MINUTES OF BOARD OF DIRECTORS MEETING
SEPTEMBER 15, 2026

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

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 September 15, 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. Odett Champion of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Lieutenant Romero of Harris County Precinct 4 Constable's Office; Mr. Stephen Eustis of Cedar Creek Municipal Advisors ("Cedar Creek"), financial advisor for the District; Mr. Michael Others of McCall Gibson Swedlund Barfoot Ellis PLLC ("McCall"), auditor for the District; Mr. Cory Burton of Municipal Accounts & Consulting, LP ("MAC"), bookkeeper for the District; Mr. Chris Meinhardt and Ms. Jayme Swallow of BGE, Inc. ("BGE"), engineers 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 August 18, 2026, previously distributed to the Board. 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 minutes of the meetings held on August 18, 2026, as presented.

3. **Security Report**. President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of August 2026, a copy of which is attached hereto as *Exhibit B*. 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 approve the Security Report.

4. **Approve and authorize filing of audit for fiscal year ended May 31, 2026.** President Parker recognized Mr. Others, who presented to and reviewed with the Board the audit management, material weakness, and board of directors representation letters, and a draft audit for fiscal year ended May 31, 2026, copies of which are attached hereto as *Exhibit C*. Discussion ensued.

Upon motion by Director Moore, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the audit for fiscal year ending May 31, 2026, and to authorize filing with appropriate agencies.

5. **Approve and authorize filing of Annual Continuing Disclosure Report.** President Parker recognized Ms. Bacon, who stated that the District is required to annually file updated financial information with the Municipal Securities Rulemaking Board 180 days after its fiscal year end, which includes the District's final audit in addition to certain tax and operating information gathered from District consultants. She reviewed the Annual Continuing Disclosure Report, a copy of which is attached hereto as *Exhibit D*.

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 authorize NRF to file the District's Annual Report of Financial Information and Operating Data for the fiscal year ended May 31, 2026.

6. **Tax Collector's Report and authorize payment of certain bills and consideration of customer tax statement request**. President Parker recognized Ms. Champion, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of August 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, 97.5% of the District's 2025 taxes have been collected.

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 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.

7. **Adopt Order Designating Officer to Calculate and Publish Tax Rate.** President Parker recognized Mr. Eustis, who presented to and reviewed with the Board the financial advisor's tax rate analysis and recommendation, a copy of which is attached hereto *as Exhibit F.* He recommended that the Board levy a total tax rate of $0.435 per $100 of assessed valuation, composed of an operations and maintenance tax of $0.245 and a debt service tax of $0.19. Discussion ensued.

The Board reviewed an Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions In Connection With the Levy of a Tax for 2026 (the "Tax Order"), a copy of which is attached hereto as *Exhibit G.*

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 adopt the Order, thereby authorizing the tax officer to publish the proposed tax rate of $0.435 per $100 assessed valuation ($0.19 for debt service and $0.245 for operations and maintenance).

8. **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 September 15, 2026 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit H.* Mr. Gehrke reported that 93.99% of the water pumped was billed for the period August 1, 2026 through August 31, 2026.

Mr. Gehrke reported on various maintenance items.

Upon motion by Director Bone, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, and approve the termination of delinquent accounts in accordance with the terms of the District's Rate Order.

9. **Discuss HOA pool event and take appropriate action.** President Parker stated that he received a request from the HOA if the Board would consider filling the pool at no expense. Ms. Bacon stated that the HOA would need to pay the cost of water.

10. **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 I.*

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 approve the Bookkeeper's Report and to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein.

11. **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 the new anticipated belt press delivery is for the end of September and that the contractor has re-mobilized. He noted that the existing belt press has been removed and the existing electrical work has been removed.

Mr. Meinhardt reported on the Sanitary Sewer Rehabilitation. He stated that the ongoing submittal reviews.

Mr. Meinhardt reported on the Capital Improvement Plan. He stated that BGE anticipates 50% complete by the end of September.

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 90% of civil and structural design plans by the end of October. He noted that BGE anticipates resubmitting to Harris County for review by the end of September and submitting plans to WWWMS and HCMUD No. 46 for review by the end of October.

