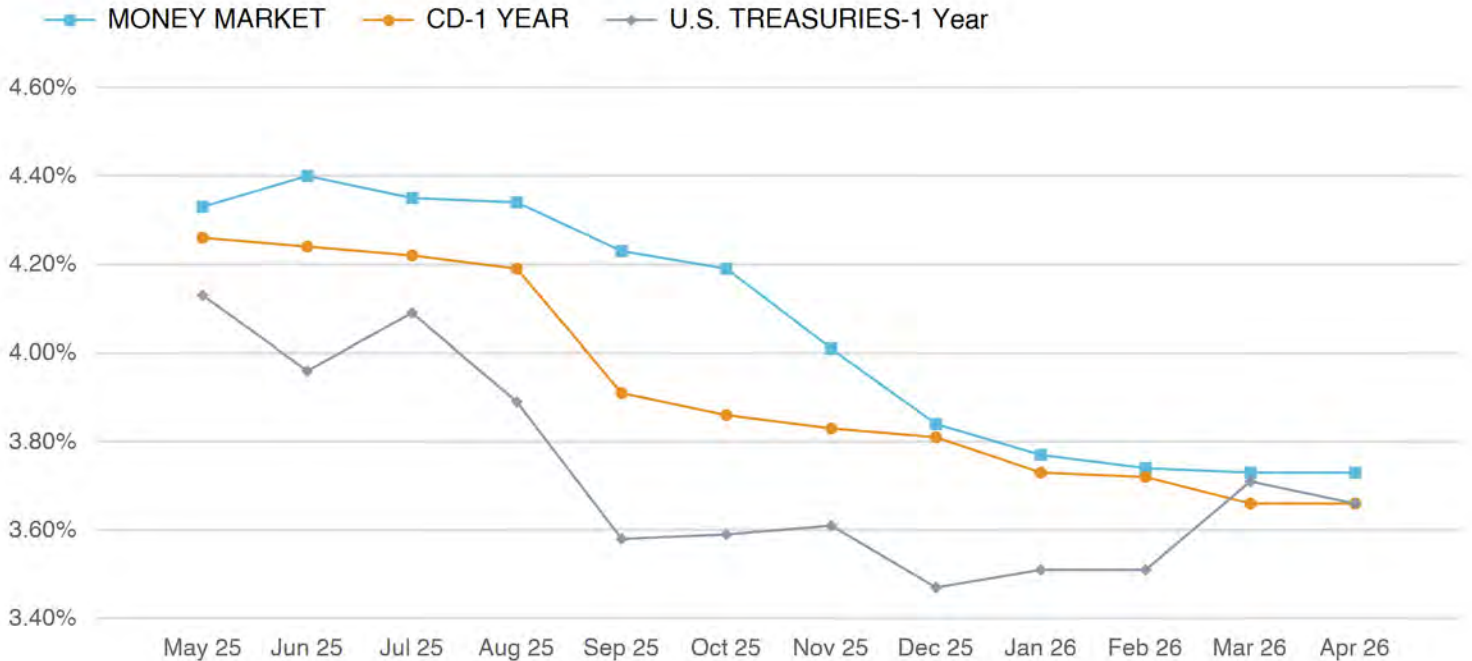


| General Operating Fund                          | Capital Projects Fund                     | Debt Service Fund                               | Other Funds                             |
|-------------------------------------------------|-------------------------------------------|-------------------------------------------------|-----------------------------------------|
| <b>Funds Available to Invest</b><br>\$5,619,104 | <b>Funds Available to Invest</b><br>\$349 | <b>Funds Available to Invest</b><br>\$3,256,656 | <b>Funds Available to Invest</b><br>N/A |
| <b>Funds Invested</b><br>\$5,426,283            | <b>Funds Invested</b><br>\$349            | <b>Funds Invested</b><br>\$3,256,656            | <b>Funds Invested</b><br>N/A            |
| <b>Percent Invested</b><br>97%                  | <b>Percent Invested</b><br>100%           | <b>Percent Invested</b><br>100%                 | <b>Percent Invested</b><br>N/A          |

| Term      | Money Market | Term     | Certificate of Deposit | Term     | U.S. Treasuries |
|-----------|--------------|----------|------------------------|----------|-----------------|
| On Demand | 3.70%        | 180 Days | 4.01%                  | 180 Days | 3.70%           |
|           |              | 270 Days | 3.67%                  | 270 Days | 3.70%           |
|           |              | 1 Yr     | 3.67%                  | 1 Yr     | 3.73%           |
|           |              | 13 Mo    | 1.79%                  | 13 Mo    | N/A             |
|           |              | 18 Mo    | 2.28%                  | 18 Mo    | 0.00%           |
|           |              | 2 Yr     | 1.82%                  | 2 Yr     | 3.91%           |

\*Rates are based on the most current quoted rates and are subject to change daily.

## Investment Rates Over Time (By Month) | May 2025 - April 2026



# Account Balance as of 05/19/2026

## Harris County MUD No. 109 - Investment Detail



### FUND: General Operating

| Financial Institution (Acct Number)      | Issue Date | Maturity Date | Interest Rate | Account Balance       | Notes            |
|------------------------------------------|------------|---------------|---------------|-----------------------|------------------|
| <b>Certificates of Deposit</b>           |            |               |               |                       |                  |
| HUNTINGTON BANK (XXXX9904)               | 08/21/2025 | 07/17/2026    | 4.05%         | 235,000.00            |                  |
| WALLIS BANK (XXXX6297)                   | 08/18/2025 | 07/18/2026    | 4.30%         | 235,000.00            |                  |
| SOUTH STAR BANK (XXXX0409)               | 03/23/2026 | 12/23/2026    | 3.60%         | 235,000.00            |                  |
| THIRD COAST BANK, SSB (XXXX1280)         | 03/26/2026 | 03/26/2027    | 3.65%         | 235,000.00            |                  |
| <b>Money Market Funds</b>                |            |               |               |                       |                  |
| TEXAS CLASS (XXXX0001)                   | 03/22/2017 |               | 3.76%         | 4,544,819.34          |                  |
| <b>Checking Account(s)</b>               |            |               |               |                       |                  |
| CENTRAL BANK - CHECKING (XXXX1891)       |            |               | 0.00%         | 53,748.93             | Checking Account |
| CENTRAL BANK - CHECKING (XXXX4632)       |            |               | 0.00%         | 139,072.05            | Operator         |
| <b>Totals for General Operating Fund</b> |            |               |               | <b>\$5,677,640.32</b> |                  |

### FUND: Capital Projects

| Financial Institution (Acct Number)     | Issue Date | Maturity Date | Interest Rate | Account Balance | Notes       |
|-----------------------------------------|------------|---------------|---------------|-----------------|-------------|
| <b>Money Market Funds</b>               |            |               |               |                 |             |
| TEXAS CLASS (XXXX0002)                  | 03/22/2017 |               | 3.76%         | 349.44          | Series 2017 |
| <b>Totals for Capital Projects Fund</b> |            |               |               | <b>\$349.44</b> |             |

### FUND: Debt Service

| Financial Institution (Acct Number) | Issue Date | Maturity Date | Interest Rate | Account Balance       | Notes |
|-------------------------------------|------------|---------------|---------------|-----------------------|-------|
| <b>Certificates of Deposit</b>      |            |               |               |                       |       |
| CADENCE BANK - DEBT (XXXX4954)      | 08/27/2025 | 08/27/2026    | 4.25%         | 235,000.00            |       |
| THIRD COAST BANK-DEBT (XXXX3518)    | 08/27/2025 | 08/27/2026    | 4.15%         | 235,000.00            |       |
| FRONTIER BANK - DEBT (XXXX7222)     | 03/19/2026 | 03/19/2027    | 3.70%         | 235,000.00            |       |
| PLAINS STATE BANK - DEBT (XXXX0753) | 03/19/2026 | 03/19/2027    | 3.75%         | 235,000.00            |       |
| WALLIS BANK-DEBT (XXXX0146)         | 03/19/2026 | 03/19/2027    | 3.65%         | 235,000.00            |       |
| <b>Money Market Funds</b>           |            |               |               |                       |       |
| TEXAS CLASS (XXXX0003)              | 03/22/2017 |               | 3.76%         | 2,081,655.94          |       |
| <b>Totals for Debt Service Fund</b> |            |               |               | <b>\$3,256,655.94</b> |       |

**Grand Total for Harris County MUD No. 109 :**

**\$8,934,645.70**

# Capital Projects Fund Breakdown

Harris County Municipal Utility District No. 109

As of 05/19/2026

## Balances by Bond Series

|                             |                 |
|-----------------------------|-----------------|
| Bond Proceeds - Series 2017 | \$349.44        |
| <b>Total Cash Balance</b>   | <b>\$349.44</b> |

---

## Remaining Costs/Surplus By Bond Series

|                                             |                 |
|---------------------------------------------|-----------------|
| Surplus & Interest - Series 2017            | \$349.44        |
| <b>Total Surplus &amp; Interest Balance</b> | <b>\$349.44</b> |
| <b>Total Remaining Costs/Surplus</b>        | <b>\$349.44</b> |

# Cash Flow Forecast

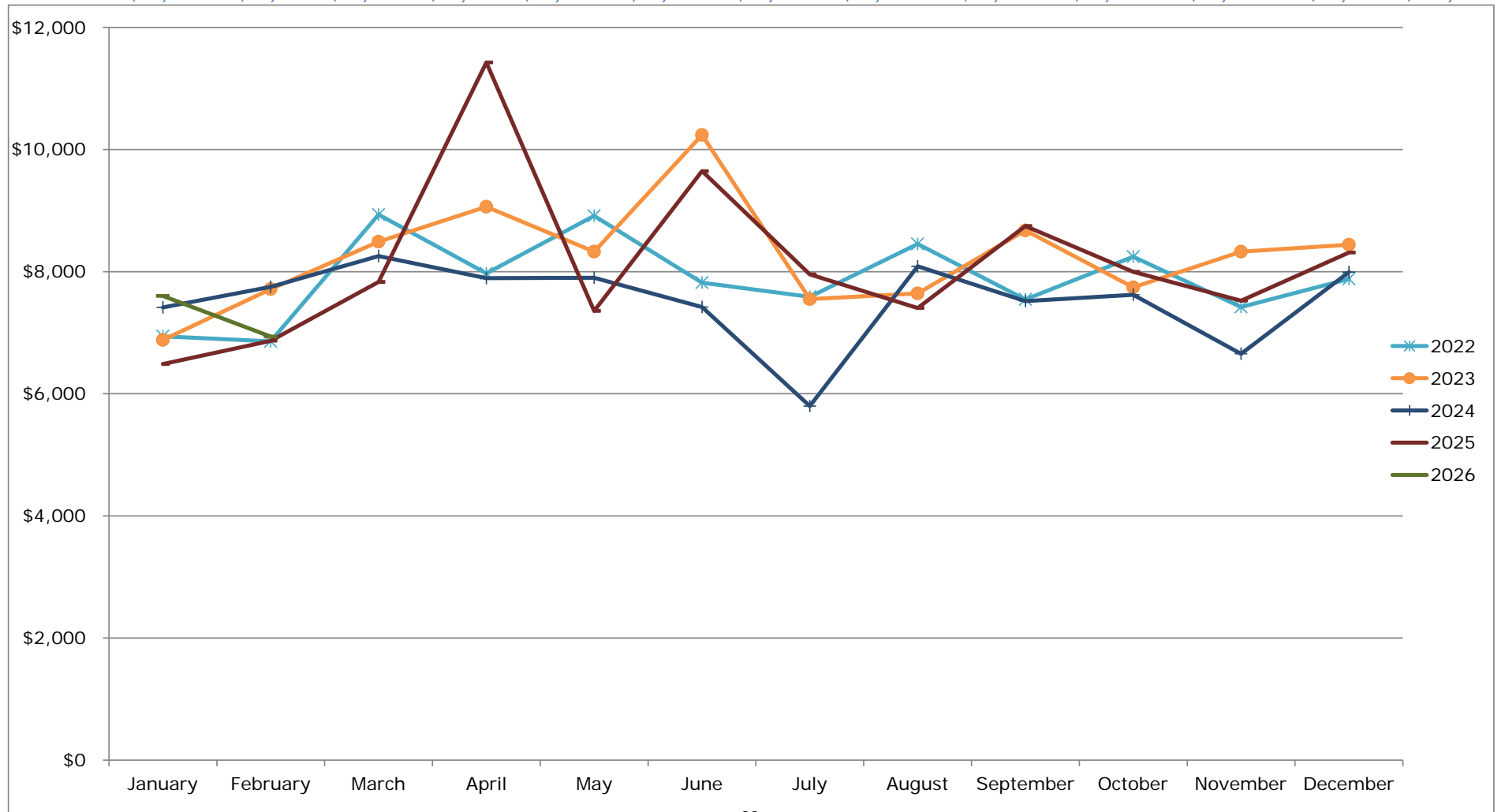
Harris County MUD 109

|                                           | 5/26               | 5/27               | 5/28               | 5/29               | 5/30               |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Assessed Value                            | \$955,062,456      | \$955,062,456      | \$955,062,456      | \$955,062,456      | \$955,062,456      |
| Maintenance Tax Rate                      | \$0.235            | \$0.235            | \$0.235            | \$0.235            | \$0.235            |
| Maintenance Tax                           | \$2,199,509        | \$2,199,509        | \$2,199,509        | \$2,199,509        | \$2,199,509        |
| % Change in Water Rate                    |                    | 1.00%              | 1.00%              | 1.00%              | 1.00%              |
| % Change in Wastewater Rate               |                    | 0.00%              | 0.00%              | 0.00%              | 0.00%              |
| % Change in NHCRWA                        |                    | 10.00%             | 10.00%             | 10.00%             | 10.00%             |
| % Change in Expenses                      |                    | 5.00%              | 5.00%              | 5.00%              | 5.00%              |
| <b>Beginning Cash Balance 5-31-2025</b>   | <b>\$7,359,966</b> | <b>\$4,302,521</b> | <b>\$4,355,469</b> | <b>\$4,349,237</b> | <b>\$5,083,135</b> |
| <b>Revenues</b>                           |                    |                    |                    |                    |                    |
| Maintenance Tax                           | \$1,916,709        | \$2,199,509        | \$2,199,509        | \$2,199,509        | \$2,199,509        |
| Water Revenue                             | 577,000            | 582,770            | 588,598            | 594,484            | 600,429            |
| Wastewater Revenue                        | 795,800            | 795,800            | 795,800            | 795,800            | 795,800            |
| NHCRWA Revenue                            | 1,022,900          | 1,125,190          | 1,237,709          | 1,361,480          | 1,497,628          |
| Other                                     | 701,815            | 736,906            | 773,751            | 812,439            | 853,061            |
| <b>Total Revenues</b>                     | <b>\$5,014,224</b> | <b>\$5,440,175</b> | <b>\$5,595,367</b> | <b>\$5,763,711</b> | <b>\$5,946,426</b> |
| <b>Expenses</b>                           |                    |                    |                    |                    |                    |
| NHCRWA                                    | \$1,022,900        | \$1,125,190        | \$1,237,709        | \$1,361,480        | \$1,497,628        |
| Other Expenses                            | 2,511,464          | 2,637,037          | 2,768,889          | 2,907,334          | 3,052,700          |
| <b>Total Expenses</b>                     | <b>\$3,534,364</b> | <b>\$3,762,227</b> | <b>\$4,006,598</b> | <b>\$4,268,813</b> | <b>\$4,550,328</b> |
| <b>Net Surplus</b>                        | <b>\$1,479,860</b> | <b>\$1,677,947</b> | <b>\$1,588,769</b> | <b>\$1,494,898</b> | <b>\$1,396,098</b> |
| <b>Capital Outlay</b>                     |                    |                    |                    |                    |                    |
| Capital Outlay                            | \$50,000           | \$50,000           | \$50,000           | \$50,000           | \$50,000           |
| Capital Outlay - AJOB                     | 450,000            | 450,000            | 450,000            | 450,000            | 450,000            |
| Capital Outlay - TxDot                    | 517,055            | 0                  | 0                  | 0                  | 0                  |
| WP 1 Well Rehab & Motor Replacement       | 50,000             | 0                  | 0                  | 0                  | 0                  |
| WP 1 Electrical Improvements              | 1,230,000          | 0                  | 0                  | 0                  | 0                  |
| WP 1 Booster Pump Replacement             | 0                  | 136,000            | 136,000            | 136,000            | 0                  |
| WP 1 GST 1 Replacement                    | 1,200,000          | 0                  | 0                  | 0                  | 0                  |
| WP 1 Chloramine Conversion                | 0                  | 0                  | 299,000            | 0                  | 0                  |
| WP 1 EST Rehab                            | 0                  | 0                  | 0                  | 0                  | 1,005,000          |
| WP 2 Well Rehab & Motor Replacement       | 0                  | 327,000            | 0                  | 0                  | 0                  |
| WP 2 Chloramine Conversion                | 0                  | 0                  | 299,000            | 0                  | 0                  |
| L/S Wet Well and Piping Rehabilitation    | 325,000            | 0                  | 0                  | 0                  | 282,000            |
| L/S 3 Fence Replacement                   | 311,250            | 0                  | 0                  | 0                  | 0                  |
| L/S 4 Submersive Pump Replacement         | 49,000             | 49,000             | 0                  | 0                  | 0                  |
| Lift Station 1 Rehab                      | 115,000            | 120,000            | 0                  | 0                  | 0                  |
| Manhole Valve Rehab                       | 0                  | 250,000            | 0                  | 0                  | 0                  |
| HC46 Water Interconnect                   | 200,000            | 0                  | 0                  | 0                  | 0                  |
| Fence Replacement                         | 40,000             | 0                  | 0                  | 0                  | 0                  |
| Sewer System Cleaning and Televising      | 0                  | 118,000            | 236,000            | 0                  | 0                  |
| Developer Reimbursement                   | 0                  | 125,000            | 125,000            | 125,000            | 0                  |
| <b>Total Capital Outlay</b>               | <b>\$4,537,305</b> | <b>\$1,625,000</b> | <b>\$1,595,000</b> | <b>\$761,000</b>   | <b>\$1,787,000</b> |
| <b>Construction Surplus</b>               | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>Ending Cash Balance</b>                | <b>\$4,302,521</b> | <b>\$4,355,469</b> | <b>\$4,349,237</b> | <b>\$5,083,135</b> | <b>\$4,692,232</b> |
| <b>Operating Reserve % of Exp</b>         |                    |                    |                    |                    |                    |
| Percentage                                | 122%               | 116%               | 109%               | 119%               | 103%               |
| Number of Months                          | 15                 | 14                 | 13                 | 14                 | 12                 |
| <b>Bond Authority</b>                     |                    |                    |                    |                    |                    |
| Remaining Bonding Capacity - \$12,950,000 |                    |                    |                    |                    |                    |
| Maintenance Tax Rate Cap - \$1.00         |                    |                    |                    |                    |                    |

# Sales Tax Revenue History

Harris County MUD No. 109

| Year         | January         | February        | March           | April           | May             | June            | July            | August          | September       | October         | November        | December        | Total            |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| 2022         | \$6,943         | \$6,859         | \$8,934         | \$7,973         | \$8,913         | \$7,820         | \$7,589         | \$8,453         | \$7,546         | \$8,244         | \$7,422         | \$7,881         | \$94,577         |
| 2023         | \$6,881         | \$7,714         | \$8,490         | \$9,062         | \$8,327         | \$10,238        | \$7,551         | \$7,643         | \$8,675         | \$7,743         | \$8,328         | \$8,440         | \$99,092         |
| 2024         | \$7,414         | \$7,751         | \$8,256         | \$7,894         | \$7,900         | \$7,421         | \$5,800         | \$8,088         | \$7,519         | \$7,622         | \$6,655         | \$7,993         | \$90,312         |
| 2025         | \$6,487         | \$6,869         | \$7,831         | \$11,425        | \$7,357         | \$9,646         | \$7,956         | \$7,405         | \$8,746         | \$7,997         | \$7,525         | \$8,313         | \$97,556         |
| 2026         | \$7,602         | \$6,938         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 | \$14,539         |
| <b>Total</b> | <b>\$65,298</b> | <b>\$67,121</b> | <b>\$71,825</b> | <b>\$65,677</b> | <b>\$67,842</b> | <b>\$71,660</b> | <b>\$60,465</b> | <b>\$62,064</b> | <b>\$67,387</b> | <b>\$65,854</b> | <b>\$60,306</b> | <b>\$69,135</b> | <b>\$794,634</b> |



# 2026 AWBD Summer Conference

Harris County Municipal Utility District No. 109

**Thursday, June 18 - Saturday, June 20, 2026**

Gaylord Texan Resort & Convention Center, Grapevine, TX

| Director       | Registration |        |      | Prior Conference Expenses |
|----------------|--------------|--------|------|---------------------------|
| Name           | Attending    | Online | Paid | Paid                      |
| Cheryl Moore   |              |        |      | N/A                       |
| Chris Green    | Yes          | Yes    | Yes  | N/A                       |
| Dennis Boone   |              |        |      | N/A                       |
| Owen Parker    |              |        |      | N/A                       |
| Robin Sulpizio | Yes          | Yes    | Yes  | N/A                       |

## Note

**Register on-line [www.awbd-tx.org](http://www.awbd-tx.org)** (For log in assistance, contact Taylor Cavnar: [tcavnar@awbd-tx.org](mailto:tcavnar@awbd-tx.org))

This page only confirms registration for the conference, not hotel registrations.

All hotel reservations are the sole responsibility of each attendee.

Your conference registration confirmation will contain a housing reservation request web link.

The link will require the registration number from your conference registration before you can reserve a room.

All requests for an advance of funds must be sent via email to the bookkeeper within 30 days of conference.

## Registration Dates

|                       |        |           |       |
|-----------------------|--------|-----------|-------|
| Early Registration:   | Begins | 2/4/2026  | \$475 |
| Regular Registration: | Begins | 2/26/2026 | \$525 |
| Late Registration     | Begins | 5/7/2026  | \$625 |

## Cancellation Policy

All cancellations must be made in writing.

A \$50.00 administrative fee is assessed for each conference registration cancelled on or before 05/06/2026.

There will be no refunds after 05/06/2026.

## Housing Information

Hotel reservations are only available to attendees who are registered with AWBD-TX for the Conference.

If you have questions, please call Taylor Cavnar at (281) 350-7090.