Mr. Meinhardt reported on Water Plant No. 1 and No. 2 Electrical Improvements. He stated that design is ongoing and that BGE anticipates 95% design plans by the end of September.

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 annexation/capacity request. He stated that there is no update.

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 Engineer's Report.

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

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on October 20, 2026.

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, September 15, 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 August 18, 2026;
3. Report by Harris County Precinct Four Constable and take any necessary action;
4. Approve and authorize filing of audit for fiscal year ended May 31, 2026;
5. Approve and authorize filing of Annual Continuing Disclosure Report;
6. Adopt Order Designating Officer to Calculate and Publish Tax Rate;
7. Approve Operations Report, authorize repairs and approve termination of delinquent accounts in accordance with the District's Rate Order;
8. Discuss HOA pool event and take appropriate action;
9. Review Tax Collector's Report and authorize payment of certain bills;
10. Review Bookkeeper's Report, and authorize payment of certain bills, and approve quarterly investment report;
11. 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;

and such other matters as may properly come before the Board;

DISTRICT SEAL
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
TEXAS

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.

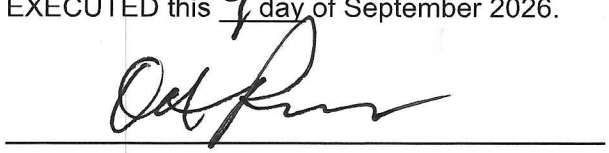
Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's paralegal at (713) 651-5589 at least three business days prior to the meeting so that appropriate arrangements can be made.

CERTIFICATE OF POSTING NOTICE
OF MEETING OF BOARD OF DIRECTORS

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

I hereby certify that on SEPT. 9 , 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 9th day of September 2026.



50353905

Jane Maher

From: Russell Lambert <russ@texasnetwork.com>
Sent: Wednesday, September 9, 2026 10:28 AM
To: Jane Maher
Cc: The Texas Network
Subject: RE: 109 & AJOB September Postings

ⓘ External email ❯

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 September 15, 2026 notice of public meeting on the website at the following location: https://www.waterdistrict109.com/meetings/

Russell Lambert
russ@texasnetwork.com

From: Jane Maher <jane.maher@nortonrosefulbright.com>
Sent: Wednesday, September 9, 2026 9:21 AM
To: Russell Lambert <russ@texasnetwork.com>
Cc: The Texas Network <support@texasnetwork.com>
Subject: 109 & AJOB September 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. today. 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

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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 August 2026

Categories

Burglary Habitation: 0	Burglary Vehicle: 2	Theft Habitation: 0
Theft Vehicle: 1	Theft Other: 6	Robbery: 0
Assault: 0	Sexual Assault: 0	Criminal Mischief: 1
Disturbance Family: 13	Disturbance Juvenile: 0	Disturbance Other: 9
Alarms: 8	Suspicious Vehicles: 7	Suspicious Persons: 7
Runaways: 0	Phone Harrassment: 0	Other Calls: 665

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
110	1	0	0	0	0	0	0	0	192	1
H67	14	4	4	0	0	74	0	0	998	23
H68	53	15	19	2	1	18	0	5	759	16
H69	23	25	9	0	0	17	0	0	670	16
H70	63	45	8	0	8	114	0	7	1702	22
R10	1	0	0	0	0	0	0	0	100	1
R11	2	0	0	0	0	0	0	0	129	1
R14	3	1	2	2	0	0	0	0	168	1
R17	2	0	1	2	0	0	0	0	198	1
TOTAL	162	90	43	6	9	223	0	12	4916	82

Summary of Events

Alarms:

Deputies were dispatched to 8 alarm call that were cleared false.

Checks:

Deputies conducted numerous combined MUD, park checks, neighborhood checks, 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

5000 Green Timbers Dr – Deputy conducted a traffic stop. The violator was intoxicated and arrested for DWI

19300 Timber Forest Dr - Deputy conducted a traffic stop. The violator was intoxicated and arrested for DWI

20000 Timber Forest Dr – Deputy conducted a traffic stop, the 14 year old driver was cited and the vehicle was towed.

5300 FM 1960 RD E- Deputy conducted a traffic stop, the driver had an active warrant and was arrested

Burglary Vehicle:

19100 Moon Trail Dr- Deputy responded to bmv. Investigation revealed unknown suspect reached in an open window and stole a purse.

19100 Moon Trail Dr- Deputy responded to burglary of a vehicle. Investigation revealed unknown suspect entered the complainant's unlocked vehicle, stole items, and fled undetected.

Stolen Vehicle:

19100 Moon Trail Dr- Deputy responded to a vehicle stolen. Investigation revealed a known suspect took the complainant's vehicle.

Theft Other:

19500 Timber Forest Dr – Deputies were dispatched to a theft other call. Complainant ordered jewelry to be shipped to her residence. The package arrived empty, damaged, and retaped.

19300 Pocito Ct – Deputy responded to a theft. Unknown suspect stole the complainant's package and fled.

5700 Fawn Trail Ln -Deputies were dispatched to a theft other. Investigation revealed an unknown suspect took the front license plate from the vehicle.

19900 Faye Oaks Dr- Deputies were dispatched to a theft other. Investigation revealed an unknown suspect took parts from the outside of the vehicle.

5600 FM 1960 RD E- Deputy responded to theft other. Investigation revealed unknown suspect took catalytic converter from vehicle.

5500 Deer Timbers Dr - Deputy responded to theft other. Investigation revealed unknown suspect stole their daughter's bicycle from the front porch.

Criminal Mischief:

5400 Mossy Timbers Dr – Deputies were dispatched to a criminal mischief call. Investigation revealed known suspects sprayed painted park equipment. Harris County District Attorney declined charges.

Family Disturbance:

5900 Upper Lake Dr – Deputies were dispatched to a family disturbance. Family members involved in an altercation. Charges declined.

19500 Oak Timbers Dr – Deputies were dispatched to a family disturbance. Family members involved in an altercation. Charges accepted, suspect arrested.

5500 Moosewood Ct – Deputies were dispatched to a family disturbance. Family members involved in an altercation. Charges declined.

5400 Enchanted Mist Dr – Deputies were dispatched to a family disturbance. Family members involved in an altercation. Charges declined.

19800 Big Timber – Deputies were dispatched to a family disturbance. Family members had an altercation during which a knife was involved. Charges were accepted, suspect arrested.

20100 Timber Forest Dr- Deputy responded to a family disturbance. Family members had an altercation. Charges were declined.

5400 Forest Timbers Dr – Deputy responded to a family disturbance. Family members had an altercation. Charges were accepted, suspect arrested.

19100 Woodland Hills Dr - Deputy responded to a family disturbance. Family members had an altercation. Charges were accepted, suspect arrested.

19100 Woodland Hills Dr- Deputy responded to a family disturbance. Family members had an altercation. Charges were declined.

19900 Burke Oak Dr- Deputy responded to a family disturbance. Family members had an altercation. Charges were declined.

5200 Enchanted Timbers Dr – Deputy responded to a family disturbance. Family members had an altercation. Charges were declined.

19900 Bambiwoods Dr- Deputy responded to a family disturbance. Family members had an altercation. Charges were declined.

20000 Big Timber Dr- Deputy responded to a family disturbance. Family members had an altercation. Charges were declined.

Suspicious Vehicle:

Deputies responded to 7 suspicious vehicle call within the community. Each incident was investigated and cleared without further action required.

Suspicious Person:

Deputies responded to 7 suspicious person calls within the community. Each incident was investigated and cleared without further action required.

Other Calls:

19500 Oak Timber Dr – Deputies were dispatched to a terroristic threat. Investigation revealed juveniles were threatening to fight another juvenile behind a dating relationship. No charges filed.

19600 Alinawood Dr – Deputies were dispatched to harassment call. Investigation revealed juveniles was being bullied through social media.

19400 Forest Timbers Ct – Deputies were dispatched to a disturbance. Subjects at group home had a disagreement. No charges filed.

5500 Coon Tree Ct – Deputies were dispatched to a meet the citizen. The complainant wanted to report a disagreement with a contractor.