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|  | Ten Month<br>Actuals | Twelve<br>Months<br>Annualized | Approved    | Proposed    |
|--|----------------------|--------------------------------|-------------|-------------|
|  | 06/25 - 03/26        | FYE 05/26                      | 2026 Budget | 2027 Budget |

## Revenues

|                                              |                    |                    |                    |                    |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| 14101 · Water- Customer Service Revenue      | 508,165            | 609,798            | 577,000            | 615,900            |
| 14102 · Surface Water - Reserve              | 510,364            | 612,436            | 1,022,900          | 770,565            |
| 14103 · Capital Contribution Credit - NHCRWA | 122,613            | 147,135            | 147,135            | 147,135            |
| 14105 · Connection Fees                      | 31,350             | 37,620             | 29,300             | 38,700             |
| 14108 · Water Sales to HC 151                | 6,956              | 8,348              | 10,600             | 8,600              |
| 14201 · Wastewater-Customer Service Rev      | 661,201            | 793,441            | 795,800            | 945,100            |
| 14301 · Maintenance Tax Collections          | 2,084,275          | 2,167,657          | 1,916,709          | 2,199,510          |
| 14401 · COH Rebate                           | 84,201             | 99,802             | 91,300             | 102,800            |
| 14501 · Tap Connections                      | 3,840              | 8,940              | 5,000              | 5,000              |
| 14502 · Inspection Fees                      | 8,348              | 10,018             | 10,300             | 10,300             |
| 14702 · Penalties & Interest                 | 66,190             | 79,428             | 107,900            | 81,800             |
| 14801 · Interest Earned on Checking          | 1,042              | 1,102              | 2,300              | 1,300              |
| 14802 · Interest Earned on Temp. Invest      | 190,721            | 228,865            | 296,980            | 189,920            |
| 15801 · Miscellaneous Income                 | 80                 | 90                 | 1,000              | 0                  |
| 15906 · Insurnace Reimbursement              | 180                | 180                | 0                  | 0                  |
| <b>Total Revenues</b>                        | <b>\$4,279,525</b> | <b>\$4,804,859</b> | <b>\$5,014,224</b> | <b>\$5,116,630</b> |

## Expenditures

|                                       |         |         |         |         |
|---------------------------------------|---------|---------|---------|---------|
| 16102 · Operations - Water            | 122,809 | 147,370 | 118,800 | 154,700 |
| 16105 · Maintenance & Repairs - Water | 311,308 | 373,570 | 303,200 | 393,000 |
| 16107 · Chemicals - Water             | 47,157  | 63,517  | 63,300  | 66,700  |
| 16108 · Laboratory Expense - Water    | 10,320  | 12,384  | 10,400  | 13,000  |
| 16109 · Mowing - Water                | 7,001   | 8,401   | 7,800   | 8,800   |
| 16110 · Utilities - Water             | 72,861  | 87,434  | 96,800  | 91,800  |
| 16111 · Reconnections                 | 11,180  | 13,416  | 10,600  | 14,100  |
| 16112 · Disconnection Expense         | 6,075   | 7,290   | 5,900   | 7,700   |
| 16113 · Service Account Collection    | 0       | 0       | 28,900  | 0       |
| 16114 · Telephone Expense - Water     | 6,010   | 7,212   | 5,600   | 7,600   |
| 16115 · Meter Replacement             | 3,318   | 4,696   | 0       | 3,500   |
| 16116 · Permit Expense - Water        | 7,759   | 7,759   | 8,000   | 8,000   |

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|                                         | Ten Month<br>Actuals | Twelve<br>Months<br>Annualized | Approved    | Proposed    |
|-----------------------------------------|----------------------|--------------------------------|-------------|-------------|
|                                         | 06/25 - 03/26        | FYE 05/26                      | 2026 Budget | 2027 Budget |
| 16117 · TCEQ Regulatory Expense - Water | 2,093                | 3,508                          | 3,432       | 3,903       |
| 16118 · Pumpage Fees                    | 695,203              | 834,243                        | 1,022,900   | 917,700     |
| 16122 · Lead & Copper Survey            | 1,320                | 1,320                          | 0           | 1,700       |
| 16202 · Operations - Wastewater         | 50,847               | 61,016                         | 24,600      | 64,100      |
| 16203 · Grease Trap Inspections         | 1,162                | 1,394                          | 0           | 1,500       |
| 16204 · Purchase Wastewater Service     | 362,804              | 496,357                        | 415,900     | 521,200     |
| 16205 · Maint & Repairs - Wastewater    | 306,786              | 368,143                        | 337,700     | 386,600     |
| 16207 · Chemicals - Wastewater          | 439                  | 527                            | 700         | 600         |
| 16209 · Mowing - Wastewater             | 6,107                | 7,328                          | 6,200       | 7,700       |
| 16210 · Utilities - Lift Station        | 24,929               | 29,915                         | 31,400      | 31,400      |
| 16212 · Sludge Removal                  | 57,909               | 69,491                         | 0           | 73,000      |
| 16214 · Telephone Expense - Wastewater  | 4,483                | 5,380                          | 6,200       | 5,600       |
| 16217 · TCEQ Regulatory Exp-Wastewater  | 2,093                | 3,508                          | 3,432       | 3,903       |
| 16218 · Sanitary Sewer Televising       | 0                    | 0                              | 200,000     | 118,000     |
| 16301 · Garbage Expense                 | 9,575                | 11,490                         | 5,600       | 12,100      |
| 16404 · Detention Pond Mowing           | 17,671               | 21,205                         | 15,500      | 22,300      |
| 16501 · Tap Connection Expense          | 43,097               | 51,716                         | 3,000       | 5,000       |
| 16502 · Inspection Expense              | 2,310                | 2,772                          | 5,000       | 2,900       |
| 16703 · Legal Fees                      | 65,744               | 78,893                         | 94,900      | 94,900      |
| 16705 · Auditing Fees                   | 25,810               | 25,810                         | 20,500      | 22,000      |
| 16706 · Engineering Fees                | 62,769               | 75,323                         | 80,000      | 80,000      |
| 16708 · GIS Expense                     | 16,550               | 16,550                         | 10,000      | 10,000      |
| 16710 · Website Expense                 | 765                  | 918                            | 1,300       | 1,000       |
| 16712 · Bookkeeping Fees                | 62,894               | 75,473                         | 65,000      | 75,000      |
| 16714 · Printing & Office Supplies      | 24,015               | 28,818                         | 25,400      | 30,300      |
| 16716 · Delivery Expense                | 982                  | 1,178                          | 600         | 1,200       |
| 16717 · Postage                         | 844                  | 1,012                          | 700         | 1,000       |
| 16718 · Insurance & Surety Bond         | 0                    | 81,545                         | 44,200      | 85,000      |
| 16719 · AWBD Expense                    | 1,745                | 1,745                          | 900         | 1,800       |

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|                                    | Ten Month<br>Actuals | Twelve<br>Months<br>Annualized | Approved    | Proposed    |
|------------------------------------|----------------------|--------------------------------|-------------|-------------|
|                                    | 06/25 - 03/26        | FYE 05/26                      | 2026 Budget | 2027 Budget |
| 16722 · Bank Service Charges       | 1,127                | 1,247                          | 500         | 1,500       |
| 16723 · Travel Expense             | 325                  | 390                            | 500         | 500         |
| 16727 · Arbitrage Expense          | 4,045                | 4,045                          | 10,000      | 5,100       |
| 16728 · Record Storage Fees        | 620                  | 744                            | 500         | 800         |
| 16729 · Consumer Confidence Report | 12,476               | 12,476                         | 0           | 13,100      |
| 16801 · Security Patrol Expense    | 297,284              | 362,596                        | 400,000     | 391,512     |
| 16802 · Security Monitoring        | 20,983               | 25,179                         | 10,000      | 26,400      |
| 17101 · Payroll Expenses           | 17,459               | 20,951                         | 25,000      | 22,000      |
| 17103 · Payroll Tax Expense        | 1,336                | 1,603                          | 0           | 1,800       |
| 17104 · Payroll Administration     | 75                   | 125                            | 0           | 300         |
| 17802 · Miscellaneous Expense      | 2,347                | 2,817                          | 3,500       | 3,000       |

|                           |                    |                    |                    |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Expenditures</b> | <b>\$2,814,820</b> | <b>\$3,521,799</b> | <b>\$3,534,364</b> | <b>\$3,816,317</b> |
|---------------------------|--------------------|--------------------|--------------------|--------------------|

## Other Revenues

|                                          |  |           |           |           |
|------------------------------------------|--|-----------|-----------|-----------|
| 14720 · Transfer from Operating Reserves |  | 1,150,892 | 2,229,140 | 1,083,287 |
|------------------------------------------|--|-----------|-----------|-----------|

|                             |            |                    |                    |                    |
|-----------------------------|------------|--------------------|--------------------|--------------------|
| <b>Total Other Revenues</b> | <b>\$0</b> | <b>\$1,150,892</b> | <b>\$2,229,140</b> | <b>\$1,083,287</b> |
|-----------------------------|------------|--------------------|--------------------|--------------------|

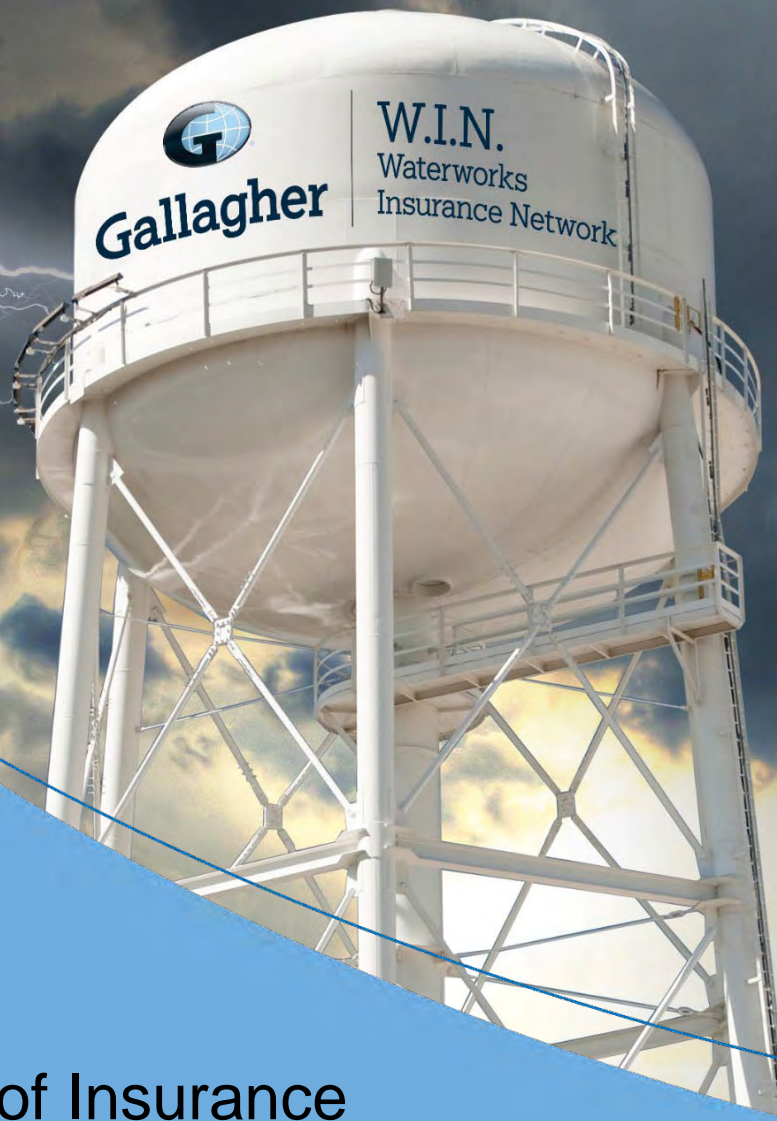
## Capital Outlay

|                                        |           |           |           |           |
|----------------------------------------|-----------|-----------|-----------|-----------|
| 17901a · Capital Outlay - General      | 544,195   | 544,195   | 50,000    | 50,000    |
| 17901b · Capital Outlay - AJOB         | 344,563   | 413,475   | 450,000   | 450,000   |
| 17901c · WP 1 Well Rehab               | 0         | 0         | 50,000    | 0         |
| 17901d · WP 1 Electrical Improvements  | 62,400    | 62,400    | 1,230,000 | 1,167,600 |
| 17901e · WP 1 GST 1 Replacement        | 1,091,138 | 1,091,138 | 1,200,000 | 0         |
| 17901f · HC 46 Water Interconnect      | 4,490     | 4,490     | 200,000   | 195,000   |
| 17901h · LS Wet Well/Piping Rehab      | 184,175   | 304,847   | 325,000   | 0         |
| 17901i · Fence Replacement             | 0         | 0         | 40,000    | 0         |
| 17901k · Lift Station 1                | 0         | 0         | 115,000   | 115,000   |
| 17901l · Lift Station 4                | 0         | 0         | 49,000    | 0         |
| 17901m · WP 1 Booster Pump Replacement | 0         | 0         | 0         | 136,000   |

# Proposed Budget

Harris County MUD No. 109 - Fiscal Year Ending 05/2027

|                                                 | Ten Month<br>Actuals<br>06/25 - 03/26 | Twelve<br>Months<br>Annualized<br>FYE 05/26 | Approved<br>2026 Budget | Proposed<br>2027 Budget |
|-------------------------------------------------|---------------------------------------|---------------------------------------------|-------------------------|-------------------------|
| 17901n - WP2 Well & Pump Rehab                  | 0                                     | 0                                           | 0                       | 150,000                 |
| 17901o - Lift Station 6                         | 0                                     | 0                                           | 0                       | 120,000                 |
| 17904 · Capital Outlay - Barents Dr L/S         | 13,406                                | 13,406                                      | 0                       | 0                       |
| <b>Total Capital Outlay</b>                     | <b>\$2,244,367</b>                    | <b>\$2,433,951</b>                          | <b>\$3,709,000</b>      | <b>\$2,383,600</b>      |
| <b>Net Excess Revenues &lt;Expenditures&gt;</b> | <b>(\$779,662)</b>                    | <b>\$0</b>                                  | <b>\$0</b>              | <b>\$0</b>              |



# Proposal of Insurance

## HARRIS COUNTY MUD 109

C/O NORTON ROSE FULBRIGHT US LLP  
1550 LAMAR STREET, SUITE 2000  
HOUSTON, TX 77010

**PRESENTED: MAY 19, 2026**  
**EFFECTIVE: 05/22/2026 TO 05/22/2027**

### THE FOLLOWING PROPOSAL IS PRESENTED BY:

Kim Courte, CPCU  
Area Vice President | W.I.N. Program Director  
Arthur J. Gallagher Risk Management Services, LLC  
5847 San Felipe, Suite 1600  
Houston, TX 77057  
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Insurance | Risk Management | Consulting  
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# Named Insured Schedule and Your W.I.N. Team

## Named Insured Schedule:

HARRIS COUNTY MUD 109

## Your W.I.N. Team:

Providing excellent service is the primary objective of Gallagher. Please call any member of the service team for assistance.

Michelle Herrera  
Client Service Manager  
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713.935.8805 | Cell: 281.772.1611

Sharon Manwaring  
Area Client Service Director  
sharon\_manwaring@ajg.com  
281.655.6796

# Premium & Insurance Summary

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

Gallagher is responsible for the placement of the following lines of coverage:

| Line of Business                                                                                                                 | Renewal Premium  | Expiring Premium |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Property, Flood and Extra Expense for District without WWTP which is 27% of schedule (18,840,000/69.840,000) 27% of \$209,714    | \$ 56,623        | \$ 18,824        |
| Equipment Breakdown (B&M) (cost without WWTP) 27% of \$34,448                                                                    | \$ 9,301         | \$ 6,129         |
| General Liability, Pollution, Pollution Cleanup & Remediation, Law Enforcement Liability and Hired- Non-Owned Auto               | \$ 6,515         | \$ 5,560         |
| Excess Liability - \$4m bringing the total liability coverage to 5mil including auto and pollution and law enforcement liability | \$ 3,315         | \$ 2,123         |
| Directors & Officers Liability                                                                                                   | \$ 4,500         | \$ 4,500         |
| Crime Employee and Consultant                                                                                                    | \$ 341           | \$ 341           |
| Directors Position Bond                                                                                                          | \$ 150           | \$ 150           |
| Tax Assessor/Collector Bond (T. Spencer) - Gallagher will bill TAC directly Premium \$100                                        | \$ 0             | \$ 0             |
| Peace Officer Bond                                                                                                               | \$ 100           | \$ 100           |
| Business Travel Accident                                                                                                         | \$ 300           | \$ 300           |
| Agent Fee                                                                                                                        | \$ 0             | \$ 712           |
| <b>Sub- Total</b>                                                                                                                | <b>\$ 81,145</b> | <b>\$ 38,739</b> |
| Workers' Compensation (To be Paid Directly to <b>Texas Mutual</b> by <b>District Bookkeeper</b> )                                | \$ 400           | \$ 400           |
| <b>Total</b>                                                                                                                     | <b>\$ 81,545</b> | <b>\$ 39,139</b> |

| Line of Business- WWTP Physical Damage Coverage Only                                                                                                 | Renewal Premium   | Expiring Premium  |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| WWTP physical damage coverage which includes Property, Flood and Extra Expense which 73% of schedule values (51,000,000/69,840,000) 73% of \$209,714 | \$ 153,091        | \$ 75,251         |
| Equipment Breakdown (B&M) (cost for WWTP) 73% of \$34,448                                                                                            | \$ 25,147         | \$ 24,514         |
| Agent Fee                                                                                                                                            | \$ 0              | \$ 2,321          |
| <b>Sub-Total This is the total sharing amount for all participating districts</b>                                                                    | <b>\$ 178,238</b> | <b>\$ 102,086</b> |
|                                                                                                                                                      |                   |                   |
| <b>Grand Total (District plus WWTP)</b>                                                                                                              | <b>\$ 259,783</b> | <b>\$ 141,225</b> |

**Proposal Notes:**

Property values increased by \$5,850,000 on schedule or 9%. This increased the premium and changed the ratio of the allocation as the increases were not on the WWTP. In addition, the underground lines significant claim impacted the cost, the removal of the underground lines coverage and the property deductible to move from 10k to 25k.

Thank you for your business and we look forward to continuing to provide you with the best insurance program in Texas.

*\*\*Please sign on Proposal Acceptance Page and Provide Documents Required to Bind Coverage*

## Claims Summary

| DOL              | Claim No.           | Loss                                                   | Amount Paid            | Status |
|------------------|---------------------|--------------------------------------------------------|------------------------|--------|
| 03/08/10         | TXSP210040189       | Voltage Surge caused damage to equipment               | 37,062.00              | Closed |
| 09/08/11         | TNT-0093717         | Large Bar Screen                                       | 42,430.00              | Closed |
| 10/19/11         | TNT-0094516         | Gail Appling. Charged water line caused electric shock | 2,676.97               | Closed |
| 01/26/12         | TNT-0098718         | Patricia Menard stepped on meter box & injured ankle   | 2,073.77               | Closed |
| 11/04/13         | 2172-2172-4066      | Lift Pump #3 at WWTP onsite LS                         | 13,678.73              | Closed |
| 05/13/14         | 2172-4030-BM-01     | WP#2- main breaker tripped                             | 7,500.00               | Closed |
| 05/14/14         | 2172-4080-BM-01     | Grinder of LS failed                                   | 30,895.00              | Closed |
| 09/13/14         | 2172-4275-GD-01     | Sewer Backup- Kiersten Woodward                        | 924.76                 | Closed |
| 04/23/15         | 2172-4621-BM-01     | Aeration Blower #4                                     | 0                      | Closed |
| 08/17/15         | 2172-4794-BM-01     | Belt Press at WWTP                                     | 26,672.60              | Closed |
| 08/31/16         | 2172-5235-GD-01     | Sewer Backup-Irma Alfaro                               | 894.88                 | Closed |
| 01/19/17         | 2172-005446-BM-01   | WWTP-Lift Station                                      | 6,430.00               | Closed |
| 08/25/17         | 12 005446-BM-01     | Hurricane Harvey                                       | 13,750.00              | Closed |
| 12/22/17         | 13 005957-BM-01     | WP Motor Burnt                                         | 3,180.00               | Closed |
| 12/28/20         | X 80A01550200       | Lift Pump Shorted                                      | 13,340.00              | Closed |
| 02/27/21         | 009222-000147-GD-01 | Jarrell Peak Water Line Leaking                        | 425.00                 | Closed |
| 01/14/25         | 009196-005971RB-01  | Underground Line Damage                                | 847,459.00             | Closed |
| <b>Total</b>     |                     |                                                        | <b>\$ 1,049,392.71</b> |        |
| <b>WWTP Only</b> |                     |                                                        | <b>\$ 971,640.00</b>   |        |

Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

**Higher limits are available upon request for each coverage**

# Property Schedule

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| No. | Property Description for Facilities AND<br>Detention Ponds<br>Address with City, Zip Code & County<br><b>**All locations located in Humble, TX 77346**</b> | Longitude<br>/Latitude<br>In Decimal<br>Format | Replacement Cost Value<br>Building & Contents Detention<br>Ponds list insurable values such<br>as grates, pumps fence | Year<br>Built |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|
| 1-1 | Fence/WWTP –<br><b>5003 Atascocita Road</b>                                                                                                                | 29.9889<br>95.1959                             | 50,000,000                                                                                                            | 1980          |
| 1-2 | Fence/Permanent Generator No. 1 –<br><b>5003 Atascocita Road</b>                                                                                           | 29.9904<br>95.1956                             | 500,000                                                                                                               | 1980          |
| 1-3 | Fence/Permanent Generator No. 2 –<br><b>5003 Atascocita Road</b>                                                                                           | 29.9889<br>95.1956                             | 500,000                                                                                                               | 1980          |
| 2-1 | Fence/Water Plant #2 –<br><b>20322 Burle Oak Drive</b><br>(Excluding well)                                                                                 | 30.0163<br>95.1922                             | 6,000,000                                                                                                             | 2022          |
| 2-2 | Fence/Water Well #2 –<br><b>20322 Burle Oak Drive</b>                                                                                                      | 30.0166<br>95.1918                             | 1,900,000                                                                                                             | 1994          |
| 2-3 | Fence/ Permanent Generator –<br><b>20322 Burle Oak Drive</b>                                                                                               | 30.0164<br>95.1920                             | 450,000                                                                                                               | 2022          |
| 3-1 | Fence/Water Plant #1 –<br><b>5722 Forest Timbers Drive</b>                                                                                                 | 30.0029<br>95.1867                             | 3,500,000                                                                                                             | 1980          |
| 3-2 | Fence/Water Well #1 -<br><b>5722 Forest Timbers Drive</b>                                                                                                  | 30.0026<br>95.1868                             | 1,900,000                                                                                                             | 1980          |
| 3-3 | Fence/1M Gal Water Tower –<br><b>5722 Forest Timbers Drive</b>                                                                                             | 30.0024<br>95.1869                             | 1,200,000                                                                                                             | 2002          |
| 3-4 | Fence/15 k Hydro Tank –<br><b>5722 Forest Timbers Drive</b>                                                                                                | 30.0029<br>95.1868                             | 150,000                                                                                                               | 2019          |
| 3-5 | Fence/Permanent Generator –<br><b>5722 Forest Timbers Drive</b>                                                                                            | 30.0027<br>95.1866                             | 500,000                                                                                                               | 2009          |
| 4-1 | Fence/Lift Station –<br><b>19419 Timber Forest Drive</b>                                                                                                   | 30.0031<br>95.1939                             | 1,000,000                                                                                                             | 1997          |
| 4-2 | Fence/Permanent Generator –<br><b>19419 Timber Forest Drive</b>                                                                                            | 30.0031<br>95.1938                             | 300,000                                                                                                               | 1997          |
| 5-1 | Fence/Lift Station –<br><b>4630 Spring Lea Drive</b>                                                                                                       | 29.9956<br>95.2036                             | 400,000                                                                                                               | 1984          |
| 5-2 | Fence/Permanent Generator –<br><b>4630 Spring Lea Drive</b>                                                                                                | 29.9956<br>95.2037                             | 100,000                                                                                                               | 1984          |
| 6-1 | Fence/Lift Station –<br><b>20334 Timber Forest Drive</b>                                                                                                   | 30.0140<br>95.1876                             | 300,000                                                                                                               | 1999          |
| 6-2 | Fence/Permanent Generator –<br><b>20334 Timber Forest Drive</b>                                                                                            | 30.0140<br>95.1876                             | 60,000                                                                                                                | 1999          |
| 7-1 | Fence/Lift Station –<br><b>10.5 Turtle Cove Court</b>                                                                                                      | 30.0198<br>95.1800                             | 300,000                                                                                                               | 1999          |
| 7-2 | Fence/Permanent Generator –<br><b>10.5 Turtle Cove Court</b>                                                                                               | 30.0198<br>95.1799                             | 60,000                                                                                                                | 1999          |
| 8-1 | Fence/Lift Station –<br><b>18657 1/2 Artesian Way</b>                                                                                                      | 29.9917<br>95.2063                             | 300,000                                                                                                               | 2003          |
| 8-2 | Fence/Permanent Generator –<br><b>18657 1/2 Artesian Way</b>                                                                                               | 29.9917<br>95.2064                             | 60,000                                                                                                                | 2003          |
| 9-1 | Fence/Lift Station –<br><b>5301 ½ Quail Tree Lane</b>                                                                                                      | 30.0124<br>95.1967                             | 300,000                                                                                                               | 2017          |
| 9-2 | Fence/Permanent Generator –<br><b>5301 ½ Quail Tree Lane</b>                                                                                               | 30.0125<br>95.1966                             | 60,000                                                                                                                | 2017          |
|     | <b>TOTAL</b>                                                                                                                                               |                                                | <b>69,840,000</b>                                                                                                     |               |

The proposal is based on the above information received from the engineer.