19700 Misty Pines Ct – Deputy responded to a credit card abuse call. The complainant reported fraudulent charges.

5100 FM 1960 RD E-Deputies were dispatched to a mental health crisis. A consumer was transported to mental health facility to be evaluated.

5600 FM 1960 RD E-Deputies were dispatched to a mental health crisis. A consumer was transported to mental health facility to be evaluated.

5400 Deer Timbers Trail- Deputies were dispatched to a mental health crisis. A consumer was transported to mental health facility to be evaluated.

5900 Meyergrove Ln - Deputy responded to a fraudulent use of identification. Investigation revealed unknown suspect used the complainant’s information to open an account.

20100 Bambiwoods Dr- Deputy responded to a fraudulent use of identification. Investigation revealed unknown suspect used the complainant’s information to open an account.

20000 River Brook Dr - Deputy responded to terroristic threat. Investigation revealed a known suspect threatened the complainant. A warrant was filed.

5300 Quail Tree Ln- Deputies were dispatched to a vehicle abandoned. Investigation revealed the vehicle was stickered and not moved after 48 hours. Vehicle was towed.

5300 Quail Tree Ln – Deputy responded to a child custody dispute. A report was made to document the parents not being able to act civil with each other.

5700 Deer Timbers Trail- Deputy responded to an aggressive animal. Investigation revealed a door dash driver was bit by customer’s dog.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2026

DRAFT SUBJECT TO CHANGE

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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DRAFT SUBJECT TO CHANGE

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)

INDEPENDENT AUDITOR'S REPORT

DRAFT SUBJECT TO CHANGE

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 109 (the "District") as of and for the year ended May 31, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of May 31, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, 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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

DRAFT SUBJECT TO CHANGE

Board of Directors
Harris County Municipal
Utility District No. 109

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

September 15, 2026

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2026

Management's discussion and analysis of the financial performance of Harris County Municipal Utility District No. 109 (the "District") provides an overview of the District's financial activities for the year ended May 31, 2026. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets, liabilities, and deferred outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

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FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by 14,670,249 as of May 31, 2026. A portion of the District's net position reflects its net investment in capital assets which include the water and wastewater facilities less any debt used to acquire those assets that is still outstanding.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position for the current and prior fiscal years:

Summary of Changes in the Statement of Net Position

	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 11,877,111	$ 12,873,415	$ (996,304)
Capital Assets (Net of Accumulated Depreciation)	19,049,567	17,411,258	1,638,309
Total Assets	$ 30,926,678	$ 30,284,673	$ 642,005
Deferred Outflows of Resources	$ 206,804	$ 254,785	$ (47,981)
Bonds Payable	$ 15,831,682	$ 17,400,044	$ 1,568,362
Other Liabilities	631,551	728,297	96,746
Total Liabilities	$ 16,463,233	$ 18,128,341	$ 1,665,108
Net Position:			
Net Investment in Capital Assets	$ 3,424,725	$ 320,244	$ 3,104,481
Restricted	3,016,023	3,055,603	(39,580)
Unrestricted	8,229,501	9,035,270	(805,769)
Total Net Position	$ 14,670,249	$ 12,411,117	$ 2,259,132

The following table provides a summary of the District's operations for the years ended May 31, 2026, and May 31, 2025.

Summary of Changes in the Statement of Activities

	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 4,168,868	$ 4,139,993	$ 28,875
Charges for Services	2,305,474	2,559,715	(254,241)
Other Revenues	468,549	555,355	(86,806)
Total Revenues	$ 6,942,891	$ 7,255,063	$ (312,172)
Expenses for Services	4,683,759	4,724,818	41,059
Change in Net Position	$ 2,259,132	$ 2,530,245	$ (271,113)
Net Position, Beginning of Year	12,411,117	9,880,872	2,530,245
Net Position, End of Year	$ 14,670,249	$ 12,411,117	$ 2,259,132

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FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of May 31, 2026, were $10,008,358, a decrease of $857,179 from the prior year.

The General Fund fund balance decreased by $732,222, primarily due to operating, capital, professional and administrative expenditures exceeding property tax revenues and service revenues.