# Package Policy - Equipment Breakdown aka Boiler & Machinery

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| <b>Description</b>                                               |                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equipment Breakdown<br>Aka Boiler & Machinery                    | <ul style="list-style-type: none"> <li>• Sudden and Accidental Breakdown of Equipment</li> <li>• Mechanical Failure</li> <li>• Electrical Surges</li> <li>• Terrorism Risk Insurance Act</li> <li>• Replace, Repair, Rebuild Whichever is Less Costly</li> <li>• Blanket Basis Coverage</li> <li>• Coinsurance Waived</li> </ul> |
| Subject to policy terms, conditions, limitations and exclusions. |                                                                                                                                                                                                                                                                                                                                  |
| Exclusions included but not limited to:                          | <ul style="list-style-type: none"> <li>• War</li> <li>• Nuclear Hazard</li> <li>• Wear &amp; Tear</li> <li>• Lightning</li> <li>• Cyber Incident</li> </ul>                                                                                                                                                                      |

| <b>Limits</b>                                                                 |                       |
|-------------------------------------------------------------------------------|-----------------------|
| Equipment Breakdown/Property Damage                                           | Per Property Schedule |
| Extra Expense Combined with Business Income and includes Utility Interruption | \$500,000             |
| Cyber Incident Coverage Limit                                                 | \$50,000              |

| <b>Deductibles</b>                                |                        |
|---------------------------------------------------|------------------------|
| Equipment Breakdown                               | \$ 10,000              |
| Utility Interruption                              | 24 Hours               |
| Deep well pump units 50 + feet below ground level | \$ 25,000              |
| Extra Expense                                     | No Separate Deductible |

| <b>Annual Premium</b>    |
|--------------------------|
| Included Premium Summary |

| <b>Carrier</b>                                                         |
|------------------------------------------------------------------------|
| Liberty Mutual Fire Insurance Company, A.M. Best Rating: A XV Admitted |

# Package Policy - Property

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Description                                                      |                                                                                                                                                                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Real & Personal Property                                         | <ul style="list-style-type: none"> <li>• Cause of Loss: Special</li> <li>• Terrorism Risk Insurance Act</li> <li>• Replacement Cost Valuation</li> <li>• Repair or Replace Whichever is Less</li> <li>• Coinsurance Waived</li> </ul> |
| Subject to policy terms, conditions, limitations and exclusions. |                                                                                                                                                                                                                                       |
| Exclusions included but not limited to:                          | <ul style="list-style-type: none"> <li>• War</li> <li>• Nuclear Hazard</li> <li>• Governmental Action (seizure or destruction) unless to prevent spread of Fire</li> <li>• Pond Liners</li> <li>• Cyber Incident</li> </ul>           |

| Limits                                                                                                   |                       |
|----------------------------------------------------------------------------------------------------------|-----------------------|
| Blanket Building or Structure & Business Personal Property                                               | Per Property Schedule |
| Blanket Flood Zone X10-X40X                                                                              | \$ 2,500,000          |
| Blanket Flood Zone X500/X50/B                                                                            | \$ 2,500,000          |
| Blanket Flood Zone XA/AE/V                                                                               | \$ 1,000,000          |
| Blanket Earthquake and Earth Movement                                                                    | \$ 2,500,000          |
| Blanket Coverage Extension including but not limited to Extra Expense, Business Income & Electronic Data | \$ 2,000,000          |

| Deductibles                       |                        |
|-----------------------------------|------------------------|
| Real & Business Personal Property | \$ 25,000              |
| Wind/Hail                         | 2%                     |
| Blanket Flood Zone X10-X40X       | \$ 100,000             |
| Blanket Flood Zone X500/X50/B     | \$ 250,000             |
| Blanket Flood Zone XA/AE/V        | \$ 500,000             |
| Earthquake and Earth Movement     | \$25,000               |
| Business Income & Extra Expense   | No Separate Deductible |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                                          |
|----------------------------------------------------------------------------------|
| Pennsylvania Manufacturers' Association Ins. Co. A.M. Best Rating: A+XV Admitted |

# Package Policy - General Liability & Hired Non-Owned Automobile Liability

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>General Liability</p> <p>Subject to policy terms, conditions, limitations and exclusions.</p> | <ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Bodily Injury and Property Damage</li> <li>• Liability arising from any owned property such as facilities, buildings, parks, detention ponds and lakes</li> <li>• Failure to Supply (no limitation requiring property damage)</li> <li>• Sewer Back Up</li> <li>• Products Contamination</li> <li>• Terrorism Risk Insurance Act</li> <li>• Punitive Damages</li> <li>• Duty to Defend</li> <li>• Host Liquor Liability</li> <li>• Defense Cost outside the Limit</li> <li>• Not Auditable</li> </ul> |
| <p>Exclusions included but not limited to:</p>                                                   | <ul style="list-style-type: none"> <li>• Access or Disclosure of Confidential or Personal Information, Data-related Liability &amp; Internet</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Employment Related Practices</li> <li>• Distribution of Material Violation of Statutes</li> <li>• Perfluoroalkyl and Polyfluoroalkyl Substances</li> <li>• (PFSA) exclusion</li> </ul>                                                                                                                                                                                   |
| <p><b>Must Schedule:</b> Dams, Reservoirs &amp; Levees for Liability coverage to apply</p>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Limits      |                                                                 |
|-------------|-----------------------------------------------------------------|
| \$1,000,000 | Each Occurrence<br>Including Hired and Non-Owned Auto Liability |
| \$3,000,000 | General Aggregate                                               |
| \$3,000,000 | Products and Completed Operations Aggregate                     |
| \$1,000,000 | Personal and Advertising Injury                                 |
| \$1,000,000 | Damage to Rented Premises (each occurrence)                     |
| \$ 10,000   | Medical Payments                                                |
| Included    | Law Enforcement Activity Liability                              |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium           |  |
|--------------------------|--|
| Included Premium Summary |  |

| Carrier                                          |                        |          |
|--------------------------------------------------|------------------------|----------|
| Pennsylvania Manufacturers' Association Ins. Co. | A.M. Best Rating: A+XV | Admitted |

# Package Policy - Pollution Liability

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Description                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Package Pollution Liability<br>Accidental and Unintended Pollution<br>Incident (Gradual and Sudden) | <ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Bodily Injury, Property Damage, Clean Up Cost</li> <li>• Escape or back-up of sewage or waste-water if property damage occurs away from land you own or lease</li> <li>• Escape of fuels or lubricants from mobile equipment</li> <li>• Application of pesticides or herbicides</li> <li>• Potable water which you supply to others</li> <li>• Chemicals you use in your water or wastewater treatment</li> <li>• Natural gas or propane gas used in your treatment process</li> <li>• Heat, smoke or fumes from a hostile fire</li> <li>• Duty to Defend</li> <li>• Defense Cost Outside the Limit</li> <li>• Punitive Damages</li> <li>• Terrorism Risk Insurance Act</li> </ul> |
| Subject to policy terms, conditions, limitations and exclusions.                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Exclusions included but not limited to:                                                             | <ul style="list-style-type: none"> <li>• Fraud</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Employment Related Practices</li> <li>• Petroleum Underground Storage Tanks</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium           |  |
|--------------------------|--|
| Included Premium Summary |  |

| Carrier                                          |                        |          |
|--------------------------------------------------|------------------------|----------|
| Pennsylvania Manufacturers' Association Ins. Co. | A.M. Best Rating: A+XV | Admitted |

# Package Policy - Pollution Clean Up and Remediation

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pollution Clean Up & Remediation<br><br>Subject to policy terms, conditions, limitations and exclusions.                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Claims Made Policy Form</li> <li>• Includes both Gradual and Sudden and Accident Occurrences</li> <li>• Onsite Events (first party coverage)</li> <li>• Offsite Events (third party coverage)</li> <li>• Insured's Facilities Line Locations are Covered</li> <li>• TCEQ Mandate To Take Corrective Action</li> <li>• Voluntary Decision to Cleanup and Remediate</li> <li>• Duty to Defend</li> <li>• Defense inside the limit</li> <li>• Punitive Damages</li> <li>• Terrorism Risk Insurance Act</li> </ul> |
| Exclusions included but not limited to:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Fraud</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Intended Damages</li> <li>• Underground Storage Tank</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               |
| Retroactive Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 05/22/2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Claim Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>"Claim" means an oral or written demand received by the insured seeking to hold the insured responsible for "bodily injury", "property damage", or "cleanup costs" covered by this policy, including service of a "suit". Costs incurred by the insured because of the same, related or continuous "pollution event" pursuant to the "ASTM" Guide for Risk Based Corrective Action, if applicable, during the "policy period" and reported to us in writing during the "Policy Term: " will be deemed to be a "claim" made during the "Policy Term: "</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Reporting Provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Duties in the Event of A "Claim", "Suit" or Voluntary "Cleanup Costs"</p> <p>a. The insured shall give our representative prompt written notice, by mail or facsimile, of any "claim", "suit" or incurred "cleanup costs". Notice must be sent to:</p>                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Limits      |                               |
|-------------|-------------------------------|
| \$1,000,000 | Each Occurrence and Aggregate |

| Deductibles |         |
|-------------|---------|
| Per Claim   | \$5,000 |

| Annual Premium           |  |
|--------------------------|--|
| Included Premium Summary |  |

| Carrier                                          |                        |          |
|--------------------------------------------------|------------------------|----------|
| Pennsylvania Manufacturers' Association Ins. Co. | A.M. Best Rating: A+XV | Admitted |

# Umbrella Liability Policy

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                               | Limit                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Excess Limits Over Underlying Policies                                                    | \$4,000,000 Per Occurrence<br>\$4,000,000 Aggregate                                                                                                                                                                                     |
| Umbrella Coverage<br><br>Subject to policy terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"> <li>Occurrence Policy Form</li> <li>Terrorism Risk Insurance Act</li> <li>Punitive Damages</li> <li>Duty to Defend</li> <li>Host Liquor Liability</li> <li>Defense Cost outside the Limit</li> </ul> |
| Exclusions included but not limited to:                                                   | <ul style="list-style-type: none"> <li>Exclusions in Underlying Policies</li> <li>Access or Disclosure of Confidential or Personal Information</li> <li>Directors &amp; Officers Liability</li> <li>War</li> </ul>                      |

| Schedule of Underlying Limits | Schedule of Underlying Coverages<br>General Liability, Pollution, Auto & WC if purchased                            |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| \$1,000,000                   | Each Occurrence                                                                                                     |
| \$3,000,000                   | General Aggregate                                                                                                   |
| \$3,000,000                   | Products and Completed Operations Aggregate                                                                         |
| \$1,000,000                   | Personal and Advertising Injury                                                                                     |
| \$1,000,000                   | Auto Liability                                                                                                      |
| \$ 10,000                     | Self-Insured Retention (only applies to losses not covered by the underlying policies, but covered by the umbrella) |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                                         |
|---------------------------------------------------------------------------------|
| Pennsylvania Manufacturers' Indemnity. Co. A.M. Best Rating: A+XV      Admitted |

# Directors & Officers Liability Policy

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Directors &amp; Officers Liability</p> <p>Subject to policy terms, conditions, limitations and exclusions.</p> | <ul style="list-style-type: none"> <li>• Claims Made Policy Form</li> <li>• Wrongful Act, Error or Omission</li> <li>• Defense for alleged breach of contract</li> <li>• Coverage also applies for lawful spouse or “Domestic Partner” of an insured person</li> <li>• Punitive Damages</li> <li>• Duty to Defend</li> <li>• Pay on Behalf Contract</li> <li>• Claim Trigger- May report known circumstances that may give rise to a claim</li> <li>• Claim includes formal administrative or regulatory proceedings</li> <li>• 100% Defense paid for claims that include covered and non-covered claims.</li> <li>• Terrorism Risk Insurance Act</li> <li>• If Cost of Defense are incurred by the Insured with the Insurer’s consent, the separate limit of defense does not apply.</li> </ul> |
| <p>Exclusions included but not limited to:</p>                                                                    | <ul style="list-style-type: none"> <li>• Bodily Injury</li> <li>• Property Damage</li> <li>• Pollution</li> <li>• Privacy and Data Breach</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>Retroactive Date:</p>                                                                                          | <p>None</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>Pending/Prior Litigation Date:</p>                                                                             | <p>05/22/2019 Directors &amp; Officers</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Limits                                                                                                                                                                                                                           |                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <p>\$5,000,000 D&amp;O Limit<br/>In <b>Excess</b> of the Above Limits</p> <ul style="list-style-type: none"> <li>• \$ 500,000 Dedicated for Directors &amp; Officers</li> <li>• \$1,000,000 Separate Limit of Defense</li> </ul> | <p>Per Claim and Aggregate Enhancement(s)</p> |

| Retention                                                                                    |
|----------------------------------------------------------------------------------------------|
| <p>Insuring Agreement A Retention \$0<br/>Insuring Agreement B &amp; C Retention \$1,000</p> |

## Claim Definition

**Claim**” shall mean:

- (1) a written demand for monetary or non-monetary (including injunctive) relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document,
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document;
- (5) any arbitration, mediation or similar alternative dispute resolution proceeding if any **Insured** is obligated to participate in such proceeding; or
- (6) a written agreement to toll any applicable statute of limitation prior to the commencement of any judicial, administrative, regulatory or arbitration proceeding.

In no event shall the term **Claim** include any labor or grievance proceeding which is subject to a collective bargaining agreement.

## Reporting Provision

### SECTION VII. Notice of Claim

- A.** The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date the President, Executive Director, Chief Financial Officer, General Counsel, or person with equivalent responsibility has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Year**.
- B.** If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of: (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C.** In addition to furnishing the notice as provided in Section VIII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.

Notice to the **Insurer** as provided in Section VII A or B shall be emailed to [ELDClaims@gaic.com](mailto:ELDClaims@gaic.com) or mailed to **GREAT AMERICAN INSURANCE GROUP, EXECUTIVE LIABILITY DIVISION, CLAIMS DEPARTMENT, P.O. BOX 66943, CHICAGO, IL 60666.**

## Annual Premium

Included Premium Summary

## Carrier

Great American Insurance Company, A.M. Best Rating: A+XV Admitted

# Crime/Consultant Bond

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Description                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Crime</p> <p>Subject to policy terms, conditions, limitations and exclusions.</p> | <ul style="list-style-type: none"> <li>• Protection for loss caused to named insured through failure of any employee/consultant to perform faithfully their duties or to account properly for all monies and property received by virtue of their position or employment.</li> <li>• Any Limit purchased applies per employee/consultant up to \$100,000.</li> <li>• Any limit purchased \$100,000 and over is provided on a per losses basis rather than each basis.</li> </ul> |
| <p>Exclusions included by not limited to:</p>                                        | <ul style="list-style-type: none"> <li>• Governmental Action of Seizure or Destruction</li> <li>• Accounting or Arithmetical Errors or Omissions</li> <li>• Inventory Shortages</li> </ul>                                                                                                                                                                                                                                                                                       |
| <p>Loss Caused by</p> <p>Loss Caused by Consultants for Insured</p>                  | <ul style="list-style-type: none"> <li>• Direct Employees</li> <li>• Attorney</li> <li>• Operator</li> <li>• Bookkeeper</li> <li>• Engineer</li> <li>• Delinquent Tax Attorney</li> </ul>                                                                                                                                                                                                                                                                                        |

| Limit      |
|------------|
| \$ 100,000 |

| Deductible               |
|--------------------------|
| Per Occurrence      None |

| Annual Premium and Limits |
|---------------------------|
| Included Premium Summary  |

| Carrier                                                                                       |
|-----------------------------------------------------------------------------------------------|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |

# Directors Position Bond

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                   |                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors Position Bond<br><br>Subject to bond terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"><li>• Provides coverage for loss caused to the District through the failure of Directors to perform faithfully their duties or to account properly for all monies and property received by virtue of their position as Director</li><li>• Continuous until cancelled</li></ul> |
| Exclusions included but not limited to:                                                       | <ul style="list-style-type: none"><li>• Loss occurring prior to date of bond issued</li></ul>                                                                                                                                                                                                                    |

| Limits   |                   |
|----------|-------------------|
| \$10,000 | Each Director (5) |
| \$50,000 | General Aggregate |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                                                       |
|-----------------------------------------------------------------------------------------------|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |

# Tax Assessor/Collector Bond

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Coverage                                                                                          |                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tax Assessor Collector Bond<br><br>Subject to bond terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"> <li>Covers the faithful performance and discharge of all the duties required by law as the Tax Assessor/ Collector and to pay over to the depository of the District all funds or other things of value coming into his hands as Tax Assessors/Collectors.</li> <li>Continuous until cancelled</li> </ul> |
| Exclusions included but not limited to:                                                           | <ul style="list-style-type: none"> <li>Loss occurring prior to date of bond issued</li> </ul>                                                                                                                                                                                                                                                |

| Limit     |
|-----------|
| \$ 50,000 |

| Deductibles           |
|-----------------------|
| Per Occurrence   None |

| Annual Premium & Limits  |
|--------------------------|
| Included Premium Summary |

| Carrier                                                                                       |
|-----------------------------------------------------------------------------------------------|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |

*\*T. Spencer*

# Peace Officer Bond

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                    |                                                                                                                                                                                                      |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Peace Officer Bond                                             | <ul style="list-style-type: none"><li>Provides coverage for the faithful performance and discharge of all the duties required by law for Peace Officer.</li><li>Continuous until cancelled</li></ul> |
| Subject to bond terms, conditions, limitations and exclusions. |                                                                                                                                                                                                      |
| Exclusions included but not limited to:                        | <ul style="list-style-type: none"><li>Loss occurring prior to date of bond issued</li></ul>                                                                                                          |

| Limits   |                                  |
|----------|----------------------------------|
| \$ 1,000 | Each Officer (up to 20 officers) |
| \$20,000 | General Aggregate                |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium & Limits  |  |
|--------------------------|--|
| Included Premium Summary |  |

| Carrier                                                                                       |  |
|-----------------------------------------------------------------------------------------------|--|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |  |

# Workers' Compensation Policy

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Description                                                            |                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workers' Compensation (Part One)<br>And Employers Liability (Part Two) | <ul style="list-style-type: none"> <li>• Bodily Injury to Employees</li> <li>• Terrorism</li> <li>• Duty to Defend</li> <li>• Defense Cost outside the Limit</li> <li>• Covered State Texas Only</li> <li>• Include Owner/Officers</li> <li>• Out of Network</li> </ul> |
| Subject to policy terms, conditions, limitations and exclusions.       |                                                                                                                                                                                                                                                                         |
| Exclusions included but not limited to:                                | <ul style="list-style-type: none"> <li>• Voluntary Compensation</li> <li>• USL&amp;H</li> <li>• Federal Employers Liability Act (Jones Act)</li> </ul>                                                                                                                  |
| Audit                                                                  | <ul style="list-style-type: none"> <li>• Auditable</li> </ul>                                                                                                                                                                                                           |
| Subject to Audit                                                       | <ul style="list-style-type: none"> <li>• At Expiration</li> </ul>                                                                                                                                                                                                       |
| Minimum Premium                                                        | <ul style="list-style-type: none"> <li>• \$250</li> </ul>                                                                                                                                                                                                               |

| Limits      |                                                       |
|-------------|-------------------------------------------------------|
| Statutory   | Part One - Workers' Compensation                      |
| \$1,000,000 | Part Two - Employers' Liability Each Accident         |
| \$1,000,000 | Part Two - Employers' Liability Disease-Policy Limit  |
| \$1,000,000 | Part Two - Employers' Liability Disease-Each Employee |

| Exposure Description | Code | Payroll   |
|----------------------|------|-----------|
| Clerical/Directors   | 8810 | \$39,107  |
| Water                | 7520 | \$ If Any |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                         |
|-----------------------------------------------------------------|
| Texas Mutual Insurance Company: A.M. Best Rating: A XV Admitted |

# Business Travel Accident Policy

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Travel Accident<br><br>Subject to policy terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"> <li>• Provides 24 Hour Coverage while traveling on District Business Trips for Accidental Death &amp; Dismemberment.</li> <li>• Paralysis Benefit</li> <li>• Rehabilitation Benefit</li> <li>• Seatbelt &amp; Occupant Protection Device Benefit</li> <li>• Psychological Therapy</li> <li>• Rehabilitation Benefit</li> <li>• Adaptive Home and Vehicle Benefit</li> </ul> |
| Exclusions included but not limited to:                                                          | <ul style="list-style-type: none"> <li>• Acrobatics or Stunt Flying</li> <li>• Racing</li> <li>• Crop Dusting</li> </ul>                                                                                                                                                                                                                                                                                       |

| Limits      |                      |
|-------------|----------------------|
| \$ 250,000  | Director(s)          |
| \$ 50,000   | Spouse               |
| \$ 25,000   | Children             |
| \$1,250,000 | Per Covered Accident |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                     |
|-------------------------------------------------------------|
| Federal Insurance Company, A.M. Best Rating: A++XV Admitted |

## Coverages for Consideration

### HARRIS COUNTY MUD 109

#### Overview

Gallagher recommends that you consider purchasing the following additional coverages for which you have exposure. A Proposal for any of the coverages below can be provided.

- Flood either for purchase or higher limits
- Umbrella either for purchase or higher limits
- Cyber Liability either for purchase or higher limits

Please note the recommendations and considerations summarized in this section are not intended to identify all potential exposures. Gallagher is not an expert in all aspects of your business and assumes no responsibility to independently investigate the risks your business faces. Gallagher has relied upon the information you provided in making our insurance Proposals. If you are interested in pursuing additional coverages other than those listed above, please list the additional coverages in the Client Authorization to Bind.

# Proposal Acceptance and Client Authorization To Bind Coverage

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

After careful consideration of Gallagher's Proposal dated 05/22/2026, you accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

| COVERAGE/CARRIER                                                |                                                                                                                                    |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Property, Flood, General Liability, Law Enforcement Liability, Auto Liability, Pollution Liability &amp; Pollution Clean Up</b> |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <i>TRIA</i> Included in Above Program                                                                                              |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Umbrella Liability</b>                                                                                                          |
|                                                                 | Pennsylvania Manufacturers' Indemnity Co                                                                                           |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <i>TRIA</i> Included in Above Program                                                                                              |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>B&amp;M</b>                                                                                                                     |
|                                                                 | Liberty Mutual Fire Insurance Company                                                                                              |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <i>TRIA</i> Included in Above Program                                                                                              |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Directors &amp; Officers Liability</b>                                                                                          |
|                                                                 | Great American Insurance Company                                                                                                   |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Crime/Consultants Bond</b>                                                                                                      |
|                                                                 | The Ohio Casualty Insurance Company                                                                                                |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Directors Bond</b>                                                                                                              |
|                                                                 | The Ohio Casualty Insurance Company                                                                                                |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Tax Collector Bond</b>                                                                                                          |
|                                                                 | The Ohio Casualty Insurance Company                                                                                                |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Peace Officer Bond</b>                                                                                                          |
|                                                                 | The Ohio Casualty Insurance Company                                                                                                |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Workers' Compensation</b>                                                                                                       |
|                                                                 | Texas Mutual Insurance Company                                                                                                     |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Business Travel Accident</b>                                                                                                    |
|                                                                 | Federal Insurance Company                                                                                                          |

### Additional Recommended Coverages

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By checking the box(es) below, you are requesting that Gallagher provide you with a Proposal for this coverage. By not requesting a Proposal for this coverage, you assume the risk of any uncovered loss.

Cyber Liability  Mobile Equipment Scheduled/Leased/Rented

Higher Limits: Please state coverage and requested limit(s):

The above coverage(s) does not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those listed in the Additional Recommended Coverages, please list below:

### Other Services to Consider

By checking the box(es) below, you are requesting that Gallagher provide you with additional information for the following services:

Gallagher STEP

eRiskHub

**Fee Agreement**

In addition to commission received by Gallagher for the policy term reflected herein, effective 05/22/2026, Gallagher will receive a fee of \$3,033 for Harris County MUD 109 program administration.

This fee IS NOT refundable, is fully earned by signing below, and is due and payable within thirty (30) days of such signing. Any placements that require the payment of additional state or federal taxes and/or fees are the client’s responsibility.

By accepting this fee agreement, we agree and understand that it reflects services to be provided that have been discussed with and fully disclosed to us, and the above fee is consistent with our understanding. This agreement and any disputes that arise out of this fee agreement shall be governed by the laws of the state of Illinois.

**Exposures and Values**

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

**Additional Terms and Disclosures**

Gallagher is not an expert in all aspects of your business. Gallagher’s Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Gallagher's liability to you arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher’s services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of such claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher’s Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: \_\_\_\_\_

Print Name (Specify Title)

\_\_\_\_\_

Company

\_\_\_\_\_

Signature

Date: \_\_\_\_\_



# Documents Required To Bind Coverage

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

## In order to bind coverages, please provide the following documents

- Complete set of Signed Proposal including Acceptance and Client Authorization to Bind (Previous Page)
- **Payment of Gallagher Invoice Due By (05/22/2026)**

## Bindable Quotations and Compensation Disclosure Schedule

| Coverage(s)                                                                                              | Carrier Name(s)                                 | Wholesaler, MGA, or Intermediary Name 1 | Estimated Annual Premium 2 | Comm. % or Fee 3 | Gallagher U.S. Owned Wholesaler, MGA, or Intermediary % |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| Real & Personal Property, Flood & Earthquake, Inland Marine, General Liability Pollution, clean up, Auto | Pennsylvania Manufacturers' Association Ins. Co | McKee Risk Mgt.                         | \$ 216229                  | 15%              | N/A                                                     |
| Umbrella Liability                                                                                       | Pennsylvania Manufacturers' Indemnity Ins. Co   | McKee Risk Mgt.                         | \$ 3315                    | 15%              | N/A                                                     |
| Directors & Officers                                                                                     | Great American Insurance Company                | N/A                                     | \$ 4500                    | 20%              | N/A                                                     |
| Crime/Consultants Bond                                                                                   | The Ohio Casualty Insurance Company             | N/A                                     | \$ 341                     | 20%              | N/A                                                     |
| Directors Position Bond                                                                                  | The Ohio Casualty Insurance Company             | N/A                                     | \$ 150                     | 30%              | N/A                                                     |
| Tax Assessor/Collector Bond                                                                              | The Ohio Casualty Insurance Company             | N/A                                     | \$ 250                     | 30%              | N/A                                                     |
| Workers' Compensation                                                                                    | Texas Mutual Insurance Company                  | N/A                                     | \$ 400                     | 9%               | N/A                                                     |
| Business Travel Accident                                                                                 | Federal Insurance Company                       | N/A                                     | \$ 300                     | 25%              | N/A                                                     |
| Equipment Breakdown                                                                                      | Liberty Mutual Fire Ins Company                 | RPS                                     | \$ 30643                   | 20%              | 10%                                                     |

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.
2. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.  
\* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium excluding taxes & fees.

# Guide to A.M. Best Ratings

## W.I.N. PROGRAM CARRIER RATINGS AND ADMITTED STATUS

| Proposed Insurance Companies                    | A.M. Best's Rating & Financial Size Category* | Admitted/Non-Admitted** |
|-------------------------------------------------|-----------------------------------------------|-------------------------|
| Great American Insurance Company                | A+XV                                          | Admitted                |
| Pennsylvania Manufacturers' Association Ins. Co | A+XV                                          | Admitted                |
| Pennsylvania Manufacturers' Indemnity Ins. Co   | A+XV                                          |                         |
| Chubb/Federal Insurance Company                 | A++ XV                                        | Admitted                |
| Texas Mutual Insurance Company                  | A XV                                          | Admitted                |
| BCS Insurance Co.                               | A- VIII                                       | Admitted                |
| Hartford Casualty Insurance Company             | A+XV                                          | Admitted                |
| Hartford Fire Insurance Company                 | A+XV                                          | Admitted                |
| The Ohio Casualty Insurance Company             | A XV                                          | Admitted                |

\*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

\*\*If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change

# Proposal Disclosures

## NAMED INSURED DISCLAIMER

**Note:** Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

## COMPENSATION DISCLOSURE

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-Out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third-parties, please contact Gallagher via e-mail at [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or by regular mail at:

Chief Compliance Officer  
Gallagher Global Brokerage  
Arthur J. Gallagher & Co.  
2850 West Golf Rd.  
Rolling Meadows, IL 60008

## TRIA/TRIPRA DISCLAIMER

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

#### ANTI-BOYCOTTING COMPLIANCE

As required by Chapter 2271, Texas Government Code, Gallagher hereby verifies that it does not boycott Israel and will not boycott Israel through the term of the policies included in this proposal. For purposes of this verification, "boycott Israel" has the meaning assigned to such term pursuant to Section 808.001 of the Texas Government Code. As required by Chapter 2276, Texas Government Code, Gallagher hereby verifies that it does not boycott energy companies and will not boycott energy companies through the term of the policies included in this proposal. The term "boycott energy companies" has the meaning assigned to such term pursuant to Section 809.001 of the Texas Government Code.

#### VERIFICATION PURSUANT TO TEXAS SENATE BILL 19

Pursuant to Chapter 2724, Texas Government Code, Gallagher represents and certifies that, at the time of execution of this proposal neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in practice, policy guidance or directive that discriminates against firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

#### FOREIGN TERRORIST ORGANIZATIONS

Pursuant to Chapter 2252, Texas Government Code, Gallagher represents and certifies that, at the time of execution of this proposal neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

#### VERIFICATION DESIGNATED COUNTRY VERIFICATION

Pursuant to Chapter 2275, Texas Government Code, Gallagher verifies that a) neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Gallagher, nor any of its sub-contractors (i) is owned or controlled by (a) individuals who are citizens of China, Iran, North Korea, Russia or any designated country; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, of any designated country; or (ii) is headquartered in China, Iran, North Korea, Russia or a designated country. The term "designated country" means a country designated by the Governor as a threat to critical infrastructure under Section 2275.003 of the Texas Government Code.

#### NO DISCRIMINATION OF FIREARM ENTITY OR FIREARM TRADE ASSOCIATION VERIFICATION

Pursuant to Chapter 2274, Texas Government Code, Gallagher verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. "Discriminate against a firearm entity or firearm trade association" has the meaning assigned by Section 2274.001(3), Texas Government Code.

#### POOL FUNDING DISCLAIMER

Gallagher does not provide actuarial services or actuarial estimates of losses. If the excess insurer or reinsurer that provides excess coverage calculates a loss fund for the pool, it is our recommendation that the pool fully fund that amount. Further, it is our recommendation that the pool contract with an appropriately certified actuary to provide recommendations for overall pool funding, surplus and reserve funds.

# Proposal Terms and Conditions

## **Terms and Conditions**

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these “Terms”) govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the “CAB”) included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

## **Services**

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher's assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

## **Treatment of Information**

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects' rights, as applicable. To the extent applicable under associated data protection laws, you are a “business” or “controller” and Gallagher is a “service provider” or “data processor.” You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallagher's Privacy Policy located at <https://www.aig.com/privacy-policy/>. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

## **Dispute Resolution**

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we'd like to clearly outline the resolution process.

A. If the parties have a dispute regarding Gallagher's services or the relationship governed by this Proposal (“**Dispute**”), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms..

B. The party asserting a Dispute must provide a written notice (“**Notice**”) of the claim to the other party and to the American Arbitration Association (“**AAA**”) in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration proceedings and will each pay their own attorneys' fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years' experience in commercial and insurance coverage disputes.

C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of \$500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion prepared and signed by the arbitrator(s). Except as may be required by law, neither you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

## **Electronic Delivery**

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

**Miscellaneous Terms**

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

# Claims Reporting By Policy

**Immediately report all claims.** Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

## Reporting Direct to Carrier [Only When Applicable]

| COVERAGE(S):                                                  | IMMEDIATELY REPORT CLAIMS DIRECTLY TO:                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cyber liability/breach response claims                        | <p><b>Notice of Claim</b><br/> <a href="mailto:joan.dambrosio@clydeco.us">joan.dambrosio@clydeco.us</a><br/>                     Clyde &amp; Co. US LLP<br/>                     101 Second Street, 24th Floor<br/>                     San Francisco CA 94105</p> <p><b>24 Hour Security Breach Hotline</b><br/>                     866.288.1705<br/>                     Baker &amp; Hostetler LLP<br/>                     45 Rockefeller Plaza<br/>                     New York, NY 10111-0100</p> |                                                                                                                                                                                                                                                                                                                                                                                        |
| All claims may be reported via email to any of the following: | <p>Michelle Herrera<br/>                     Client Service Manager<br/> <a href="mailto:michelle_herrera@ajg.com">michelle_herrera@ajg.com</a><br/>                     713.275.1506<br/>                     Jessica Salias<br/>                     Client Services Manager<br/> <a href="mailto:jessica_salias@ajg.com">jessica_salias@ajg.com</a><br/>                     713.358.5928</p>                                                                                                         | <p>Julie Collette<br/>                     Client Service Manager<br/> <a href="mailto:julie_collette@ajg.com">julie_collette@ajg.com</a><br/>                     713.243.2182<br/>                     Lauren Peyton<br/>                     Client Service Manager<br/> <a href="mailto:lauren_peyton@ajg.com">lauren_peyton@ajg.com</a><br/>                     713.243.2170</p> |

## Reporting to Gallagher or Assistance in Reporting

| COVERAGE(S):           | IMMEDIATELY REPORT CLAIMS DIRECTLY TO:                                                                                                                                             |  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Gallagher Claim Center | <p>Phone: 855-497-0578<br/>                     Fax: 225-663-3224<br/>                     Email: <a href="mailto:ggb.nrcclaimscenter@ajg.com">ggb.nrcclaimscenter@ajg.com</a></p> |  |

# Appendix

We help you face your future with confidence.



Gallagher's holistic approach keeps your total cost of risk—and your best interest—in focus. With expertise where you most need it, Gallagher delivers the solutions that let businesses grow. Communities thrive. And people prosper.

GLOBAL REACH. LOCAL PRESENCE.

Founded in  
**1927**

**\$5B**  
Total Adjusted Brokerage & Risk Management Revenues (2018)

**30,000+**  
Employees worldwide

**850+**  
Offices in 35 countries

**150+**  
Countries served

**HIGHLY SPECIALIZED. DEEP EXPERTISE.**

- |                                                               |                                                                                                                  |                                                                                                      |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Alternative Risk & Captives:<br>Aviation<br>Casualty          | Environmental<br>Enterprise Risk Management<br>Equity Advisors<br>Fine Arts<br>Law Firms<br>Management Liability | Private Client Services<br>Property<br>Risk Management<br>Trade Credit & Political Risk<br>Insurance |
| Commercial Surety & Bonds<br>Cyber Liability<br>Entertainment |                                                                                                                  |                                                                                                      |

**OUR APPROACH TO RISK.**



**CORE360™** is our unique, comprehensive approach of evaluating our client's risk management program that leverages analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk.

**22+ INDUSTRY PRACTICES**



**LEADERS WHERE IT COUNTS**

Gallagher Named One of the World's Most Ethical Companies® for 2019

The only insurance broker to have received this honor, Gallagher has been named as one of the World's Most Ethical Companies by the Ethisphere® Institute, a global leader in defining and advancing the standards of ethical business practices, eight years in a row

Gallagher has been designated as one of the "World's Best Employers" by Forbes Magazine for 2018.

This is a great honor that is given to just 500 companies around the world each year. Designation recipients are determined by an independent collection and analysis of anonymous employee reviews collected by Statista, a leading statistical agency. Gallagher was the only Insurance Brokerage to be honored with this designation for 2018.



**SHARED VALUES + PASSION FOR EXCELLENCE = PROMISES DELIVERED**

**The Gallagher Way**

25 tenets that have guided a team-oriented culture for 30+ years

**Social Responsibility**

Companywide focus on ethical conduct, employee health and welfare, environmental integrity and community service



Gallagher

eRiskHub®



To access the Gallagher | eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is 447597.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

## The Gallagher Way. Since 1927.

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services to be provided by Arthur J. Gallagher Risk Management Services, Inc. (License No. 0D69293) and/or its affiliate Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. (License No. 0726293).

# eRiskHub® Overview and Login Information

The evolution of the cyber risk landscape has brought with it broad, sweeping regulations to address cybersecurity exposures. This digital transformation also presents new risks, including financial losses, for every industry. Gallagher's Cyber Practice delivers expertise alongside cyber risk management and insurance placement services, as well as a better way to construct risk management solutions. CORE360™ — our comprehensive approach of evaluating our client's risk management program — leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. First, we consult with you to understand all of your actual and potential costs, then find the best options to reallocate these costs based on strategic actionable insights empowering you to know, control and minimize your total costs increasing profitability.

Additionally, our data-driven CORE360™ approach allows us to implement programs for your business that will increase safety, minimize losses, mitigate claims and proactively analyze your cyber risk posture.

### Key Features of the Gallagher | eRiskHub®

- Gallagher Cyber Risk Due Diligence — A six-step process designed to walk clients through a simple, thought-provoking framework to encourage organizational communication, establish clear direction and highlight priorities to better understand your cyber risk profile.
- Risk Manager Tools — A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- News Center — Keeps you up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- Learning Center — An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. (Looking for something specific? Try the search box at the top right of the page to search the entire Gallagher | eRiskHub®).
- Security & Privacy Training — An overview of best practices for creating an effective security training program for employees.
- Strategic Third-Party Relationships and Partner Resources — Information on third-party vendors that can assist your organization with improving your overall cyber risk.

As cyber risk evolves, so does our commitment to thought leadership. Our global cyber teams focus exclusively on cyber risk, and uniquely position Gallagher to share our knowledge, expertise and experience for the benefit of our clients.

If you have any questions about the Gallagher | eRiskHub®, please reach out to your broker.

## Cyber Liability



  
**Gallagher**  
W.I.N.  
Waterworks  
Insurance Network

# Optional Proposal of Insurance

## HARRIS COUNTY MUD 109

C/O NORTON ROSE FULBRIGHT US LLP  
1550 LAMAR STREET, SUITE 2000  
HOUSTON, TX 77010

**PRESENTED: MAY 19, 2026**  
**EFFECTIVE: 05/22/2026 TO 05/22/2027**

THE FOLLOWING PROPOSAL IS PRESENTED BY:

Kim Courte, CPCU  
Area Vice President | W.I.N. Program Director  
Arthur J. Gallagher Risk Management Services, LLC  
5847 San Felipe, Suite 1600  
Houston, TX 77057  
kim\_courte@ajg.com  
713.935.8805 | Cell: 281.772.1611  
Toll Free: 800.222.9044  
Fax: 713.358.5795  
ajg.com

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Exhibit H



Insurance | Risk Management | Consulting  
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# Named Insured Schedule and Your W.I.N. Team

## Named Insured Schedule:

HARRIS COUNTY MUD 109

## Your W.I.N. Team:

Providing excellent service is the primary objective of Gallagher. Please call any member of the service team for assistance.

Michelle Herrera  
Client Service Manager  
michelle\_herrera@ajg.com  
713.275.1506

Julie Collette  
Client Service Manager  
julie\_collette@ajg.com  
713.243.2182

Jessica Salias  
Client Services Manager  
jessica\_salias@ajg.com  
713.358.5928

Christi Herrera  
Client Service Associate  
Christi\_herrera@ajg.com  
713.358.5281

Lauren Peyton  
Client Service Manager  
lauren\_peyton@ajg.com  
713.243.2170

Kim Courte, CPCU  
Area Vice President  
W.I.N. Program Director  
kim\_courte@ajg.com  
713.935.8805 | Cell: 281.772.1611

Sharon Manwaring  
Area Client Service Director  
sharon\_manwaring@ajg.com  
281.655.6796

# Optional Premium/Contribution Summary

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

Gallagher is responsible for the placement of the following lines of coverage:

| Line of Business                                                                                                                                                                                 | Renewal Premium  | Expiring Premium |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| (Property, Flood, B&M and Extra Expense)<br>For District without WWTP which is 27%% of schedule<br>(18,840,000/69,840,000) 27% of \$207,294                                                      | \$ 55,969        | \$ 18,824        |
| 5mil General Liability, Sewer back up supplemental, 2mil Pollution liability, 1mil Law Enforcement Liability, 1mil Public Officials Errors & Omissions Liability, and 2mil Hired- Non-Owned Auto | \$ 8,850         | \$ 7,683         |
| Directors & Officers Liability                                                                                                                                                                   | \$ 4,500         | \$ 4,500         |
| Crime Employee and Consultant                                                                                                                                                                    | \$ 341           | \$ 341           |
| Directors Position Bond                                                                                                                                                                          | \$ 150           | \$ 150           |
| Tax Assessor/Collector Bond (T. Spencer) - Gallagher will bill TAC directly Premium \$100                                                                                                        | \$ 0             | \$ 0             |
| Peace Officer Bond                                                                                                                                                                               | \$ 100           | \$ 100           |
| Business Travel Accident                                                                                                                                                                         | \$ 300           | \$ 300           |
| Agent Fee (TML does not pay commissions)                                                                                                                                                         | \$ 8,395         | \$ 712           |
| <b>Total</b>                                                                                                                                                                                     | <b>\$ 78,605</b> | <b>\$ 39,139</b> |

| Line of Business- WWTP Physical Damage Coverage Only                                                                                                         | Renewal Premium   | Expiring Premium  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| WWTP physical damage coverage which includes Property, Flood, B&M and Extra Expense which 73% of schedule values<br>(51,000,000/69,840,000) 73% of \$207,294 | \$ 151,325        | \$ 75,251         |
| Agent Fee                                                                                                                                                    | \$ 22,698         | \$ 2,321          |
| <b>Sub-Total This is the total sharing amount for all participating districts</b>                                                                            | <b>\$ 174,023</b> | <b>\$ 102,086</b> |
| <b>Grand Total (District plus WWTP)</b>                                                                                                                      | <b>\$ 252,628</b> | <b>\$ 141,225</b> |

Comparison of This Optional Proposal and the Renewal Proposal is on the next page.

Thank you for your business and we look forward to continuing to provide you with the best insurance program in Texas.

*\*\*Please sign on Proposal Acceptance Page and Provide Documents Required to Bind Coverage*

## Comparison of Major Proposal Differences

| Subject                                                                | Renewal                                                        | Property/B&M, GL with TML                                                                                                                               |
|------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Failure To Supply Liability                                            | Yes, no limitation                                             | Yes but limited as it only applies if there is damage to the facilities first                                                                           |
| Pollution Liability                                                    | Yes, includes gradual Limit \$5,000,000                        | Yes, but limited to Sudden & Accidental and must be reported in 14 days of event. Limit 2,000,000                                                       |
| Includes Punitive Damages                                              | Yes                                                            | No                                                                                                                                                      |
| Law Enforcement Liability                                              | Yes, \$5mil Limit                                              | Yes, \$1mil Limit                                                                                                                                       |
| Sewer Back Up                                                          | Included full limits                                           | Limited to \$50,000 with 1k Ded                                                                                                                         |
| Includes Earthmovement, sinking shifting and rising without Earthquake | Yes                                                            | No                                                                                                                                                      |
| Includes Property Blanket Limits                                       | Yes, Total values roll to the claim.                           | No, limits are by location schedule                                                                                                                     |
| Pollution Cleanup on Premises                                          | Yes, regardless of cause \$1mil limit                          | Yes, but limited to cause by property perils and max \$20,000 per location                                                                              |
| Includes Underground Lines                                             | No                                                             | Yes                                                                                                                                                     |
| Deductible: Property                                                   | 25,000                                                         | 10,000                                                                                                                                                  |
| Deductible: Wind                                                       | 2% of each damaged item                                        | Lesser of 1% of damaged structure and contents each, Or 1% of the location value or .1% of total Value of all Locations. Min per occurrence deductible. |
| Deductible: Named Storm and Flood                                      | 2% of each damaged item                                        | 1% of structure and contents each. If Flood or Earthquake is involved, then the largest of all deductibles apply                                        |
| Flood Limit                                                            | 2.5mil                                                         | 5mil                                                                                                                                                    |
| Flood Deductibles                                                      | 100,000: Flood Zones X10-X40<br>200,000 Flood Zones X500/X50/B | Lesser of 1% of damaged structure and contents each, Or 1% of the location value or .1% of total Value of all Locations. Minimum \$25,000               |

## Claims Summary

| DOL              | Claim No.           | Loss                                                   | Amount Paid            | Status |
|------------------|---------------------|--------------------------------------------------------|------------------------|--------|
| 03/08/10         | TXSP210040189       | Voltage Surge caused damage to equipment               | 37,062.00              | Closed |
| 09/08/11         | TNT-0093717         | Large Bar Screen                                       | 42,430.00              | Closed |
| 10/19/11         | TNT-0094516         | Gail Appling. Charged water line caused electric shock | 2,676.97               | Closed |
| 01/26/12         | TNT-0098718         | Patricia Menard stepped on meter box & injured ankle   | 2,073.77               | Closed |
| 11/04/13         | 2172-2172-4066      | Lift Pump #3 at WWTP onsite LS                         | 13,678.73              | Closed |
| 05/13/14         | 2172-4030-BM-01     | WP#2- main breaker tripped                             | 7,500.00               | Closed |
| 05/14/14         | 2172-4080-BM-01     | Grinder of LS failed                                   | 30,895.00              | Closed |
| 09/13/14         | 2172-4275-GD-01     | Sewer Backup- Kiersten Woodward                        | 924.76                 | Closed |
| 04/23/15         | 2172-4621-BM-01     | Aeration Blower #4                                     | 0                      | Closed |
| 08/17/15         | 2172-4794-BM-01     | Belt Press at WWTP                                     | 26,672.60              | Closed |
| 08/31/16         | 2172-5235-GD-01     | Sewer Backup-Irma Alfaro                               | 894.88                 | Closed |
| 01/19/17         | 2172-005446-BM-01   | WWTP-Lift Station                                      | 6,430.00               | Closed |
| 08/25/17         | 12 005446-BM-01     | Hurricane Harvey                                       | 13,750.00              | Closed |
| 12/22/17         | 13 005957-BM-01     | WP Motor Burnt                                         | 3,180.00               | Closed |
| 12/28/20         | X 80A01550200       | Lift Pump Shorted                                      | 13,340.00              | Closed |
| 02/27/21         | 009222-000147-GD-01 | Jarrell Peak Water Line Leaking                        | 425.00                 | Closed |
| 01/14/25         | 009196-005971RB-01  | Underground Line Damage                                | 847,459.00             | Closed |
| <b>Total</b>     |                     |                                                        | <b>\$ 1,049,392.71</b> |        |
| <b>WWTP Only</b> |                     |                                                        | <b>\$ 971,640.00</b>   |        |

Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

**Higher limits are available upon request for each coverage**

# Property Schedule

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| No. | Property Description for Facilities AND<br>Detention Ponds<br>Address with City, Zip Code & County<br><b>**All locations located in Humble, TX 77346**</b> | Longitude<br>/Latitude<br>In Decimal<br>Format | Replacement Cost Value<br>Building & Contents Detention<br>Ponds list insurable values such<br>as grates, pumps fence | Year<br>Built |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|
| 1-1 | Fence/WWTP –<br><b>5003 Atascocita Road</b>                                                                                                                | 29.9889<br>95.1959                             | 50,000,000                                                                                                            | 1980          |
| 1-2 | Fence/Permanent Generator No. 1 –<br><b>5003 Atascocita Road</b>                                                                                           | 29.9904<br>95.1956                             | 500,000                                                                                                               | 1980          |
| 1-3 | Fence/Permanent Generator No. 2 –<br><b>5003 Atascocita Road</b>                                                                                           | 29.9889<br>95.1956                             | 500,000                                                                                                               | 1980          |
| 2-1 | Fence/Water Plant #2 –<br><b>20322 Burle Oak Drive</b><br>(Excluding well)                                                                                 | 30.0163<br>95.1922                             | 6,000,000                                                                                                             | 2022          |
| 2-2 | Fence/Water Well #2 –<br><b>20322 Burle Oak Drive</b>                                                                                                      | 30.0166<br>95.1918                             | 1,900,000                                                                                                             | 1994          |
| 2-3 | Fence/ Permanent Generator –<br><b>20322 Burle Oak Drive</b>                                                                                               | 30.0164<br>95.1920                             | 450,000                                                                                                               | 2022          |
| 3-1 | Fence/Water Plant #1 –<br><b>5722 Forest Timbers Drive</b>                                                                                                 | 30.0029<br>95.1867                             | 3,500,000                                                                                                             | 1980          |
| 3-2 | Fence/Water Well #1 -<br><b>5722 Forest Timbers Drive</b>                                                                                                  | 30.0026<br>95.1868                             | 1,900,000                                                                                                             | 1980          |
| 3-3 | Fence/1M Gal Water Tower –<br><b>5722 Forest Timbers Drive</b>                                                                                             | 30.0024<br>95.1869                             | 1,200,000                                                                                                             | 2002          |
| 3-4 | Fence/15 k Hydro Tank –<br><b>5722 Forest Timbers Drive</b>                                                                                                | 30.0029<br>95.1868                             | 150,000                                                                                                               | 2019          |
| 3-5 | Fence/Permanent Generator –<br><b>5722 Forest Timbers Drive</b>                                                                                            | 30.0027<br>95.1866                             | 500,000                                                                                                               | 2009          |
| 4-1 | Fence/Lift Station –<br><b>19419 Timber Forest Drive</b>                                                                                                   | 30.0031<br>95.1939                             | 1,000,000                                                                                                             | 1997          |
| 4-2 | Fence/Permanent Generator –<br><b>19419 Timber Forest Drive</b>                                                                                            | 30.0031<br>95.1938                             | 300,000                                                                                                               | 1997          |
| 5-1 | Fence/Lift Station –<br><b>4630 Spring Lea Drive</b>                                                                                                       | 29.9956<br>95.2036                             | 400,000                                                                                                               | 1984          |
| 5-2 | Fence/Permanent Generator –<br><b>4630 Spring Lea Drive</b>                                                                                                | 29.9956<br>95.2037                             | 100,000                                                                                                               | 1984          |
| 6-1 | Fence/Lift Station –<br><b>20334 Timber Forest Drive</b>                                                                                                   | 30.0140<br>95.1876                             | 300,000                                                                                                               | 1999          |
| 6-2 | Fence/Permanent Generator –<br><b>20334 Timber Forest Drive</b>                                                                                            | 30.0140<br>95.1876                             | 60,000                                                                                                                | 1999          |
| 7-1 | Fence/Lift Station –<br><b>10.5 Turtle Cove Court</b>                                                                                                      | 30.0198<br>95.1800                             | 300,000                                                                                                               | 1999          |
| 7-2 | Fence/Permanent Generator –<br><b>10.5 Turtle Cove Court</b>                                                                                               | 30.0198<br>95.1799                             | 60,000                                                                                                                | 1999          |
| 8-1 | Fence/Lift Station –<br><b>18657 1/2 Artesian Way</b>                                                                                                      | 29.9917<br>95.2063                             | 300,000                                                                                                               | 2003          |
| 8-2 | Fence/Permanent Generator –<br><b>18657 1/2 Artesian Way</b>                                                                                               | 29.9917<br>95.2064                             | 60,000                                                                                                                | 2003          |
| 9-1 | Fence/Lift Station –<br><b>5301 ½ Quail Tree Lane</b>                                                                                                      | 30.0124<br>95.1967                             | 300,000                                                                                                               | 2017          |
| 9-2 | Fence/Permanent Generator –<br><b>5301 ½ Quail Tree Lane</b>                                                                                               | 30.0125<br>95.1966                             | 60,000                                                                                                                | 2017          |
|     | <b>TOTAL</b>                                                                                                                                               |                                                | <b>69,840,000</b>                                                                                                     |               |

The proposal is based on the above information received from the engineer.

# Package Coverage – Property and Equipment Breakdown aka Boiler & Machinery

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Real & Personal Property<br><br>Subject to policy terms, conditions, limitations and exclusions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Special Form</li> <li>• Terrorism Limited to 10mil or the Property Limit, Whichever is Less</li> <li>• Replacement Cost Valuation<br/>Repair or Replace Whichever is Less</li> <li>• Blanket Basis Coverage limited by 150% maximum per each location scheduled value</li> <li>• Coinsurance Waived</li> </ul> |
| Exclusions included but not limited to:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• War</li> <li>• Nuclear Hazard</li> <li>• Governmental Action (seizure or destruction)</li> </ul>                                                                                                                                                                                                               |
| <b>National Flood Insurance Program Requirement for TML:</b><br>For flood locations in Harris, Orange, Jackson or Coastal Counties within the 100 Year Flood Plain “A”s must carry NFIP coverage for buildings which qualify and TML will sit excess of this coverage. If no coverage in place they will act as if there is coverage and this will be your deductible amount. Please note NFIP coverage has a 30 day waiting period for coverage to go into place once coverage has been elected and check has been received by the NFIP provider. NFIP can be quoted once the proper information has been provided with the elevation certificate for each building. Buildings with 2 or more rigid walls and a permanent roof qualify for NFIP. |                                                                                                                                                                                                                                                                                                                                                         |

| Limits                   |                                                                                                                                                           |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Real & Personal Property | Per Property Schedule                                                                                                                                     |
| Equipment Breakdown      | \$ 69,840,000                                                                                                                                             |
| Flood Limit              | \$ 5,000,000                                                                                                                                              |
| Earthquake Limit         | \$ 5,000,000                                                                                                                                              |
| Flood Zone A & V Caveat  | Included and limited by the Flood Limit. However, if the above flood limit is greater than 2.5million then a cap of 2.5million will apply to these zones. |
| Extra Expense            | \$2,000,000                                                                                                                                               |

| Deductibles                                        |                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All real & personal property except as noted below | \$ 10,000                                                                                                                                                                                                                                                                                                                                                                          |
| Wind/Hail Deductible                               | <p>Make Sure the EP 375 is included in the quote, if so, delete this whole box. If not, you must delete this paragraph and keep the rest of this box.</p> <p>Lesser of 1% of damaged structure and contents each, Or 1% of the location value or .1% of total Value of all Locations.<br/>In no event shall the percent deductible be less than the per occurrence deductible.</p> |

|                                                           |                                                                                                                                                                                                                                               |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard Flood & Earthquake                               | Lesser of 1% of damaged structure and contents each, Or 1% of the location value or .1% of total Value of all Locations.<br>In no event shall the percent deductible be less than the flood and earthquake occurrence deductible of \$25,000. |
| Named Storm as recognized by the National Weather Service | 1% of structure and contents each.<br><br>If Flood or Earthquake is involved, then the largest of all deductibles apply ( <b>Form EP365</b> )                                                                                                 |
| Equipment Breakdown aka B&M                               | \$ 10,000                                                                                                                                                                                                                                     |
| Extra Expense                                             | None                                                                                                                                                                                                                                          |

**Annual Contributions**  
Included in Summary or Optional Coverage and Limits

**Provider**  
Texas Municipal League Intergovernmental Risk Pool

# Package Coverage - General Liability & Hired Non-Owned Automobile Liability

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Liability<br>Hired and Non-Owned Auto Liability<br><br>Subject to policy terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Bodily Injury and Property Damage</li> <li>• Liability arising from any owned property such as facilities, buildings, parks, detention ponds and lakes</li> <li>• Failure to Supply (limitation requiring property damage to owned facilities)</li> <li>• Sewer Back Up-Legal Liability Included in Defense</li> <li>• Products Contamination</li> <li>• Duty to Defend</li> <li>• Defense Cost outside the Limit</li> </ul> |
| Exclusions included but not limited to:                                                                                         | <ul style="list-style-type: none"> <li>• Access or Disclosure of Confidential or Personal Information, Data-related Liability &amp; Internet</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Employment Related Practices</li> <li>• Punitive Damages</li> </ul>                                                                                                                                                                                                                             |
| <b>Must Schedule:</b> Dams, Reservoirs & Levees for Liability coverage to apply                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Limits       |                                        |
|--------------|----------------------------------------|
| \$ 2,000,000 | General Liability Each Occurrence      |
| \$ 4,000,000 | General Liability Aggregate            |
| \$ 50,000    | Supplemental Sewage Back up            |
| \$ 100,000   | Supplemental Sewage Back up Aggregate  |
| \$ 1,000     | Supplemental Sewage Back up Deductible |
| \$ 1,000,000 | Hired & Non-Owned Auto Liability       |
| \$ 1,000,000 | Law Enforcement Liability              |
| \$ 2,000,000 | Law Enforcement Liability Aggregate    |
| \$ 1,000     | Law Enforcement Liability Deductible   |

| Deductibles    |          |
|----------------|----------|
| Per Occurrence | \$ 1,000 |

| Annual Contributions                                |
|-----------------------------------------------------|
| Included in Summary or Optional Coverage and Limits |

| Provider                                           |
|----------------------------------------------------|
| Texas Municipal League Intergovernmental Risk Pool |

# Package Coverage - Pollution Liability

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| <b>Description</b>                                                                                                                                                   |                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Package Pollution Liability<br>Sudden and Accidental and Unintended<br>Pollution Incident<br><br>Subject to policy terms, conditions,<br>limitations and exclusions. | <ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Duty to Defend</li> <li>• Defense Cost Outside the Limit</li> <li>• Must be reported in 14 days of event.</li> </ul> |
| Exclusions included but not limited to:                                                                                                                              | <ul style="list-style-type: none"> <li>• Fraud</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Punitive Damages</li> <li>• Employment Related Practices</li> </ul>                   |

| <b>Limit</b>   |                                           |
|----------------|-------------------------------------------|
| Per Occurrence | \$2,000,000 Per Pollution Event/Aggregate |

| <b>Deductibles</b> |      |
|--------------------|------|
| Per Occurrence     | None |

| <b>Annual Contributions</b>                         |  |
|-----------------------------------------------------|--|
| Included in Summary or Optional Coverage and Limits |  |

| <b>Provider</b>                                    |  |
|----------------------------------------------------|--|
| Texas Municipal League Intergovernmental Risk Pool |  |

# Package Coverage Workers' Compensation

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Description                                                      |                                                                                                                                                                                 |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workers' Compensation                                            | <ul style="list-style-type: none"> <li>Bodily Injury to Employees</li> <li>Duty to Defend</li> <li>Defense Cost outside the Limit</li> <li>Covered State Texas Only</li> </ul>  |
| Subject to policy terms, conditions, limitations and exclusions. |                                                                                                                                                                                 |
| Exclusions included but not limited to:                          | <ul style="list-style-type: none"> <li>Voluntary Compensation</li> <li>All Coverage is provided in accordance with the terms of Chapter 504 of the Texas Labor Code.</li> </ul> |
| Audit                                                            | <ul style="list-style-type: none"> <li>Auditable</li> </ul>                                                                                                                     |
| Subject to Audit                                                 | <ul style="list-style-type: none"> <li>At Expiration</li> </ul>                                                                                                                 |
| Minimum Premium                                                  | <ul style="list-style-type: none"> <li>None</li> </ul>                                                                                                                          |

| Limits    |                       |
|-----------|-----------------------|
| Statutory | Workers' Compensation |
| 1,000,000 | Employers Liability   |

| Exposure Description                         | Code  | Payroll  | Rates |
|----------------------------------------------|-------|----------|-------|
| Elected/Apptd Officials-Governing Board Only | 8742E | \$36,000 | .43   |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium/Contributions                     |
|--------------------------------------------------|
| Included Summary or Optional Coverage and Limits |

| Provider                                           |
|----------------------------------------------------|
| Texas Municipal League Intergovernmental Risk Pool |

# Directors & Officers Liability Policy

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Directors &amp; Officers Liability</p> <p>Subject to policy terms, conditions, limitations and exclusions.</p> | <ul style="list-style-type: none"> <li>Claims Made Policy Form</li> <li>Wrongful Act, Error or Omission</li> <li>Defense for alleged breach of contract</li> <li>Coverage also applies for lawful spouse or “Domestic Partner” of an insured person</li> <li>Punitive Damages</li> <li>Duty to Defend</li> <li>Pay on Behalf Contract</li> <li>Claim Trigger- May report known circumstances that may give rise to a claim</li> <li>Claim includes formal administrative or regulatory proceedings</li> <li>100% Defense paid for claims that include covered and non-covered claims.</li> <li>Terrorism Risk Insurance Act</li> <li>If Cost of Defense are incurred by the Insured with the Insurer’s consent, the separate limit of defense does not apply.</li> </ul> |
| <p>Exclusions included but not limited to:</p>                                                                    | <ul style="list-style-type: none"> <li>Bodily Injury</li> <li>Property Damage</li> <li>Pollution</li> <li>Privacy and Data Breach</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>Retroactive Date:</p>                                                                                          | <p>None</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>Pending/Prior Litigation Date:</p>                                                                             | <p>05/22/2019 Directors &amp; Officers</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Limits                                                                                                                                                                                                                       |                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <p>\$5,000,000 D&amp;O Limit<br/>In <b>Excess</b> of the Above Limits</p> <ul style="list-style-type: none"> <li>\$ 500,000 Dedicated for Directors &amp; Officers</li> <li>\$1,000,000 Separate Limit of Defense</li> </ul> | <p>Per Claim and Aggregate Enhancement(s)</p> |

| Retention                                                                                    |  |
|----------------------------------------------------------------------------------------------|--|
| <p>Insuring Agreement A Retention \$0<br/>Insuring Agreement B &amp; C Retention \$1,000</p> |  |

## Claim Definition

**Claim**” shall mean:

- (1) a written demand for monetary or non-monetary (including injunctive) relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document,
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document;
- (5) any arbitration, mediation or similar alternative dispute resolution proceeding if any **Insured** is obligated to participate in such proceeding; or
- (6) a written agreement to toll any applicable statute of limitation prior to the commencement of any judicial, administrative, regulatory or arbitration proceeding.

In no event shall the term **Claim** include any labor or grievance proceeding which is subject to a collective bargaining agreement.

## Reporting Provision

### SECTION VII. Notice of Claim

- A.** The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date the President, Executive Director, Chief Financial Officer, General Counsel, or person with equivalent responsibility has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Year**.
- B.** If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of: (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C.** In addition to furnishing the notice as provided in Section VIII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.

Notice to the **Insurer** as provided in Section VII A or B shall be emailed to [ELDClaims@gaic.com](mailto:ELDClaims@gaic.com) or mailed to **GREAT AMERICAN INSURANCE GROUP, EXECUTIVE LIABILITY DIVISION, CLAIMS DEPARTMENT, P.O. BOX 66943, CHICAGO, IL 60666.**

## Annual Premium

Included Premium Summary

## Carrier

Great American Insurance Company, A.M. Best Rating: A+XV Admitted

# Crime/Consultant Bond

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Description                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Crime</p> <p>Subject to policy terms, conditions, limitations and exclusions.</p> | <ul style="list-style-type: none"> <li>• Protection for loss caused to named insured through failure of any employee/consultant to perform faithfully their duties or to account properly for all monies and property received by virtue of their position or employment.</li> <li>• Any Limit purchased applies per employee/consultant up to \$100,000.</li> <li>• Any limit purchased \$100,000 and over is provided on a per losses basis rather than each basis.</li> </ul> |
| <p>Exclusions included by not limited to:</p>                                        | <ul style="list-style-type: none"> <li>• Governmental Action of Seizure or Destruction</li> <li>• Accounting or Arithmetical Errors or Omissions</li> <li>• Inventory Shortages</li> </ul>                                                                                                                                                                                                                                                                                       |
| <p>Loss Caused by</p> <p>Loss Caused by Consultants for Insured</p>                  | <ul style="list-style-type: none"> <li>• Direct Employees</li> <li>• Attorney</li> <li>• Operator</li> <li>• Bookkeeper</li> <li>• Engineer</li> <li>• Delinquent Tax Attorney</li> </ul>                                                                                                                                                                                                                                                                                        |

| Limit      |
|------------|
| \$ 100,000 |

| Deductible               |
|--------------------------|
| Per Occurrence      None |

| Annual Premium and Limits |
|---------------------------|
| Included Premium Summary  |

| Carrier                                                                                       |
|-----------------------------------------------------------------------------------------------|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |

# Directors Position Bond

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                   |                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors Position Bond<br><br>Subject to bond terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"><li>• Provides coverage for loss caused to the District through the failure of Directors to perform faithfully their duties or to account properly for all monies and property received by virtue of their position as Director</li><li>• Continuous until cancelled</li></ul> |
| Exclusions included but not limited to:                                                       | <ul style="list-style-type: none"><li>• Loss occurring prior to date of bond issued</li></ul>                                                                                                                                                                                                                    |

| Limits   |                   |
|----------|-------------------|
| \$10,000 | Each Director (5) |
| \$50,000 | General Aggregate |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                                                       |
|-----------------------------------------------------------------------------------------------|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |

# Tax Assessor/Collector Bond

HARRIS COUNTY MUD 109

Effective: 05/22/2026 TO 05/22/2027

| Coverage                                                                                          |                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tax Assessor Collector Bond<br><br>Subject to bond terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"> <li>Covers the faithful performance and discharge of all the duties required by law as the Tax Assessor/ Collector and to pay over to the depository of the District all funds or other things of value coming into his hands as Tax Assessors/Collectors.</li> <li>Continuous until cancelled</li> </ul> |
| Exclusions included but not limited to:                                                           | <ul style="list-style-type: none"> <li>Loss occurring prior to date of bond issued</li> </ul>                                                                                                                                                                                                                                                |

| Limit     |
|-----------|
| \$ 50,000 |

| Deductibles           |
|-----------------------|
| Per Occurrence   None |

| Annual Premium & Limits  |
|--------------------------|
| Included Premium Summary |

| Carrier                                                                                       |
|-----------------------------------------------------------------------------------------------|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |

*\*T. Spencer*

# Peace Officer Bond

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                    |                                                                                                                                                                                                      |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Peace Officer Bond                                             | <ul style="list-style-type: none"><li>Provides coverage for the faithful performance and discharge of all the duties required by law for Peace Officer.</li><li>Continuous until cancelled</li></ul> |
| Subject to bond terms, conditions, limitations and exclusions. |                                                                                                                                                                                                      |
| Exclusions included but not limited to:                        | <ul style="list-style-type: none"><li>Loss occurring prior to date of bond issued</li></ul>                                                                                                          |

| Limits   |                                  |
|----------|----------------------------------|
| \$ 1,000 | Each Officer (up to 20 officers) |
| \$20,000 | General Aggregate                |

| Deductibles    |      |
|----------------|------|
| Per Occurrence | None |

| Annual Premium & Limits  |  |
|--------------------------|--|
| Included Premium Summary |  |

| Carrier                                                                                       |  |
|-----------------------------------------------------------------------------------------------|--|
| The Ohio Casualty Insurance Company, a Liberty Mutual Company A.M. Best Rating: A XV Admitted |  |

# Business Travel Accident Policy

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| Description                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Travel Accident<br><br>Subject to policy terms, conditions, limitations and exclusions. | <ul style="list-style-type: none"> <li>• Provides 24 Hour Coverage while traveling on District Business Trips for Accidental Death &amp; Dismemberment.</li> <li>• Paralysis Benefit</li> <li>• Rehabilitation Benefit</li> <li>• Seatbelt &amp; Occupant Protection Device Benefit</li> <li>• Psychological Therapy</li> <li>• Rehabilitation Benefit</li> <li>• Adaptive Home and Vehicle Benefit</li> </ul> |
| Exclusions included but not limited to:                                                          | <ul style="list-style-type: none"> <li>• Acrobatics or Stunt Flying</li> <li>• Racing</li> <li>• Crop Dusting</li> </ul>                                                                                                                                                                                                                                                                                       |

| Limits      |                      |
|-------------|----------------------|
| \$ 250,000  | Director(s)          |
| \$ 50,000   | Spouse               |
| \$ 25,000   | Children             |
| \$1,250,000 | Per Covered Accident |

| Annual Premium           |
|--------------------------|
| Included Premium Summary |

| Carrier                                                     |
|-------------------------------------------------------------|
| Federal Insurance Company, A.M. Best Rating: A++XV Admitted |

## Coverages for Consideration

### HARRIS COUNTY MUD 109

#### Overview

Gallagher recommends that you consider purchasing the following additional coverages for which you have exposure. A Proposal for any of the coverages below can be provided.

- Flood either for purchase or higher limits
- Umbrella either for purchase or higher limits
- Cyber Liability either for purchase or higher limits

Please note the recommendations and considerations summarized in this section are not intended to identify all potential exposures. Gallagher is not an expert in all aspects of your business and assumes no responsibility to independently investigate the risks your business faces. Gallagher has relied upon the information you provided in making our insurance Proposals. If you are interested in pursuing additional coverages other than those listed above, please list the additional coverages in the Client Authorization to Bind.

# Optional Proposal Acceptance and Client Authorization To Bind Coverage

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

After careful consideration of Gallagher's Proposal dated 05/22/2026, you accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

| COVERAGE/CARRIER                                                           |                                                                                                                                              |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Property, Flood, B&amp;M, General Liability, Law Enforcement Liability, Auto Liability, Pollution Liability and Workers' Compensation</b> |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>TRIA</b> Included in Above Program                                                                                                        |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Directors &amp; Officers Liability</b>                                                                                                    |
|                                                                            | Great American Insurance Company                                                                                                             |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Crime/Consultants Bond</b>                                                                                                                |
|                                                                            | The Ohio Casualty Insurance Company                                                                                                          |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Directors Bond</b>                                                                                                                        |
|                                                                            | The Ohio Casualty Insurance Company                                                                                                          |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Tax Collector Bond</b>                                                                                                                    |
|                                                                            | The Ohio Casualty Insurance Company                                                                                                          |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Peace Officer Bond</b>                                                                                                                    |
|                                                                            | The Ohio Casualty Insurance Company                                                                                                          |
| <input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject | <b>Business Travel Accident</b>                                                                                                              |
|                                                                            | Federal Insurance Company                                                                                                                    |

**Additional Recommended Coverages**

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By checking the box(es) below, you are requesting that Gallagher provide you with a Proposal for this coverage. By not requesting a Proposal for this coverage, you assume the risk of any uncovered loss.

Cyber Liability  Mobile Equipment Scheduled/Leased/Rented

Higher Limits: Please state coverage and requested limit(s): \_\_\_\_\_

The above coverage(s) does not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those listed in the Additional Recommended Coverages, please list below:

---

**Other Services to Consider**

By checking the box(es) below, you are requesting that Gallagher provide you with additional information for the following services:

Gallagher STEP

eRiskHub

**Coverage Amendments and Notes:**

---

**Fee Agreement**

In addition to commission received by Gallagher for the policy term reflected herein, effective 05/22/2026, Gallagher will receive a fee of \$31,093 for Harris County MUD 109 program administration.

This fee IS NOT refundable, is fully earned by signing below, and is due and payable within thirty (30) days of such signing. Any placements that require the payment of additional state or federal taxes and/or fees are the client's responsibility.

By accepting this fee agreement, we agree and understand that it reflects services to be provided that have been discussed with and fully disclosed to us, and the above fee is consistent with our understanding. This agreement and any disputes that arise out of this fee agreement shall be governed by the laws of the state of Illinois.

**Exposures and Values**

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

**Additional Terms and Disclosures**

Gallagher is not an expert in all aspects of your business. Gallagher's Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Gallagher's liability to you arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of such claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By:

\_\_\_\_\_

Print Name (Specify Title)

\_\_\_\_\_

Company

\_\_\_\_\_

Signature

Date:

\_\_\_\_\_



**Prior Acts Coverage - Law Enforcement Liability**  
**Warrant of Incident Report**

Please list below (and attach additional schedules as necessary) all claims and/or incidents of which the entity or its officers have knowledge which have or could give rise to a claim or claims against the entity or any person or organization which would be a covered party under the provision of the TML-IRP Law Enforcement Liability Coverage Section for the period for which Prior Acts coverage is requested.

| Description of Incident or Claim | Claimant's Name | Date of Loss<br>(when available) | Size of Loss<br>(when available) |
|----------------------------------|-----------------|----------------------------------|----------------------------------|
|                                  |                 |                                  |                                  |

Name of current insurance carrier (if applicable): McKee Risk Policy No.: 308812 Expiration Date: 05/22/2026

**Note: This form is not necessary if your prior coverage is written on an "Occurrence Form".**

**If you have no known claims or incidents to report, please check here:** \_\_\_\_\_

Prior Acts Coverage is effective 5 years prior to the effective date shown on the Proposal Acceptance Form.

I, the undersigned, as an authorized representative of:

Harris County MUD 109  
 \_\_\_\_\_  
 (Name of Political Subdivision)

do hereby accept on behalf of the above named political subdivision Prior Acts Coverage effective on the date indicated above and hereby WARRANT that:

1. The claims data provided above is complete and accurate to the best of my knowledge;
2. All claims or incidents shown above have been reported to the prior carrier, if previously insured by such carrier.
3. I have read and understood all of the rules and provisions for electing this coverage as explained in the proposal for coverage; and
4. I understand that any claim or incident of which the entity had knowledge prior to the effective date of Law Enforcement Liability coverage with TML-IRP will not be covered by TML-IRP.

Signature of Authorized Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





**PROPOSAL ACCEPTANCE FORM  
Supplement Sewage Backup Coverage**

Directions: This form and the Interlocal Agreement must be completed, signed and returned. If time is of the essence, you may wish to use an express mail service or a facsimile copier. In the event you submit these documents by facsimile, the originals must still be sent by regular mail. **Please indicate with [ X ] the coverages that you are accepting.**

**RETURN TO:**  
**Texas Municipal League Intergovernmental Risk Pool**  
**Underwriting Department**  
**PO Box 149194**  
**Austin, Texas 78714-9194**  
**Phone: (512) 491-2300 or (800) 537-6655**  
**FAX: (512) 491-2404**

| Coverage      | Limit    | Deductible                                   | Contribution | Effective Date | Anniversary Date |
|---------------|----------|----------------------------------------------|--------------|----------------|------------------|
| Sewage Backup | \$50,000 | <input type="checkbox"/> \$ 250              | \$ _____     | _____          | _____            |
|               |          | <input type="checkbox"/> \$ 500              |              |                |                  |
|               |          | <input checked="" type="checkbox"/> \$ 1,000 |              |                |                  |
|               |          | <input type="checkbox"/> \$ 5,000            |              |                |                  |

\* Anniversary date will coincide with the anniversary date for General Liability coverage.

I, the undersigned, as an authorized representative of:  
 \_\_\_\_\_  
 Harris County MUD 109  
 (Name of Political Subdivision)

do hereby accept on behalf of the above named political subdivision the portions of the proposal as indicated above.

Signature of Authorized Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SIGN HERE**

| OFFICE USE ONLY              |                                                                               |
|------------------------------|-------------------------------------------------------------------------------|
| Contribution: \$ _____       | Member ID : 6205 _____                                                        |
| Verification: _____          |                                                                               |
| <input type="checkbox"/> New | <input type="checkbox"/> Re-awarding <input type="checkbox"/> Adding Coverage |



## Liability Proposal Acceptance Form

Directions: This form and the Interlocal Agreement must be completed, signed and returned. If time is of the essence, you may wish to use an express mail service or a facsimile copier. In the event you submit these documents by facsimile, the originals must still be sent by regular mail. **(Note: Rural Fire Prevention Districts and Emergency Service Districts must provide other documents before coverage is effective.)** Please indicate with (X) the coverages and method of payments that you are accepting.

**RETURN TO:**  
**Texas Municipal League Intergovernmental Risk Pool**  
**Underwriting Department**  
**PO Box 149194**  
**Austin, Texas 78714-9194**  
**Phone: (512) 491-2300 or (800) 537-6655**  
**FAX: (512) 491-2404**

| COVERAGE                        | LIMITS      | DEDUCTIBLE  | CONTRIBUTION | EFFECTIVE DATE | ANNIVERSARY DATE |
|---------------------------------|-------------|-------------|--------------|----------------|------------------|
| General Liability               | \$ _____    | \$ _____    | \$ _____     | _____          | _____            |
| Law Enforcement Liability       | \$ _____    | \$ _____    | \$ _____     | _____          | _____            |
| **5yr Prior Acts Coverage (LEL) | Same as LEL | Same as LEL | Included     | _____          | _____            |
| Errors & Omission Liability     | \$ _____    | \$ _____    | \$ _____     | _____          | _____            |
| **5yr Prior Acts Coverage (E&O) | Same as E&O | Same as E&O | Included     | _____          | _____            |
| Supplemental Sewage Backup      | \$ _____    | \$ _____    | \$ _____     | _____          | _____            |
| Automobile Medical Payments     | \$ _____    | \$ _____    | \$ _____     | _____          | _____            |
| Automobile Liability            | \$ _____    | \$ _____    | \$ _____     | _____          | _____            |
| Automobile Physical Damage      | *ACV / AV   | \$ _____    | \$ _____     | _____          | _____            |

Method of Payment:  **Quarterly**                       **Annually (2% DISCOUNT)**

I, the undersigned, as an authorized representative of:  
 \_\_\_\_\_  
 Harris County MUD 109

(Name of Political Subdivision)

do hereby accept on behalf of the above named political subdivision the portions of the proposal as indicated above.

Texas Municipal League Intergovernmental Risk Pool  
 1821 Rutherford Lane, First Floor, Austin, Texas 78754  
 (512) 491-2300 | (800) 537-6655



# Liability Proposal Acceptance Form

Directions: This form and the Interlocal Agreement must be completed, signed and returned. If time is of the essence, you may wish to use an express mail service or a facsimile copier. In the event you submit these documents by facsimile, the originals must still be sent by regular mail. **(Note: Rural Fire Prevention Districts and Emergency Service Districts must provide other documents before coverage is effective.)** Please indicate with (X) the coverages and method of payments that you are accepting.

**SIGN HERE**

Signature of Authorized Official:

Title:

Date:

\_\_\_\_\_  
\_\_\_\_\_

**The Signed Interlocal Agreement Must Accompany This Form**

| OFFICE USE ONLY              |                                      |                                          |            |
|------------------------------|--------------------------------------|------------------------------------------|------------|
| Contribution:                | \$ _____                             | Member ID :                              | 6205 _____ |
| Verification:                |                                      |                                          |            |
| <input type="checkbox"/> New | <input type="checkbox"/> Re-awarding | <input type="checkbox"/> Adding Coverage |            |

# Texas Municipal League Intergovernmental Risk Pool

1821 Rutherford Lane, First Floor • Austin, Texas 78754 ★ P.O. Box 149194 • Austin, Texas 78714-9194

## WORKERS' COMPENSATION INTERLOCAL AGREEMENT

This Contract and Interlocal Agreement is entered into by and between political subdivisions of this state (hereinafter referred to as "Employer Pool Members") to form a joint self-insurance pool to be named the Texas Municipal League Workers' Compensation Joint Insurance Fund (hereinafter referred to as the "Fund") for the purpose of providing the statutory benefits prescribed by Article 8309h of the Texas Workers' Compensation Act for employees of political subdivisions.

### WITNESSETH:

The undersigned Employer Pool Member, in consideration of the adoption of a plan of self-insurance as authorized in Article 8309h, Vernon's Annotated Texas Statutes,<sup>1</sup> to provide workers' compensation benefits at a minimum cost and in further consideration of other political subdivisions executing like Interlocal Agreements does hereby agree to become a self-insured workers' compensation employer by becoming one of the members of the Fund Pool of self-insured Employer Pool Members. The conditions of membership agreed upon by and between the parties are as follows:

1. Definitions of terms used in this Interlocal Agreement.
  - a. **Board.** Refers to the Board of Trustees of the Texas Municipal League Workers' Compensation Joint Insurance Fund.
  - b. **Premium and Contribution.** Are used interchangeably in some parts of the Interlocal Agreement. "Premium" is used to identify the rating formulas established by the State Board of Insurance, which are used as guidelines to establish Employer Pool Members' cash contribution to the Fund. Any reference at any time in this Interlocal Agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not to be construed as being contrary to the self-insurance concept except where the context clearly indicates no other possible interpretation such as, but not limited to, the reference to "reinsurance."
  - c. **Manual Rates.** The basic workers' compensation rate applicable to each classification of employees promulgated by the State Board of Insurance or the Board of Trustees.
  - d. **Experience Modifier.** Refers to the factor applied to the manual rates that reflects the political subdivision's loss experience, which is based on the State Board of Insurance promulgated experience rating plan.
  - e. **Standard Rates.** Rates that are determined by applying the experience modifier of each individual Employer Pool Member to the manual rates.
  - f. **Fund Modifier.** The percentage figure that is applied to the standard rates by the Fund to reflect the savings to the Employer Pool Member based on past loss experience.
  - g. **Fund Year.** 12:01 a.m. October 1 through 12:01 a.m. the following October 1.
  - h. **Agreement Period.** The continuous period since the Employer Pool Member first became a member of this Fund excluding, however, any period of time therein that the Employer Pool Member did not participate as a member of the Fund.
  - i. **Retention Plan.** A plan promulgated by the Board where the Employer Pool Member may choose to retain part of the risk.
  - j. **Reimbursable Retention.** The amount that was chosen by this Employer Pool Member to be applicable to the first monies paid by the Fund to effect judgment or settlement of any claim or suit. The Employer Pool Member, upon notification of the action taken, shall promptly reimburse the Fund for all or such part of the retention amount as has been paid by the Fund.
2. The Board of Trustees, acting through its agents and Fund staff, is responsible for the administration of all Fund business on behalf of the Employer Pool Members.

<sup>1</sup> Now Chapter 504, Tex. Lab. Code.

# Texas Municipal League Intergovernmental Risk Pool

1821 Rutherford Lane, First Floor • Austin, Texas 78754

## LIABILITY/PROPERTY INTERLOCAL AGREEMENT

This Contract and Interlocal Agreement is entered into by and between political subdivisions of this state (hereinafter referred to as "Pool Members") to form a joint self-insurance pool to be named the Texas Municipal League Joint Self-Insurance Fund (hereinafter referred to as the "Fund") for the purpose of providing coverages against risks which are inherent in operating a political subdivision.

### WITNESSETH:

The undersigned Pool Member, in accordance with the Interlocal Cooperation Act, Tex. Gov't Code § 791.001, et seq., and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981), and in consideration of other political subdivisions executing like agreements, does hereby agree to become one of the Pool Members of this self-insured pool. The conditions of membership agreed upon by and between the parties are as follows:

1. Definitions of terms used in this Interlocal Agreement.
  - a. Board. Refers to the Board of Trustees of the Texas Municipal League Joint Self-Insurance Fund.
  - b. Fund Year. 12:01 a.m. October 1 through 12:01 a.m. the following October 1.
  - c. Manual Rates. The basic rates applicable to each liability classification promulgated by the Insurance Service Office or the Board of Trustees.
  - d. TML Municipal Liability Self-Insurance Plan. The liability coverage document that sets forth in exact detail the coverages provided as part of the overall plan.
  - e. Adjustments. Refers to any offsets to manual premium that may result from the Pool Member's election of deductibles, loss experience or Fund Modifier which reflects the savings to the Pool Member by entering into this Agreement.
  - f. TML Municipal Property Self-Insurance Plan. The property coverage document that sets forth in exact detail the coverages provided as part of the overall plan.
  - g. Premium and Contribution. Used interchangeably in some parts of this Interlocal Agreement. Any reference at any time in this Interlocal Agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not construed as being contrary to the self-insurance concept except where the context clearly indicates no other possible interpretation such as but not limited to the reference to "reinsurance."
  - h. Reimbursable Deductible. The amount that was chosen by this Pool Member to be applicable to the first monies paid by the Fund to effect judgment or settlement of any claim or suit. The Pool Member, upon notification of the action taken, shall promptly reimburse the Fund for all or such part of the deductible amount as has been paid by the Fund. Further, however, the Fund's obligation to pay damages shall be subject to the Limits of Liability stated in the Declarations of Coverage or Endorsements to this Interlocal Agreement less the stated deductible amount.
  - i. Fund Modifier. A percentage figure that is applied to the manual rates by the Fund to reflect the savings to the Pool Member by entering into the Interlocal Agreement.
  - j. Agreement Period. The continuous period since the Pool Member first became a member of this Fund excluding, however, any period or periods of time therein that the member did not participate as a member of the Pool.
  - k. Declarations of Coverage. The specific indication of the coverages, limits, deductibles, contributions and special provisions elected by each individual Pool Member. The Declarations of Coverages may be modified by Endorsement.
2. The Board of Trustees, acting through its agents and Fund staff, is responsible for the administration of all Fund business on behalf of the Pool Members.

3. In consideration of the execution of this Agreement by and between the Pool Member and the Fund and of the contributions of the Pool Member, the coverage elected by the Pool Member is afforded according to the terms of the TML Liability Self-Insurance Plan and the TML Property Self-Insurance Plan. The affirmative declaration of contributions and limits of liability in the Declarations of Coverage and Endorsements determines the applicability of the Self-Insurance Plans.

Each Pool Member agrees to adopt and accept the coverages, provisions, terms, conditions, exclusions and limitations as further provided for in the TML Self-Insurance Plans or as specifically modified by the Pool Member's Declarations of Coverage. This Interlocal Agreement shall be construed to incorporate the TML Liability Self-Insurance Plan and/or the TML Property Self-Insurance Plan, Declarations of Coverage, and Endorsements and addenda whether or not physically attached hereto.

4. It is understood that by participating in this risk sharing mechanism to cover liability exposures, the Pool Member does not intend to waive any of the immunities that its officers or its employees now possess. The Pool Member recognizes the Texas Tort Claims Act and its limitations to certain governmental functions as well as its monetary limitations and that by executing this Agreement does not agree to expand those limitations.

The Pool Member, upon the execution of this Agreement, shall supply the Fund with a current copy of its charter provisions or ordinance that sets out its requirement as to the number of days in which a third party liability claim must be made against it.

If the Pool Member does not have such an ordinance provision that establishes a set number of days or if it has an ordinance provision which provides for less than sixty (60) days notice and for good cause shown up to six (6) months notice the Pool Member agrees to adopt an ordinance providing for such notice reasonably describing the damage or injury claimed and the time, manner and place of the incident from which it arose. The notice requirement shall not be changed by the Pool Member without first giving the Fund thirty (30) days written notice. Violation of this provision may, at the Fund's discretion, void this Interlocal Agreement.

5. The term of this Agreement and the self-insurance provided to the Pool Member shall be continuous commencing 12:01 a.m. on the date designated in this Agreement until terminated as provided below. Although the self-insurance provided for in this Agreement shall be continuous until terminated, the limit of liability of the Fund under the coverages that the Pool Member elects shall be limited during any Fund Year to the amount stated in the Declarations of Coverage for that Fund Year.

This Agreement may be terminated by either party giving to the other sixty (60) days prior written notice of intent to terminate except the Pool Member may terminate this Agreement and its coverages thereunder without giving the sixty (60) days notice if the reason is because of a change by the Fund in the Pool Member's contribution, coverage, or other change in the limits of liability, terms, conditions, exclusions and limitations provided for in the Texas Municipal League Self-Insurance Plans provided that no termination by the Member shall be effective prior to the date that written notice of termination is actually received in the offices of the Texas Municipal League Joint Self-Insurance Fund and provided that the Pool Member agrees to and shall pay the applicable premium and contribution for those coverages it is terminating until the date the notice of termination is actually received by the Fund.

The Fund shall provide the Pool Member with Declarations of Coverage and any Endorsements that determine the applicability of the Texas Municipal League Self-Insurance Plans annually by December 1. Such Declarations of Coverage shall include, but not be limited to, the coverage period which shall be the applicable Fund Year, limits, deductibles, contributions, special provisions and limitations. Changes made during the Fund Year, whether requested by the Pool Member or required by the Fund, will be handled by Endorsement.

It is the intention of the parties that the Pool Member's coverages under this Agreement shall remain in full force and effect from Fund Year to Fund Year, subject to the limits of liability that the Fund can provide each Fund Year and the terms, conditions, limitations that the Fund may require to protect its solvency and to comply with reinsurance requirements, until notice of termination is given as herein provided. Realizing that the Pool Member needs the earliest possible information concerning the Fund coverages, limits, and exclusions and the Pool Member's contribution that will be required for any new Fund Year, the Fund will endeavor to provide this information as soon as possible before the beginning of each Fund Year. The parties recognize, however, that conditions in the reinsurance industry are such that the Fund may not be able to provide this information to the Pool Member before the beginning of a Fund Year for various reasons including the failure of the Pool Member to timely submit the appropriate exposure summary or delays on the part of reinsurers in getting information to the Fund, and so, to protect the Pool Member from gaps in its coverage and to protect the solvency of the Fund, the parties agree as follows:

*If, for any reason other than the Pool Member's failure to provide the information requested in the exposure summary, the Fund has not been able to provide the Pool Member with information concerning available coverages for a new Fund Year or advise the Pool Member of the amount of its contribution for the new Fund Year by the beginning of the Fund Year, the Fund shall nevertheless continue the Pool Member's coverages at the same limits of liability (if still available and if not, then at the highest limit of liability available for the new Fund Year) so that the Pool Member shall at all times remain covered as herein provided and the Pool Member's initial contributions for the new Fund Year shall be determined by a "tentative contribution" as determined by*

*the Board with the Pool Member's actual annual contribution to be credited by the amount paid in accordance with the tentative contribution and adjusted during the Fund Year. In the event the Pool Member does not wish to have its coverages extended or renewed at the end of any Fund Year, the burden shall be upon the Pool Member to give written notice to the Fund as provided hereinabove and the Pool Member agrees to pay as hereinabove stated all contributions or pro rata contributions until the date such written notice is received in the offices of the Fund or the date of termination of this Agreement, whichever is later.*

6. Commensurate with the execution of this Agreement and annually thereafter, the Pool Member shall complete the appropriate exposure summary and deliver it or cause it to be delivered to the Fund, or, if so instructed, to a designated contractor, no later than September 1 of each year and new annual contributions shall be calculated using manual rates times exposure, less any adjustments. Intentional or reckless misstatements on the exposure summary shall be grounds for cancellation. In the event that the Pool Member fails or refuses to submit the appropriate exposure summary, the Fund reserves the right to terminate such Pool Member by giving thirty (30) days written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termination.

The Pool Member agrees to pay the annual contribution to the Fund in four (4) equal quarterly installments, in advance, commencing at the beginning of this Agreement with subsequent installments due the first quarter thereafter. Pool Members who elect a deductible in excess of \$25,000 shall comply with the monthly payment schedule outlined to them in advance of assuming such a large deductible. In the event this Agreement is terminated as herein provided, the Fund shall promptly repay to the Pool Member any such unearned annual contribution prorated as of the date of termination and the Pool Member agrees during the term of this Agreement to promptly pay all reimbursable deductibles upon receipt of statement.

At the end of each and every Fund Year, the Fund may require the Pool Member to submit the actual data requested on the exposure summary as reflected by the books and records of the Pool Member. The Fund reserves the right to audit the records of any Pool Member and adjust contributions accordingly.

In the event that the Pool Member fails or refuses to make the payments, including accrued interest, as herein provided, the Fund reserves the right to terminate such Pool Member by giving them ten (10) days written notice and to collect any and all amounts that are earned pro rata for the period preceding contract termination. If the amounts owed, including reimbursable deductibles, have to be collected by suit, the Pool Member agrees to pay attorneys' fees and costs incurred in such suit.

7. The Fund shall maintain adequate protection from catastrophic losses to protect its financial integrity. Aggregate protection shall also be maintained. The Member's contributions shall be limited to that amount as calculated under this Agreement.
8. Notwithstanding the provisions of the foregoing paragraph, it is agreed the Board shall have the right to adjust the financial protection outlined above and/or amend coverages as it finds available or deems necessary to maintain the fiscal soundness of the Fund at the beginning of or during any Fund Year.
9. The Fund will make available loss control services to the Pool Members to assist them in following a plan of loss control that may result in reduced losses. The Pool Member agrees that it will cooperate in instituting any and all reasonable loss control recommendations. In the event that the recommendations submitted seem unreasonable, the Pool Member has a right to appeal to the Board of Trustees. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decisions will be final and binding on all parties. Any Pool Member who does not agree to follow the decision of the Board shall be withdrawn from the Fund immediately.
10. The Pool Member agrees that it will appoint a contact of department head rank, and the Fund shall not be required to contact any other individual except this one person. Any notice to or any agreements with the contact shall be binding upon the Pool Member. The Pool Member reserves the right to change the contact from time to time by giving written notice to the Fund.
11. The Fund agrees to handle all liability and property claims, and provide a defense for any and all liability claims covered under this Agreement after prompt notice has been given. The Pool Member hereby appoints the Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of claims covered under this Agreement and shall cooperate fully in supplying any information needed or helpful in settlement or defense of such claims. As respects liability claims, the Fund staff and Contractors shall carry on all negotiations with the claimant and his attorney and negotiate within authority previously granted by the Fund. If a personal appearance by the Pool Member or an employee is necessary, the expense of this appearance will not be the responsibility of the Fund. With the advice and consent of the Fund, the Fund staff and the Contractors will retain and supervise legal counsel for the prosecution and defense of any litigation. All decisions on individual cases shall be made by the Fund through the Fund staff and the Contractors, which includes the decision to appeal or not to appeal. However, any Pool Member shall have the right in any case to consult with the Fund on any decision made by the Fund staff or Contractors. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be brought or defended only in the name of the Pool Member and/or its officers or employees. There shall be supplied

periodically to each Pool Member a computer printout involving a statement of claims. As respects the TML Municipal Liability Self-Insurance Plan, the Fund shall have priority in enforcing its subrogation claims against the claims of Pool Member except as to claims of the Texas Municipal League Workers' Compensation Joint Insurance Fund, which shall take preference.

12. The Pool Member acknowledges that it has received a copy of the Bylaws of the Fund and agrees to abide by the Bylaws and any amendments thereto.
13. The Fund agrees that all Fund transactions will be annually audited by a nationally recognized certified public accounting firm.
14. If legally required, the Fund shall cause to be filed the necessary tax forms with the Internal Revenue Service.
15. As the administrators of the Fund, the Board shall primarily and consistently keep foremost in their deliberations and decisions in operating the Fund that each of the participating Pool Members is a "self-insured." At least annually, the Board shall carefully review, study and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Pool Members, the pro rata savings to the Fund resulting from overall loss experience attributed to each Pool Member, and the pro rata portion of the cost of all catastrophic loss protection and aggregate stop loss protection allocated to each Pool Member as well as the pro rata allocation, as determined by the Board of the other and necessary administrative expenses of the Pool, in order to reasonably determine the actual pro rata cost, expense and loss experience of each Pool Member in order to maintain as nearly as possible an equitable and reasonable self-insurance administration of the Fund as applied to each Pool Member.

The Fund shall maintain case reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due. The Fund shall also establish and maintain a reserve for Return of Contributions to further ensure the fiscal integrity of the Fund in the event of a potential adverse loss development. Only current Pool Members may receive return of contribution.

16. The Pool Member may elect to participate in the Fund only to the extent of obtaining administrative services, and, if desired and available, reinsurance. In that event, the Pool Member shall not make contributions as provided in Paragraph 5 nor receive the coverages provided for in the TML Self-Insurance Plan, nor shall the TML Joint Self-Insurance Fund be liable for the payment of claims against the Pool Member. The Fund shall only handle and service claims for the Pool Member and pay same out of funds to be deposited by the Pool Member in a separate account administered by the Fund for the payment of claims and judgments only against that Pool Member as hereinafter provided.

Notwithstanding the provisions of any other section of this Interlocal Agreement, a Pool Member who elects to receive Administrative Services Only as specified in the attached Declarations (hereinafter referred to as the "ASO Pool Member") shall be subject to the following requirements and conditions:

- A. Although the ASO Pool Member will receive coverage documents setting forth the coverages, provisions, terms, conditions, exclusions and limitations provided for in the TML Self-Insurance Plans, these documents are not intended to and shall not create an insured-insurer relationship between the Fund or any of its other Pool Members and the ASO Pool Member, but rather are provided solely for the purposes of: (1) defining the scope of claims the Fund will handle on behalf of the ASO Pool Member, and (2) defining the nature and scope of claims and conditions applicable thereto that will be covered by reinsurance, if available and obtained by the ASO Pool Member, beyond the ASO Pool Member's self-insured retention. The Fund shall not itself be liable for the payment of claims or judgments against the electing ASO Pool Member, nor to provide the electing ASO Pool Member with a defense of any such claims or suits at the expense of the Fund. The Fund will only make payments on behalf of the ASO Pool Member out of the ASO Pool Member's claims account. The ASO Pool Member shall comply with all requirements of any reinsurer including but not limited to furnishing timely claims reports, proposed settlements that would impact the reinsurer as well as progress reports involving litigation. The ASO Pool Member further agrees to hold the Fund harmless from any and all claims (including attorney fees) that may be asserted against the Fund for the non-payment of any claims due to the failure of the ASO Pool Member to maintain adequate reserves for the payment of claims as well as claims based upon breach of a duty of good faith and fair dealing because of the ASO Pool Member's or their agents' conduct toward the claimant.
- B. In connection with claims within the scope of the coverage documents, the Fund shall provide the following services or on behalf of the ASO Pool Member as confirmed specifically in the attached Declarations:
  1. Overall contract and claims administration;
  2. Loss control services to the ASO Pool Member to assist it in developing a plan of loss control to attempt to control or reduce the frequency and severity of claims against it;

3. Claims servicing including investigation and recommendation by the Fund's contractors; periodic meetings with the ASO Pool Member's claims official or claims committee attended by representatives of Contractors;
4. Claims administration including coordination and recommendation of defense; reserve recommendations; claims handling and defense recommendations by the Fund claims manager and assistants, as well as review of all files to monitor the ASO Pool Member's self-insurance exposure; participation by Fund staff member(s) in the periodic meetings to review claims with the ASO Pool Member's claims official or claims committee.
5. Storage and retention of claims records; periodic MIS reports detailing claims and loss information and history.

The Fund shall charge the ASO Pool Member its usual and customary charges for the aforesaid services based on actual services provided. Allocated claim expenses, including defense attorney's fees, discovery fees, expert and witness fees and court costs shall be paid by the Fund on behalf of the ASO Pool Member out of the ASO Pool Member's claims account as part of the administrative services provided by the Pool, but shall never be an expense or liability of the Fund but rather is solely that of the ASO Pool Member.

The Fund shall handle all liability and automobile physical damage claims and oversee, coordinate and make recommendations in connection with the defense of any and all liability lawsuits covered under this Agreement after prompt notice has been given. The ASO Pool Member hereby appoints Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of claims covered under this Agreement and shall cooperate fully in supplying any information needed or helpful in settlement or defense of such claims. As respects liability claims, the Fund staff and Contractors shall carry on all negotiations with the claimant or his attorney, but no settlement shall be made without express prior approval of the ASO Pool Member. All claims will be discussed with the ASO Pool Member's claims official or claims committee on a periodic basis. As information on each claim develops, the Fund staff and Contractors shall make recommendations concerning claim reserves, settlement and whether or not a case should be tried or settled or a judgment should be appealed, but all decisions on individual cases shall be made by the ASO Pool Member. In the event of litigation, the Fund staff and Contractors will retain on behalf of the ASO Pool Member legal counsel approved by the ASO Pool Member to represent it and will supervise the defense of the litigation, including any appeals.

The ASO Pool Member shall establish in its name a "claims account" at a bank designated by the Fund, out of which the Fund, through its agents, shall pay on behalf of the ASO Pool Member qualified claims or losses and allocated claims expense including court costs, fees and expenses of attorneys, independent investigators, experts and witnesses and all other costs, charges or expense properly chargeable to a qualified claim or loss. Funds shall be provided at the inception of the ASO Member's self-insurance program and promptly from time to time under the following formula based on estimates furnished by the Fund of the anticipated or actual level and volume of qualified claims or losses and allocated expenses: The ASO Pool Member shall deposit into the account initially an amount equal to one-fourth ( $\frac{1}{4}$ ) of the estimated volume of qualified claims or losses and allocated claim expenses during the first twelve (12) months of its self-insurance program and each month thereafter, or sooner if necessary, shall deposit into the account an amount sufficient to restore, maintain or increase the account balance to an amount equal to one-fourth ( $\frac{1}{4}$ ) of the estimated volume of qualified claims or losses and allocated claim expenses during the next twelve (12) months.

The Fund shall account to the ASO Pool Member monthly for all expenditures from the claims account. If at any time the claims account balance drops to below fifty percent (50%) of the balance currently called for under the above formula, the ASO Pool Member shall promptly deposit additional funds to restore the full balance. During any period of time that the claims account balance is fifty percent (50%) or less of that currently called for under the formula, only allocated claim expenses shall be paid out and the ASO Pool Member shall directly pay qualified claims or losses out of other funds until it deposits into the claims account the amount necessary to restore the account to its full balance. In the event payment of a qualified claim or loss would reduce the claims account balance to less than fifty percent (50%) of that called for under the formula, the ASO Pool Member shall be promptly notified and shall either pay the qualified claim or loss directly out of other funds or deposit into the claims account sufficient funds for its payment.

It is expressly understood that the Fund shall not be required to advance its own funds or those of the Joint Self-Insurance Fund to pay claims or losses or allocated expenses hereunder, or continue to perform any services hereunder if the ASO Pool Member fails to provide necessary and adequate funds as herein set forth.

It shall be the sole responsibility of the ASO Pool Member to establish and maintain adequate reserves in addition to the limited funds in the claims account for payment of all claims, including catastrophic claims. The Fund will provide reserve recommendations and estimates of liability exposures, but both parties realize that judges and juries have wide discretion in assessing damage awards and the award in any particular case may be greatly in excess of or greatly less than a recommended reserve.

Either party to this agreement may at any time terminate it upon sixty (60) days written notice for any reason as to either all pending and future claims, or alternatively, only as to future claims. In the event cancellation is with respect to both pending and future claims, the Fund will no longer be obligated to perform the services outlined in this Agreement and shall promptly and in an orderly manner forward to the ASO Pool Member or its designee all pending claim files. In the event termination is only as to future claims, this Agreement shall continue in full force and effect with respect to all pending claims and claims occurring but not reported prior to cancellation until concluded. In either event, the ASO Pool Member shall be entitled, if it so requests and at its own expense, to have the closed claim filed retrieved from storage and delivered to it. In the event the ASO Pool Member does not request closed files in the notice of cancellation, however, they will be retained or destroyed at the Fund's option and the ASO Pool Member shall have no recourse against the Fund for failure to retain them.

|                                                     |
|-----------------------------------------------------|
| Member Fax Number _____                             |
| Fund Contact Information (if different from member) |
| Address _____                                       |
| Telephone _____ Fax _____                           |
| E-mail _____                                        |

**TO BE COMPLETED BY MEMBER:**

EMPLOYER MEMBERS' FUND CONTACT (See Section 10):

Member Name Harris County MUD 109

Name of Contact \_\_\_\_\_ Title \_\_\_\_\_

Mailing Address \_\_\_\_\_

Street Address (if different from above) \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

SIGNATURE OF AUTHORIZED MEMBER OFFICIAL

Title \_\_\_\_\_ Date \_\_\_\_\_

Member's Federal Tax I.D. Number \_\_\_\_\_ - \_\_\_\_\_  
**This Information is MANDATORY**

SIGN HERE

**TO BE COMPLETED BY FUND: (OFFICE USE ONLY)**

Effective Date of This Agreement \_\_\_\_\_

Member Name \_\_\_\_\_

Contract Number \_\_\_\_\_

SIGNATURE OF AUTHORIZED FUND OFFICIAL

Title \_\_\_\_\_ Date \_\_\_\_\_

3. Statutory worker's compensation benefits are provided for paid employees of the Employer Pool Member only. The Employer Pool Member may extend statutory coverage to the following class or classes of volunteers by specific endorsement to the Interlocal Agreement: elected officials; volunteer firefighters; police reserves; volunteer ambulance/ems attendants; all inside volunteers; all outside volunteers. Provisions exist for reporting estimated annual payroll substitute figures which will be used to develop an annual contribution for this additional statutory coverage.
4. The term of this Agreement and the self-insurance provided to the Employer Pool Member shall be continuous commencing 12:01 a.m. on the date designated in this Agreement until terminated as provided below.

This Agreement may be terminated by either party giving to the other sixty (60) days prior written notice of intent to terminate except the Employer Pool Member may terminate this Agreement and its statutory coverages thereunder without giving the sixty (60) days notice if the reason is because of a change by the Fund in the Employer Pool Member's contribution, provided that no termination by the Employer Pool Member shall be effective prior to the date that written notice of termination is actually received in the offices of the Texas Municipal League Workers' Compensation Joint Insurance Fund and provided further that the Employer Pool Member agrees to and shall pay the applicable premium and contribution for those coverages it is terminating until the date the notice of termination is actually received by the Fund.

It is the intention of all the parties that the Member's statutory coverages under this Agreement shall remain in full force and effect from Fund Year to Fund Year, subject to the terms, conditions and limitations that the Fund may require to protect its solvency and to comply with reinsurance requirements, until notice of termination is given as herein provided. Realizing that the Employer Pool Member needs the earliest possible information concerning the contribution that will be required for any new Fund Year, the Fund will endeavor to provide this information as soon as possible before the beginning of each new Fund Year.

The Fund will have the right to terminate this agreement only for non-compliance with Paragraphs 5, 7 and 10.

5. Annually, each Employer Pool Member shall submit to the Fund on a Premium Worksheet form supplied by the Fund, its estimated payroll for each classification of employee. In the event that the Employer Pool Member fails or refuses to submit the Premium Worksheet with estimated payrolls for each classification of employee by September 1, the Fund reserves the right to terminate such member by giving thirty (30) days written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termination.

To determine the annual contribution, the rate established by the Board of Trustees shall be used to arrive at a manual contribution. If the Employer Pool Member has established, through experience, a modifier, then the experience modification of the Employer Pool Member shall be used to arrive at the standard contribution to be paid by the Employer Pool Member. In the absence of an earned experience modification for the Employer Pool Member, the manual rate, as established by the Board of Trustees, in effect at the beginning of each Fund Year will be used as a guide to produce a manual, as well as a standard contribution. The Fund modifier, if applicable, shall then be applied to the standard contribution to produce the annual contribution that the Employer Pool Member shall pay to the Fund. The Employer Pool Member agrees to pay the annual contribution to the Fund in four (4) equal quarterly installments, in advance, commencing at the beginning of each Fund Year, with subsequent installments due at the first of each quarter thereafter. Employer Pool Members who elect a retention of \$25,000 or more shall comply with the monthly payment schedule outlined to them in advance of assuming such retention. The Employer Pool Member agrees to promptly pay all reimbursable retentions upon receipt of statement. It is understood by the Employer Pool Member that there will be contribution adjustments based upon the increased benefit levels mandated by the Texas Workers' Compensation Act.

At the end of each Fund Year, there shall be submitted by the Employer Pool Member actual payrolls as reflected by the books of the Employer Pool Member, and any additional amounts payable to the Fund based upon the actual payroll shall be paid, and lesser amounts payable shall be adjusted by refund to the Employer Pool Member. The Fund reserves the right to audit the payroll records of any Employer Pool Member. Annual field audits will be made on each Employer Pool Member with standard contributions estimated to exceed \$50,000. A field audit will be made at least once every three (3) years on Employer Pool Members with standard contributions less than \$50,000 annually.

In the event that the Employer Pool Member fails or refuses to make payments of contributions as herein provided, the Fund reserves the right to terminate such Employer Pool Member by giving ten (10) days written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termination.

6. The Fund shall maintain adequate protection from catastrophic losses to protect its financial integrity. The Employer Pool Member's contributions shall be limited to that amount as calculated under this Agreement.

Notwithstanding the provision of the foregoing paragraph, it is agreed the Board shall have the right to adjust the financial protection outlined above and/or amend such protection as it finds available or it deems necessary to maintain the fiscal soundness of the Fund at the beginning of or during any Fund Year.

7. The Fund will make available loss control services to the Employer Pool Members to assist them in following a plan of loss control that may result in reduced losses. The Employer Pool Member agrees that it will cooperate in instituting any and all reasonable safety regulations that may be recommended for the purpose of eliminating or minimizing hazards that would contribute to workers' compensation losses. In the event that the recommendations seem unreasonable, the Employer Pool Member has a right to appeal to the Board of Trustees. The Board shall hear the objections of the Employer Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any Employer Pool Member who does not agree to follow the decision of the Board shall be withdrawn from the Fund immediately.
8. The Employer Pool Member agrees that it will appoint a Workers' Compensation Contact of department head rank, and that the Fund shall not be required to contact any other individual except this one person. Any notice or agreements with the Workers' Compensation Contact shall be binding upon the Employer Pool Member. The Employer Pool Member reserves the right to change the contact from time to time by giving written notice to the Fund.
9. The Fund, through its staff and Contractors, agrees to handle any and all claims after notice of injury has been given, to prepare all required Texas Workers' Compensation Commission forms, and provide a defense. The Employer Pool Member hereby appoints the Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of workers' compensation claims and shall cooperate fully in supplying any information needed or helpful in such defense. The Fund shall be responsible for seeing that all negotiations are carried on with the injured employee and his attorney at the prehearing conference and the negotiations are within authority previously granted by the Fund. If a personal appearance by the employer or a co-employer or a co-employee is necessary, the expense of this appearance will be paid by the Employer Pool Member. With the advice and consent of the Fund, the Fund staff and Contractors will retain and supervise legal counsel on behalf of and at the expense of the Fund necessary for the prosecution of any litigation. All decisions in individual cases shall be made by the Fund through the Fund staff and Contractors, which includes the decision to appeal or not to appeal a Texas Workers' Compensation Commission's final ruling and decision. However, any Employer Pool Member shall have the right in any case involving one of its employees, to consult with the Fund on any decision made by the Fund staff or Contractors. The Board shall hear the objections of the Employer Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be in the name of the political subdivision. Notwithstanding any provisions of this paragraph, all reports and filings required of any employer by the Workers' Compensation Law and the Texas Workers' Compensation Commission will be the responsibility of the Employer Pool Member. It is further understood that this Agreement does not cover discrimination suits under Article 8307c or its successor statute. There shall be supplied quarterly to each Employer Pool Member a computer printout involving a statement of claims, claims status, and activity report cumulative for each Fund Year.
10. The Employer Pool Member acknowledges that it has received a copy of the Bylaws of the Fund and agrees to abide by the Bylaws and any amendments thereto.
11. The Fund agrees that all Fund transactions will be annually audited by a nationally recognized certified public accounting firm.
12. The Fund is responsible for the filing of all necessary tax forms with the Internal Revenue Service.
13. As the administrators of the Fund, the Board shall primarily and consistently keep foremost in its deliberations and decisions in operating the Fund that each of the participating Employer Pool Members is a "self-insured." At least annually, the Board shall carefully review, study and consider the loss experience (including reserves for future claims payments) of each of the Employer Pool Members, the experience rating modification developed or earned by each of the Employer Pool Members, and the pro rata portion of the cost of all catastrophic loss protection reinsurance and aggregate stop loss reinsurance allocated to each Employer Pool Member as well as the pro rata allocation, as determined by the Board, of the other and necessary operating expenses of the Fund, in order to reasonably determine the actual pro rata cost, expense and loss experience of each Employer Pool Member in order to maintain as nearly as possible an equitable and reasonable "self-insurance" administration of the Fund as applied to each Employer Pool Member. Those Employer Pool Members who have an adverse loss development may be limited by the Board in their participation to a program involving retrospective contributions. Implementation of any retrospective program may only be by contract between the Fund and the member.

The Fund shall maintain case reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data designed to measure claims development and claims incurred but not yet reported, so the Fund will be able to meet these claims as they become due. The Fund may also establish, to the extent that uncommitted resources are available, a Reserve for Return of Contributions to further ensure the fiscal integrity of the Fund in the event of adverse loss development.

The Fund shall annually determine the amount of excess contributions and other income, if any, that may be available for distribution to current Fund members.

If excess and/or aggregate reinsurance is not available the Fund reserves the right to retain a portion of the excess contributions for self-funding such excess and/or aggregate protection.

|                                                     |
|-----------------------------------------------------|
| Member Fax Number _____                             |
| Fund Contact Information (if different from member) |
| Address _____                                       |
| Telephone _____ Fax _____                           |
| E-mail _____                                        |

**TO BE COMPLETED BY MEMBER:**

**EMPLOYER MEMBERS' FUND CONTACT (See Section 8):**

Member Name Harris County MUD 109

Name of Contact \_\_\_\_\_ Title \_\_\_\_\_

Mailing Address \_\_\_\_\_

Street Address (if different from above) \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

\_\_\_\_\_

**SIGNATURE OF AUTHORIZED MEMBER OFFICIAL**

\_\_\_\_\_

**Title** \_\_\_\_\_ **Date** \_\_\_\_\_

Member's Federal Tax I.D. Number \_\_\_\_\_

**This Information is MANDATORY**

**SIGN HERE**

**TO BE COMPLETED BY FUND: (OFFICE USE ONLY)**

Effective Date of This Agreement \_\_\_\_\_

Member Name \_\_\_\_\_

Contract Number \_\_\_\_\_

\_\_\_\_\_

**SIGNATURE OF AUTHORIZED FUND OFFICIAL**

\_\_\_\_\_

**Title** \_\_\_\_\_ **Date** \_\_\_\_\_

# Documents Required To Bind Coverage

HARRIS COUNTY MUD 109

**Effective: 05/22/2026 TO 05/22/2027**

| <b>In order to bind coverages, please provide the following documents</b>                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Complete set of Signed Proposal including Acceptance and Client Authorization to Bind (Previous Page)</li></ul> |
| <ul style="list-style-type: none"><li>• Texas Municipal League- Workers Compensation Interlocal Agreement</li></ul>                                     |
| <ul style="list-style-type: none"><li>• Texas Municipal League- Proposal Acceptance Forms</li></ul>                                                     |
| <ul style="list-style-type: none"><li>• <b>Payment of Gallagher Invoice Due By (05/22/2026)</b></li></ul>                                               |

## Bindable Quotations and Compensation Disclosure Schedule

| Coverage(s)                                              | Carrier Name(s)                     | Wholesaler, MGA, or Intermediary Name 1 | Estimated Annual Premium 2 | Comm. % or Fee 3 | Gallagher U.S. Owned Wholesaler, MGA, or Intermediary % |
|----------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| Real & Personal Property, Flood & Earthquake,            | Texas Municipal League Risk Pool    | TML                                     | \$ 158530                  | 0%               | N/A                                                     |
| General Liability Pollution, Auto, Workers' Compensation | Texas Municipal League Risk Pool    | TML                                     | \$ 5717                    | 0%               | N/A                                                     |
| Directors & Officers                                     | Great American Insurance Company    | N/A                                     | \$ 4500                    | 20%              | N/A                                                     |
| Crime/Consultants Bond                                   | The Ohio Casualty Insurance Company | N/A                                     | \$ 341                     | 20%              | N/A                                                     |
| Directors Position Bond                                  | The Ohio Casualty Insurance Company | N/A                                     | \$ 150                     | 30%              | N/A                                                     |
| Tax Assessor/Collector Bond                              | The Ohio Casualty Insurance Company | N/A                                     | \$ 250                     | 30%              | N/A                                                     |
| Business Travel Accident                                 | Federal Insurance Company           | N/A                                     | \$ 300                     | 25%              | N/A                                                     |
| Equipment Breakdown                                      | Texas Municipal League Risk Pool    | TML                                     | \$ 48944                   | 0%               | 10%                                                     |

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.
2. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.  
 \* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium excluding taxes & fees.

# Guide to A.M. Best Ratings

## W.I.N. PROGRAM CARRIER RATINGS AND ADMITTED STATUS

| Proposed Insurance Companies                    | A.M. Best's Rating & Financial Size Category* | Admitted/Non-Admitted** |
|-------------------------------------------------|-----------------------------------------------|-------------------------|
| Great American Insurance Company                | A+XV                                          | Admitted                |
| Pennsylvania Manufacturers' Association Ins. Co | A+XV                                          | Admitted                |
| Pennsylvania Manufacturers' Indemnity Ins. Co   | A+XV                                          |                         |
| Chubb/Federal Insurance Company                 | A++ XV                                        | Admitted                |
| Texas Mutual Insurance Company                  | A XV                                          | Admitted                |
| BCS Insurance Co.                               | A- VIII                                       | Admitted                |
| Hartford Casualty Insurance Company             | A+XV                                          | Admitted                |
| Hartford Fire Insurance Company                 | A+XV                                          | Admitted                |
| The Ohio Casualty Insurance Company             | A XV                                          | Admitted                |

\*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

\*\*If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change

# Proposal Disclosures

## NAMED INSURED DISCLAIMER

**Note:** Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

## COMPENSATION DISCLOSURE

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-Out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third-parties, please contact Gallagher via e-mail at [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or by regular mail at:

Chief Compliance Officer  
Gallagher Global Brokerage  
Arthur J. Gallagher & Co.  
2850 West Golf Rd.  
Rolling Meadows, IL 60008

## TRIA/TRIPRA DISCLAIMER

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

#### ANTI-BOYCOTTING COMPLIANCE

As required by Chapter 2271, Texas Government Code, Gallagher hereby verifies that it does not boycott Israel and will not boycott Israel through the term of the policies included in this proposal. For purposes of this verification, "boycott Israel" has the meaning assigned to such term pursuant to Section 808.001 of the Texas Government Code. As required by Chapter 2276, Texas Government Code, Gallagher hereby verifies that it does not boycott energy companies and will not boycott energy companies through the term of the policies included in this proposal. The term "boycott energy companies" has the meaning assigned to such term pursuant to Section 809.001 of the Texas Government Code.

#### VERIFICATION PURSUANT TO TEXAS SENATE BILL 19

Pursuant to Chapter 2724, Texas Government Code, Gallagher represents and certifies that, at the time of execution of this proposal neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in practice, policy guidance or directive that discriminates against firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

#### FOREIGN TERRORIST ORGANIZATIONS

Pursuant to Chapter 2252, Texas Government Code, Gallagher represents and certifies that, at the time of execution of this proposal neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

#### VERIFICATION DESIGNATED COUNTRY VERIFICATION

Pursuant to Chapter 2275, Texas Government Code, Gallagher verifies that a) neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Gallagher, nor any of its sub-contractors (i) is owned or controlled by (a) individuals who are citizens of China, Iran, North Korea, Russia or any designated country; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, of any designated country; or (ii) is headquartered in China, Iran, North Korea, Russia or a designated country. The term "designated country" means a country designated by the Governor as a threat to critical infrastructure under Section 2275.003 of the Texas Government Code.

#### NO DISCRIMINATION OF FIREARM ENTITY OR FIREARM TRADE ASSOCIATION VERIFICATION

Pursuant to Chapter 2274, Texas Government Code, Gallagher verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. "Discriminate against a firearm entity or firearm trade association" has the meaning assigned by Section 2274.001(3), Texas Government Code.

#### POOL FUNDING DISCLAIMER

Gallagher does not provide actuarial services or actuarial estimates of losses. If the excess insurer or reinsurer that provides excess coverage calculates a loss fund for the pool, it is our recommendation that the pool fully fund that amount. Further, it is our recommendation that the pool contract with an appropriately certified actuary to provide recommendations for overall pool funding, surplus and reserve funds.

# Proposal Terms and Conditions

## **Terms and Conditions**

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these “Terms”) govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the “CAB”) included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

## **Services**

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher’s assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

## **Treatment of Information**

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects’ rights, as applicable. To the extent applicable under associated data protection laws, you are a “business” or “controller” and Gallagher is a “service provider” or “data processor.” You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallagher’s Privacy Policy located at <https://www.aig.com/privacy-policy/>. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

## **Dispute Resolution**

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we’d like to clearly outline the resolution process.

A. If the parties have a dispute regarding Gallagher’s services or the relationship governed by this Proposal (“**Dispute**”), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms..

B. The party asserting a Dispute must provide a written notice (“**Notice**”) of the claim to the other party and to the American Arbitration Association (“**AAA**”) in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration proceedings and will each pay their own attorneys’ fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years’ experience in commercial and insurance coverage disputes.

C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of \$500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion prepared and signed by the arbitrator(s). Except as may be required by law, neither you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

## **Electronic Delivery**

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

**Miscellaneous Terms**

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

# Claims Reporting By Policy

**Immediately report all claims.** Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

## Reporting Direct to Carrier [Only When Applicable]

| COVERAGE(S):                                                  | IMMEDIATELY REPORT CLAIMS DIRECTLY TO:                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cyber liability/breach response claims                        | <p><b>Notice of Claim</b><br/> <a href="mailto:joan.dambrosio@clydeco.us">joan.dambrosio@clydeco.us</a><br/>                     Clyde &amp; Co. US LLP<br/>                     101 Second Street, 24th Floor<br/>                     San Francisco CA 94105</p> <p><b>24 Hour Security Breach Hotline</b><br/>                     866.288.1705<br/>                     Baker &amp; Hostetler LLP<br/>                     45 Rockefeller Plaza<br/>                     New York, NY 10111-0100</p> |                                                                                                                                                                                                                                                                                                                                                                                        |
| All claims may be reported via email to any of the following: | <p>Michelle Herrera<br/>                     Client Service Manager<br/> <a href="mailto:michelle_herrera@ajg.com">michelle_herrera@ajg.com</a><br/>                     713.275.1506<br/>                     Jessica Salias<br/>                     Client Services Manager<br/> <a href="mailto:jessica_salias@ajg.com">jessica_salias@ajg.com</a><br/>                     713.358.5928</p>                                                                                                         | <p>Julie Collette<br/>                     Client Service Manager<br/> <a href="mailto:julie_collette@ajg.com">julie_collette@ajg.com</a><br/>                     713.243.2182<br/>                     Lauren Peyton<br/>                     Client Service Manager<br/> <a href="mailto:lauren_peyton@ajg.com">lauren_peyton@ajg.com</a><br/>                     713.243.2170</p> |

## Reporting to Gallagher or Assistance in Reporting

| COVERAGE(S):           | IMMEDIATELY REPORT CLAIMS DIRECTLY TO:                                                                                                                                             |  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Gallagher Claim Center | <p>Phone: 855-497-0578<br/>                     Fax: 225-663-3224<br/>                     Email: <a href="mailto:ggb.nrcclaimscenter@ajg.com">ggb.nrcclaimscenter@ajg.com</a></p> |  |

# Appendix

We help you face your future with confidence.



Gallagher's holistic approach keeps your total cost of risk—and your best interest—in focus. With expertise where you most need it, Gallagher delivers the solutions that let businesses grow. Communities thrive. And people prosper.

GLOBAL REACH. LOCAL PRESENCE.

Founded in  
**1927**

**\$5B**  
Total Adjusted Brokerage & Risk Management Revenues (2018)

**30,000+**  
Employees worldwide

**850+**  
Offices in 35 countries

**150+**  
Countries served

**HIGHLY SPECIALIZED. DEEP EXPERTISE.**

- |                                                               |                                                                                                                  |                                                                                                      |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Alternative Risk & Captives:<br>Aviation<br>Casualty          | Environmental<br>Enterprise Risk Management<br>Equity Advisors<br>Fine Arts<br>Law Firms<br>Management Liability | Private Client Services<br>Property<br>Risk Management<br>Trade Credit & Political Risk<br>Insurance |
| Commercial Surety & Bonds<br>Cyber Liability<br>Entertainment |                                                                                                                  |                                                                                                      |

**OUR APPROACH TO RISK.**



**CORE360™** is our unique, comprehensive approach of evaluating our client's risk management program that leverages analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk.

**22+ INDUSTRY PRACTICES**



**LEADERS WHERE IT COUNTS**

Gallagher Named One of the World's Most Ethical Companies® for 2019

The only insurance broker to have received this honor, Gallagher has been named as one of the World's Most Ethical Companies by the Ethisphere® Institute, a global leader in defining and advancing the standards of ethical business practices, eight years in a row

Gallagher has been designated as one of the "World's Best Employers" by Forbes Magazine for 2018.

This is a great honor that is given to just 500 companies around the world each year. Designation recipients are determined by an independent collection and analysis of anonymous employee reviews collected by Statista, a leading statistical agency. Gallagher was the only Insurance Brokerage to be honored with this designation for 2018.



**SHARED VALUES + PASSION FOR EXCELLENCE = PROMISES DELIVERED**

**The Gallagher Way**

25 tenets that have guided a team-oriented culture for 30+ years

**Social Responsibility**

Companywide focus on ethical conduct, employee health and welfare, environmental integrity and community service





Gallagher

eRiskHub®



To access the Gallagher | eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is 447597.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

## The Gallagher Way. Since 1927.

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services to be provided by Arthur J. Gallagher Risk Management Services, Inc. (License No. 0D69293) and/or its affiliate Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. (License No. 0726293).

# eRiskHub® Overview and Login Information

The evolution of the cyber risk landscape has brought with it broad, sweeping regulations to address cybersecurity exposures. This digital transformation also presents new risks, including financial losses, for every industry. Gallagher's Cyber Practice delivers expertise alongside cyber risk management and insurance placement services, as well as a better way to construct risk management solutions. CORE360™ — our comprehensive approach of evaluating our client's risk management program — leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. First, we consult with you to understand all of your actual and potential costs, then find the best options to reallocate these costs based on strategic actionable insights empowering you to know, control and minimize your total costs increasing profitability.

Additionally, our data-driven CORE360™ approach allows us to implement programs for your business that will increase safety, minimize losses, mitigate claims and proactively analyze your cyber risk posture.

### Key Features of the Gallagher | eRiskHub®

- Gallagher Cyber Risk Due Diligence — A six-step process designed to walk clients through a simple, thought-provoking framework to encourage organizational communication, establish clear direction and highlight priorities to better understand your cyber risk profile.
- Risk Manager Tools — A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- News Center — Keeps you up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- Learning Center — An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. (Looking for something specific? Try the search box at the top right of the page to search the entire Gallagher | eRiskHub®).
- Security & Privacy Training — An overview of best practices for creating an effective security training program for employees.
- Strategic Third-Party Relationships and Partner Resources — Information on third-party vendors that can assist your organization with improving your overall cyber risk.

As cyber risk evolves, so does our commitment to thought leadership. Our global cyber teams focus exclusively on cyber risk, and uniquely position Gallagher to share our knowledge, expertise and experience for the benefit of our clients.

If you have any questions about the Gallagher | eRiskHub®, please reach out to your broker.

## Cyber Liability

RESOLUTION AUTHORIZING INDEMNIFICATION OF DIRECTORS

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109 §

WHEREAS, Harris County Municipal Utility District No. 109 (the “District”) is a political subdivision of the State of Texas operating under Chapters 49 and 54 of the Texas Water Code; and

WHEREAS, the Board of Directors of the District (the “Board”) has determined it is in the best interest of the District to indemnify its directors and former directors to the fullest extent allowed by law against all third-party claims and demands asserted against a director or former director by reason of his service on the Board;

NOW, THEREFORE, BE IT RESOLVED:

1. The District hereby indemnifies its directors and former directors to the fullest extent allowed by law against all third-party claims and demands asserted against a director or former director by reason of his service on the Board.

2. Such indemnification shall be paid from current available revenues and shall be paid only to the extent insurance proceeds are not available to cover the claim or loss.

3. The President and the Secretary of the Board are authorized to evidence adoption of this Resolution on behalf of the Board and to do all other things necessary or proper to carry out the intent hereof.

Dated: May 19, 2026.

\* \* \*

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary



## ENGINEERING REPORT

May 19, 2026

**To:** Harris County MUD No. 109 Board of Directors

**From:** Christopher A. Meinhardt, P.E.

District Engineer

---

**Review Engineer's Report**, including approval of pay estimates, authorization of change orders to pending construction contracts, and authorization of capacity commitments:

**a. Wastewater Treatment Plant**

**Belt Press Replacement/Belt Press Building Rehabilitation:**

No Update.

**Sanitary Sewer Rehabilitation:**

Project currently being advertised.

Bid opening scheduled for June 11, 2026.

Anticipate presenting Recommendation of Award at the June Board Meeting.

**b. Capital Improvement Plan (CIP):** Please see attached for proposal to update CIP.

**Action Item: Board approval of proposal to update CIP in the amount of \$16,000.00.**

**c. Lift Station No. 3 Rehabilitation/Fence Replacement (2025 CIP Project)**

Project substantially complete.

**Action Item: Pay Estimate No. 2 and Final is recommended in the amount of \$134,640.00.**

**d. Interconnect With HCMUD 46**

Design ongoing. Anticipate 70% design plans by the end of June.

**e. Water Plant No. 1 and 2 Electrical Improvements**

Anticipate 80% design plans by the end of June.

**f.** Woodland Hills Tract: No Update

**g.** Capacity Commitments- No Update

**h.** District drainage-related information request from LAN, Inc. on behalf of Harris County— Requested drainage plans sent to engineering firm representing Harris County on April 28, 2026.

**i.** Risk and Resilience Five-year Reassessment (RRA): Risk Assessment memo and summary report sent to the Board on May 12, 2026, to review.

**j.** Master Storm Water Quality (SWQ) Permit Renewal: Please see attached for two documents to be executed by the Board President for the Master SWQ permit renewal.

**Action Item: Board Authorization for Board President's signature on two documents.**

**k.** Annexation/Capacity Request: Contacted by Scott Leichtenberg, with Light Hill Homes, on May 13, 2026, regarding annexation/capacity request for tract off of Greenstill Drive. Please see attached for vicinity map.

## EXHIBIT A

### PROPOSAL

This Proposal is dated May 19, 2026, (the "Effective Date") and is being submitted, approved and implemented in accordance with the Master Services Agreement dated November, 2001, (the "Agreement") between Harris County Municipal Utility District No. 109 ("District") and BGE, INC. ("Engineer"), which Agreement is incorporated by reference for all purposes as if set forth fully herein.

1. The Services to be performed under this Proposal relate to the following Property or Project:

Capital Improvement Plan (CIP) for Harris County Municipal Utility District No. 109 (HCMUD No. 109)

2. The Services to be performed by Engineer in accordance with this signed Proposal, and the Agreement, are as follows:

- a. General Engineering Services: The Capital Improvement Plan (CIP) for HCMUD No. 109 will provide an evaluation of all existing facilities (included all seven (7) lift stations and two (2) water plants) and identify recommended capital projects necessary to maintain reliable operations and regulatory compliance. The scope includes an inventory and assessment of assets, including age, condition, and rehabilitation history, along with development of planning level cost estimates, project prioritization based on critical and operational risk, and an implementation schedule for recommended improvements over the next 10-years to help the Board with planning. The CIP will serve as a planning tool to support budgeting, capital planning, and Board decision making.

3. The estimated schedule for completion of the Services to be performed by Engineer, as outlined above, is:

Upon authorization, we anticipate 2 months for data gathering, and 2 months for creating the CIP report.

4. The fee to be paid to the Engineer for performance of the Services is as follows:  
(Fee type to be selected on a project by project basis)

- [ X ] The Fee is the stipulated lump sum of \$16,000. Payment of the Engineer's Fee shall be made on the basis of the percentage of Services properly completed in the previous month.
- [ ] The Fee shall be determined on an hourly basis in accordance with the hourly billing rate schedule attached to the Agreement unless a different rate schedule is attached to this Proposal; provided, however, that the Services Fee shall not exceed \_\_\_\_\_.
- [ ] The Fee shall be determined on an hourly basis in accordance with the hourly billing rate schedule attached to the Agreement unless a different rate schedule is attached to this Proposal.

5. The following special conditions, terms or provisions are applicable to the Services described herein:

N/A

IN WITNESS WHEREOF, the parties hereto have executed this Proposal as of the day and year written below.

**DISTRICT:**  
**Harris County Municipal Utility**  
**District No. 109**

**ENGINEER:**  
**BGE, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Chris Meinhardt, PE

Title: President, Board of Directors

Title: Project Manager, Land Development

Date: May 19, 2026

Date: May 19, 2026



April 22, 2026

Harris County MUD No. 109  
C/o Municipal Accounts & Consulting, LP  
1281 Brittmoore Rd.  
Houston, Texas 77043

Attention: Fandi Tjhiu

Re: **Pay Estimate No. 2-Final**  
Harris County MUD 109  
Lift Station No. 3 Rehabilitation  
BGE Job No. 13510-00

Dear Mr. Tjhiu:

Enclosed herewith is **Pay Estimate No. 2-Final, including Final Reduction in Retainage**, from CFG Industries LLC for work performed on the referenced project for the period indicated. I have reviewed the quantities completed and submitted for payment, and recommend that this estimate be processed for payment. The enclosed estimate is for your further handling and processing.

Should you have any questions regarding this pay estimate, please contact me at 281-558-8700.

Sincerely,

A handwritten signature in blue ink that reads 'Michael R. Barrette'.

Michael R. Barrette, PE  
Sr Project Manager, Construction Management

TBPE Registration No. F-1046

cc: Covy Wilkinson – CFG Industries LLC  
Dimitri Millas – Norton Rose Fulbright US LLP  
Brenda Presser – Norton Rose Fulbright US LLP  
Chris Meinhardt, PE – BGE  
Aaron Orozco, PE – BGE  
Abby Johnson – Municipal Accounts & Consulting, LP  
HC109@municipalaccounts.com

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BGE, Inc. • 10777 Westheimer Road, Suite 400 • Houston, Texas 77042 • 281-558-8700 • www.bgeinc.com

Lift Station No. 3 Rehabilitation

Owner: Harris County MUD No. 109  
C/o Municipal Accounts & Consulting, LP  
1281 Brittmoore Rd.  
Houston, Texas 77043

Attention: Fandi Tjhiu

Pay Estimate No. 2-Final  
Original Contract Amount: \$ 311,250.00  
Final Adjustments: \$ (49,710.00)  
Current Contract Amount: \$ 261,540.00  
Completed to Date: \$ 261,540.00  
Retainage 0% \$ -  
Balance: \$ 261,540.00  
Less Previous Payments: \$ 126,900.00  
Current Payment Due: \$ 134,640.00

Recommended for Approval.



Michael R. Barrette, P.E.  
Sr Project Manager, Construction Management  
TBPE Registration No. F-1046

Contractor: CFG Industries LLC  
36195 Mildred Ln  
Pinehurst, Texas 77362

Attention: Covy Wilkinson

BGE Job No. 13510-00  
Estimate Period: 01/23/26 - 02/26/26  
Contract Date: July 23, 2025  
Notice to Proceed: August 25, 2025  
Contract Time: 150 Calendar Days  
Time Charged: 184 Calendar Days  
Requested Time Extensions: 4 Calendar Days  
Approved Extensions: 0 Calendar Days  
Time Remaining: -34 Calendar Days

Acknowledged for CFG Industries, LLC:

By: 

Title: Will Mayfield, Regional Manager

Date: 4/22/2026

Harris County MUD No. 109  
 Lift Station No. 3 Rehabilitation  
 BGE Job No. 13510-00  
 Pay Estimate No. 2-Final

| Item                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Contract Quantity | Unit | Unit Price   | Amount       | Completed This Period | Amount This Period | Previous Period | Previous Amount | Total Completed | Total        | Final Adjustments |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|--------------|--------------|-----------------------|--------------------|-----------------|-----------------|-----------------|--------------|-------------------|
| <b><u>UNIT A: BASE BID ITEMS</u></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |      |              |              |                       |                    |                 |                 |                 |              |                   |
| 1.                                   | Mobilization and Demobilization                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1.00              | LS   | \$ 10,000.00 | \$ 10,000.00 | 0.50                  | \$ 5,000.00        | 0.50            | \$ 5,000.00     | 1.00            | \$ 10,000.00 | \$ -              |
| 2.                                   | Bonds and Insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1.00              | LS   | \$ 15,000.00 | \$ 15,000.00 | 0.00                  | \$ -               | 1.00            | \$ 15,000.00    | 1.00            | \$ 15,000.00 | \$ -              |
| 3.                                   | Removal, Disposal and Replacement of all wet well piping, fittings, and miscellaneous appurtenances. Complete-in-Place, In Accordance with the Plans and Specifications.                                                                                                                                                                                                                                                                                                                                                                                                                             | 1.00              | LS   | \$ 26,000.00 | \$ 26,000.00 | 0.50                  | \$ 13,000.00       | 0.50            | \$ 13,000.00    | 1.00            | \$ 26,000.00 | \$ -              |
| 4.                                   | Rehabilitate Existing Lift Station including but not limited to cleaning, power washing, abrasive blasting, and recoating of existing wet well; installation of fall through protection; replacement of discharge wet well piping and replacement of discharge wet well piping supports. Corrosion resistant coating to be Raven 405, or approved equal. Surface preparation to be in accordance with Raven applicators written recommendations. Contractor must pump all waste out of the lift station prior to beginning work. Complete-in-Place, In Accordance with the Plans and Specifications. | 1.00              | LS   | \$ 75,000.00 | \$ 75,000.00 | 0.50                  | \$ 37,500.00       | 0.50            | \$ 37,500.00    | 1.00            | \$ 75,000.00 | \$ -              |
| 5.                                   | Rehabilitate Existing Lift Station Valve Vault, including but not limited to cleaning and power washing the interior; abrasive blasting and re-coating piping, valves, fittings, and miscellaneous appurtenances; application of grout to the bottom of the vault to slope to drain. Complete-in-Place, In Accordance with the Plans and Specifications.                                                                                                                                                                                                                                             | 1.00              | LS   | \$ 20,000.00 | \$ 20,000.00 | 1.00                  | \$ 20,000.00       | 0.00            | \$ -            | 1.00            | \$ 20,000.00 | \$ -              |
| 6.                                   | Furnish a Bypass Pumping plan, all labor, equipment, and appurtenances for Lift Station Wet Well bypass pumping for Rehabilitation. Complete-in-Place, In Accordance with the Plans and Specifications.                                                                                                                                                                                                                                                                                                                                                                                              | 1.00              | LS   | \$ 35,000.00 | \$ 35,000.00 | 0.50                  | \$ 17,500.00       | 0.50            | \$ 17,500.00    | 1.00            | \$ 35,000.00 | \$ -              |

Harris County MUD No. 109  
 Lift Station No. 3 Rehabilitation  
 BGE Job No. 13510-00  
 Pay Estimate No. 2-Final

| Item                                         | Description                                                                                                                                                                         | Contract Quantity | Unit | Unit Price   | Amount        | Completed This Period | Amount This Period | Previous Period | Previous Amount | Total Completed | Total         | Final Adjustments |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|--------------|---------------|-----------------------|--------------------|-----------------|-----------------|-----------------|---------------|-------------------|
| 7.                                           | Removal, Disposal and Replacement of 8-foot Concrete Fence with 8-foot Wooden Fence, including temporary fence. Complete-in-Place, In Accordance with the Plans and Specifications. | 1.00              | LS   | \$ 50,500.00 | \$ 50,500.00  | 0.00                  | \$ -               | 1.00            | \$ 50,500.00    | 1.00            | \$ 50,500.00  | \$ -              |
| 8.                                           | Furnish and Install Rain Shield Overhang on Existing Control Panel. Complete-in-Place, In Accordance with the Plans.                                                                | 1.00              | LS   | \$ 7,500.00  | \$ 7,500.00   | 1.00                  | \$ 7,500.00        | 0.00            | \$ -            | 1.00            | \$ 7,500.00   | \$ -              |
| 9.                                           | Storm Water Pollution Prevention Plan; Complete-in-Place, In Accordance with the Plans and Specifications.                                                                          | 1.00              | LS   | \$ 2,500.00  | \$ 2,500.00   | 0.00                  | \$ -               | 1.00            | \$ 2,500.00     | 1.00            | \$ 2,500.00   | \$ -              |
| 10.                                          | Site Restoration including Sod; Complete-in-Place, In Accordance with the Plans and Specifications.                                                                                 | 1.00              | LS   | \$ 3,000.00  | \$ 3,000.00   | 1.00                  | \$ 3,000.00        | 0.00            | \$ -            | 1.00            | \$ 3,000.00   | \$ -              |
| <b>UNIT A: BASE BID ITEMS - SUBTOTAL</b>     |                                                                                                                                                                                     |                   |      |              | \$ 244,500.00 |                       | \$ 103,500.00      |                 | \$ 141,000.00   |                 | \$ 244,500.00 |                   |
| <b><u>UNIT B: SUPPLEMENTAL BID ITEMS</u></b> |                                                                                                                                                                                     |                   |      |              |               |                       |                    |                 |                 |                 |               |                   |
| 1.                                           | "Extra" as directed removal, disposal, and replacement of 6-inch Ductile Iron Pipe, including bends and fittings. Complete in place (\$250.00 per LF minimum)                       | 20.00             | LF   | \$ 250.00    | \$ 5,000.00   | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (5,000.00)     |
| 2.                                           | "Extra" as directed, Remove, Dispose, and Furnish and Install Replacement of 6-inch Plug Valve, Complete in Place (\$5,000.00 per EA minimum)                                       | 2.00              | EA   | \$ 5,000.00  | \$ 10,000.00  | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (10,000.00)    |
| 3.                                           | "Extra" as directed, Remove, Dispose, and Furnish and Install Replacement of 6-inch Check Valve, Complete in Place (\$5,500.00 per EA minimum)                                      | 2.00              | EA   | \$ 5,500.00  | \$ 11,000.00  | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (11,000.00)    |

Harris County MUD No. 109  
 Lift Station No. 3 Rehabilitation  
 BGE Job No. 13510-00  
 Pay Estimate No. 2-Final

| Item                                             | Description                                                                                                                                                                                                                             | Contract Quantity | Unit | Unit Price  | Amount        | Completed This Period | Amount This Period | Previous Period | Previous Amount | Total Completed | Total         | Final Adjustments |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------|-------------|---------------|-----------------------|--------------------|-----------------|-----------------|-----------------|---------------|-------------------|
| 4.                                               | "Extra" as directed, removal, disposal, and replacement Air Release Valve including the flushing 1" piping routed to drain. Complete in place, in accordance with the plan and specifications. (\$2,500.00 per EA minimum)              | 1.00              | EA   | \$ 2,500.00 | \$ 2,500.00   | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (2,500.00)     |
| 5.                                               | Install 1-inch Structural Cementitious Lining within Wet Well, as directed by Engineer. Complete in place. (\$15.00 per SF minimum)                                                                                                     | 800.00            | SF   | \$ 15.00    | \$ 12,000.00  | 800.00                | \$ 12,000.00       | 0.00            | \$ -            | 800.00          | \$ 12,000.00  | \$ -              |
| 6.                                               | Furnish and Install concrete crack repairs (any size), major joint repairs or wall repairs to wet well interior, as directed by Engineer, in accordance with plans. Complete in Place. (\$10.00 per SF minimum)                         | 50.00             | SF   | \$ 10.00    | \$ 500.00     | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (500.00)       |
| 7.                                               | "Extra" as directed, by-pass pumping for Lift Station Rehabilitation if approved for extra work, in accordance with plans. Complete in Place. (\$8,000.00 per WK minimum)                                                               | 2.00              | WK   | \$ 8,000.00 | \$ 16,000.00  | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (16,000.00)    |
| 8.                                               | Furnish and Install all materials, equipment, and labor for stopping of water infiltration using polyurethane grout material such as Avanti 202 to Lift Station, as directed by Engineer. Complete in place. (\$350.00 per GAL minimum) | 5.00              | GAL  | \$ 350.00   | \$ 1,750.00   | 0.00                  | \$ -               | 0.00            | \$ -            | 0.00            | \$ -          | \$ (1,750.00)     |
| 9.                                               | "Extra" as directed, Lift Station Improvements. Complete in place. (\$8,000.00 minimum)                                                                                                                                                 | 1.00              | LS   | \$ 8,000.00 | \$ 8,000.00   | 0.63                  | \$ 5,040.00        | 0.00            | \$ -            | 0.63            | \$ 5,040.00   | \$ (2,960.00)     |
| <b>UNIT B: SUPPLEMENTAL BID ITEMS - SUBTOTAL</b> |                                                                                                                                                                                                                                         |                   |      |             | \$ 66,750.00  |                       | \$ 17,040.00       |                 | \$ -            |                 | \$ 17,040.00  |                   |
| Total Contract Amount:                           |                                                                                                                                                                                                                                         |                   |      |             | \$ 311,250.00 |                       |                    |                 |                 |                 |               |                   |
| Change Order No. 1                               |                                                                                                                                                                                                                                         |                   |      |             | \$ -          |                       | \$ -               |                 | \$ -            |                 | \$ -          |                   |
| <b>Totals:</b>                                   |                                                                                                                                                                                                                                         |                   |      |             | \$ 311,250.00 |                       | \$ 120,540.00      |                 | \$ 141,000.00   |                 | \$ 261,540.00 | \$ (49,710.00)    |

CFG INDUSTRIES, LLC  
36195 MILDRED LN  
PINEHURST, TX 77362

### AFFIDAVIT OF BILLS PAID

PHONE: 281-259-7244  
FAX: 281-259-8503



Project: Lift Station No. 3 Rehab  
Job Number: 25-29-0600  
Owner: HC MUD 109  
Payment Application #: 2FR  
Progress or Final: Final

Total Contract: \$ 311,250.00  
Payment Amount: \$ 134,640.00  
Application From: 4/1/2026  
Application To: 4/30/2026


Improvements have been constructed and completed in full compliance with the above referenced contract and the agreed plans and specifications by the Contractor.

All bills have been paid or will be paid from contract funds by the contractor and there are no outstanding claims for labor or materials furnished upon said job.

This affidavit is being made by the contractor realizing that it is in reliance upon the truthfulness of the statements contained herein that a request for full settlement of the balance due on said Contract is being made. The contractor releases all liens, claims, and rights to assert a lien on said premises and agrees to indemnify and hold the Project Owner safe and harmless from and against all losses, damages, costs, and expenses of any character whatsoever, specifically including court costs, bonding fees, and attorney fees arising out of or in any relation to claims for unpaid labor or materials used in associated with the constructions improvements on the above-described project.

**Contractor:**

Signature:

  
\_\_\_\_\_  
Date: 4/20/2026  
\_\_\_\_\_

Date:

Printed Name:

Carl Johnson  
\_\_\_\_\_

Title:

Regional Manager  
\_\_\_\_\_

**Notary:**

Signature:

  
\_\_\_\_\_

Date:

4/20/2026  
\_\_\_\_\_

Stamp:



Bond No. 30251633

**CONSENT OF SURETY  
TO FINAL PAYMENT**

Conforms with the American Institute of  
Architects, AIA Document G707

|            |                          |
|------------|--------------------------|
| OWNER      | <input type="checkbox"/> |
| ARCHITECT  | <input type="checkbox"/> |
| CONTRACTOR | <input type="checkbox"/> |
| SURETY     | <input type="checkbox"/> |
| OTHER      | <input type="checkbox"/> |

TO OWNER: Harris County MUD No. 109  
*(Name and address)* c/o BGE

ARCHITECT'S PROJECT NO.:

CONTRACT FOR:  
General Construction

PROJECT: Lift Station No. 3 Rehabilitation  
*(Name and address)*

CONTRACT DATED:

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the  
*(Insert name and address of Surety)*

Continental Casualty Company  
5151 San Felipe, Suite 1200  
Houston, TX 77056

, SURETY,

on bond of  
*(Insert name and address of Contractor)*  
CFG Industries, LLC  
36195 Mildred Ln  
Pinehurst, TX 77362

, CONTRACTOR,

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor shall not relieve the Surety of any  
of its obligations to  
*(Insert name and address of Owner)*

Harris County MUD No. 109  
c/o BGE

, OWNER,

as set forth in said Surety's bond.

IN WITNESS WHEREOF, the Surety has hereunto set its hand on this date: April 21, 2026  
*(Insert in writing the month followed by the numeric date and year.)*

  
Attest: Christel Zamora

Continental Casualty Company  
*(Surety)*  
  
*(Signature of authorized representative)*

Gloria Villa, Attorney-in-Fact  
*(Printed name and title)*

**POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT**

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

**David R Groppe, Sharen Groppe, Beverly A Ireland, Roxanne G Brune, Francine Hay, Gloria Villa, Michele L Bondurant, Kourtney Reece, Brett Lomax, Individually**

of Houston, TX, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

**- In Unlimited Amounts -**

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed below, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 22nd day of February, 2026.



Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania

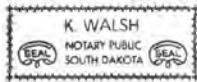
Larry Kasten Vice President

State of South Dakota, County of Minnehaha, ss:

On this 22nd day of February, 2026, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that he knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.

My commission expires

December 4, 2031



K. Walsh Notary Public

**CERTIFICATE**

I, Paula Kolsrud, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Laws and Resolutions of the Board of Directors of the insurance companies printed below are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 21st day of April, 2026.



Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania

Paula Kolsrud Assistant Secretary

**Authorizing By-Laws and Resolutions**

ADOPTED BY THE BOARD OF DIRECTORS OF EACH OF CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA (as defined above, the "CNA Companies"):

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of each of the above CNA Companies at a meeting held on May 12, 1995:

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective."

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of each of the CNA Companies.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of each of the above Companies by unanimous written consent dated the 25<sup>th</sup> day of April, 2012:

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of each of the above CNA Companies by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Go to [www.cnasurety.com](http://www.cnasurety.com) > Owner / Oblige Services > Validate Bond Coverage, if you want to verify bond authenticity.

Bond No. 30251633

**MAINTENANCE BOND**

STATE OF TEXAS           §  
                                          §  
COUNTY OF HARRIS       §

KNOW ALL MEN BY THESE PRESENTS:

THAT CFG Industries, LLC of the City of Pinehurst, County of Montgomery, and State of Texas, as Principal, and Continental Casualty Company authorized under the Laws of the State of Texas to act as surety on bonds for principals, as Surety, are held and firmly bound unto **Harris County Municipal Utility District No. 109** (Owner) Harris County, Texas, in the amount equal to **one hundred percent (100%)** of the total contract price, in the penal sum of **Three Hundred Eleven Thousand Two Hundred Fifty Dollars and zero cents (\$311,250.00)** for the payment whereof, the said Principal and Surety bind themselves, and their officers, directors, successors and assigns, jointly and severally, pursuant to the following:

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the 23 day of July, 2025, for construction of:

**Lift Station No. 3 Rehabilitation  
Harris County, Texas**

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION IS SUCH, that if the said Principal shall repair any and all defects in said work occasioned by or resulting from defects in materials furnished by, or workmanship of, the Principal in performing the work covered by the Contract, occurring within a period of **one year** beginning on the date of termination of the Performance Bond as required under this Contract, in accordance with the provisions of the Contract, then, this obligation shall be void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code as amended and all liabilities on this bond shall be determined in accordance with the provisions of said statute to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to work performed thereunder, or the plans, specifications, or drawings, accompanying the same, shall in anyway affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or the work to be performed thereunder, or the plans, specifications or drawings accompanying same.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on this date, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

WITNESS: \_\_\_\_\_  
(seal) Jasper S.

CFG Industries, LLC  
(PRINCIPAL)  
BY: \_\_\_\_\_  
DAVID CADRIEL

WITNESS \_\_\_\_\_  
Kourtney Reece

Continental Casualty Company  
(SURETY)  
BY: \_\_\_\_\_  
Beverly A. Ireland, Attorney-in-Fact

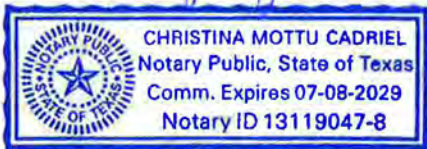
**CERTIFICATE AS TO CORPORATE PRINCIPAL**

I, ANDREA ROJAS, certify that I am the Secretary of the Corporation named as Principal in the within bond; that DAVID CADRIEL, who signed the said bond on behalf of the Principal, was then PRESIDENT of said corporation, that I know his signature and his signature thereto is genuine and that said bond was duly designed, and attested for in behalf of said corporation by authority of its governing body.

(Corporate Seal)

\_\_\_\_\_  
J. ROJAS

Subscribed and sworn to before me, the undersigned authority, on this 18 day of July, 2025.



\_\_\_\_\_  
CMC  
Notary Public in and for Montgomery County

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

David R Groppe, Beverly A Ireland, Sharen Groppe, Roxanne G Brune, Kurt A Risk, Francine Hay, Gloria Villa, Michele L Bondurant, Kourtney Reece, Individually

of Houston, TX, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed below, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 20th day of June, 2024.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

[Signature of Larry Kasten]

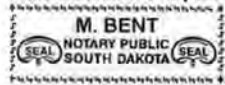
Larry Kasten Vice President

State of South Dakota, County of Minnehaha, ss:

On this 20th day of June, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that he knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.

My commission expires

March 2, 2026



[Signature of M. Bent]

M. Bent Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Laws and Resolutions of the Board of Directors of the insurance companies printed below are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 23 day of July, 2025



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

[Signature of Paula Kolsrud]

Paula Kolsrud Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF EACH OF CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA (as defined above, the "CNA Companies"):

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of each of the above CNA Companies at a meeting held on May 12, 1995:

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective."

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of each of the CNA Companies.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of each of the above Companies by unanimous written consent dated the 25th day of April, 2012:

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of each of the above CNA Companies by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

**ENGINEER'S CERTIFICATE OF COMPLETION**

Harris County Municipal Utility District No. 109  
c/o Norton Rose Fullbright US LLP  
1301 McKinney, Suite 5100  
Houston, Texas 77010

Attention: Ms. Jane Maher

Lift Station No. 3 Rehabilitation


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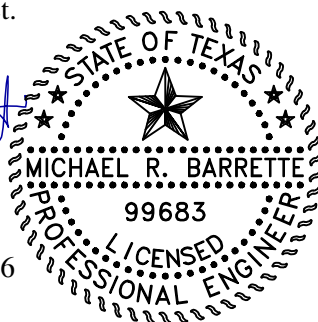
Name and Address of Contractor: CFG Industries, LLC; 36195 Mildred Lane; Pinehurst, Texas 77362

Name and Address of Consulting Engineer: BGE, Inc.; 10777 Westheimer, Suite 500; Houston, Texas 77042

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I certify this Project was completed on or about February 26, 2026; that the Project was under periodic observation; that all observation of the work was under the supervision of Mr. Michael Barrette, Licensed Professional Engineer; that to the best of my knowledge, the project was in accordance with and includes all items in plans and specifications approved by all authorities having jurisdiction; and “record drawings” will be furnished to the District.

  
\_\_\_\_\_  
Michael Barrette, PE  
BGE, Inc.  
TBPE Registration No. F-1046



4/8/2026

BGE, INC. F-1046



# ANNUAL PERMITTEE CERTIFICATION OF PROPER OPERATION

I, Owen Parker, acting as Board President  
 (Name) (Position)  
 for Harris County MUD No. 109, permittee, certify under penalty of  
 (Permittee's Name)  
 law that the Storm Water Quality Management Plan in effect for Rivergrove  
Section Three, Rivergrove Section four, Kings Lake Estates Section Eight  
 (Development Named on Permit)  
 under Storm Water Quality Permit No. 1903270046-MUD-001, has been  
 (SWQ Permit No.)  
 complied with according to the provisions contained therein.

|                    |                     |
|--------------------|---------------------|
| _____              | _____               |
| (Signature)        | (Date)              |
| <u>Owen Parker</u> | <u>713-651-5259</u> |
| (Printed Name)     | (Phone Number)      |

Permittee's Name: Harris County MUD No. 109  
 Address: 1301 McKinney Street, Suite 5100  
 City, State, and Zip: Houston, Texas 77010  
 Phone No. (713) 651-5259

**State of Texas** §  
**County of Harris** §

Before me, a notary public, on this day personally appeared \_\_\_\_\_  
 \_\_\_\_\_ known to me (or proved to me on the oath of  
 \_\_\_\_\_) to be the person whose name is subscribed to the  
 foregoing instrument and acknowledged to me that he/she executed the same for the  
 purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**SEAL**

\_\_\_\_\_  
 Notary Public

May 19, 2026

Dr. Milton Rahman, P.E.  
County Engineer  
c/o Harris County Engineering Department  
1111 Fannin, 11<sup>th</sup> Floor  
Houston, Texas 77002

Dear Dr. Rahman:

This letter is to notify Harris County that **Harris County Municipal Utility District No. 109** agrees to provide the necessary maintenance for the facilities checked below for Rivergrove Section Three, Rivergrove Section Four, and Kings Lake Estates Section Eight:

- Detention Basin
- Amenity Lake
- Storm Sewer / Drainage System
- Storm Water Quality features and/or management plan
- Water/Sanitary Sewer utilities within Harris County Public R.O.W.

Sincerely,

Board President  
Owen Parker

STATE OF TEXAS § COUNTY OF HARRIS § This instrument was acknowledged  
before me on the 19th day of May, 2026

Notary Public, State of Texas  
(Print Name)

ABST  
TEVENSON

ABST  
T.W. MARSHALL

FM 1960

FM 1960

1960

1960

SIERRA LN  
CANYON LN

COURTLEAST

SUBDIV  
BELLEAU WOOD EAST  
636240

SHAY LN

SHAY LN

GREENSTILL DR

BARENTS DR

INDIAN OCEAN DR

CASPIAN DR

CONTINENTAL PKWY

PACIFIC DR

ATLANTIC DR

SUBDIV  
CONTINENTAL PLAZA  
SEC 1 U/R

SUBDIV  
CONTINENTAL PLAZA  
597-020

GREENSTILL DR

ARTESIAN WAY

BARTIC DR

BARENTS DR

INDIAN OCEAN DR

CASPIAN DR

CONTINENTAL PKWY

PACIFIC DR

ATLANTIC DR

SUBDIV  
ATASCOCITA MEADOWS  
521195

WINDING VIEW LN

ATASCOCITA MEADOWS DR

ATASCOCITA RD

TIMBER PATH DR

NOBLE FOREST DR

WILLIAMS GULLY

WOODLAND HILLS DR

WOODLAND HILLS DR