The Debt Service Fund fund balance decreased by $70,748, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance decreased by $54,209, primarily due to the use of bond proceeds received in prior years to fund current year capital costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a General Fund budget for the current fiscal year. Actual revenues were $122,300 less than budgeted revenues and actual expenditures were $1,619,218 less than budgeted expenditures which resulted in a positive variance of $1,496,918. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of May 31, 2026, total $19,049,567 (net of accumulated depreciation) and include land and construction in progress as well as the water and wastewater facilities. Significant capital asset activity during the current fiscal year included the Barents Drive lift station, water well no. 1 ground storage tank replacement, utility relocation, lift station no. 3 rehabilitation, and the District's pro-rata share of joint wastewater treatment plant improvements.

Capital Assets At Year-End

	2026	2025	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 230,634	$ 230,634	$
Construction in Progress	356,090	1,002,560	(646,470)
Capital Assets Subject To Depreciation:			
Water System	15,131,778	13,758,608	1,373,170
Wastewater System	21,360,018	19,713,748	1,646,270
Less Accumulated Depreciation	(18,028,953)	(17,294,292)	(734,661)
Total Net Capital Assets	$ 19,049,567	$ 17,411,258	$ 1,638,309

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LONG-TERM DEBT ACTIVITY

At year end, the District had total bond debt payable of $15,890,000. The changes in bonds payable during the current fiscal year are summarized in the following table:

Bond Debt Payable, June 1, 2025	$ 17,440,000
Less: Bond Principal Paid	(1,550,000)
Bond Debt Payable, May 31, 2026	$ 15,890,000

The District's Series 2017 and Series 2021 Refunding bonds carry underlying ratings of "A1". The Series 2021 Refunding Bonds carry an insured rating of "AA/A1" by virtue of bond insurance issued by Assured Guaranty Inc. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 109, c/o Norton Rose Fulbright US LLP, 1550 Lamar Street, Suite 2000, Houston, TX 77010.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 238,803	$ 127,453
Investments	5,500,227	3,263,292
Receivables:		
Property Taxes	143,046	165,371
Penalty and Interest on Delinquent Taxes		
Service Accounts	304,667	
Accrued Interest	18,447	20,198
City of Houston	25,905	
Due from Other Funds	586,665	
Prepaid Costs	58,074	
Due from Other Governmental Units	451,466	
Advance for WWTP Operations	546,830	
Capital Contribution Credits Receivable		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 7,874,130	$ 3,576,314
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ - 0 -	$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 7,874,130	$ 3,576,314

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The accompanying notes to the financial statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 366,256	$	$ 366,256
459	8,763,978		8,763,978
	308,417		308,417
		117,200	117,200
	304,667		304,667
	38,645		38,645
	25,905		25,905
	586,665	(586,665)	
	58,074		58,074
	451,466		451,466
	546,830		546,830
		895,673	895,673
		230,634	230,634
		356,090	356,090
		18,462,843	18,462,843
$ 459	$ 11,450,903	$ 19,475,775	$ 30,926,678
$ - 0 -	$ - 0 -	$ 206,804	$ 206,804
$ 459	$ 11,450,903	$ 19,682,579	$ 31,133,482

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The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2026

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 212,938	$ 7,161
Accrued Interest Payable		
Due to Other Funds		586,242
Security Deposits	327,364	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 540,302	$ 593,403
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 143,046	$ 165,371
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 58,074	$
Operating Advance	546,830	
Restricted for Authorized Construction		
Restricted for Debt Service		2,817,540
Assigned to 2027 Budget	868,901	
Unassigned	5,716,977	
TOTAL FUND BALANCES	$ 7,190,782	$ 2,817,540
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 7,874,130	$ 3,576,314
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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The accompanying notes to the financial statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 220,099	$	$ 220,099
		84,088	84,088
423	586,665	(586,665)	
	327,364		327,364
		1,570,000	1,570,000
		14,261,682	14,261,682
$ 423	$ 1,134,128	$ 15,329,105	$ 16,463,233
$ - 0 -	$ 308,417	$ (308,417)	$ - 0 -
$	$ 58,074	$ (58,074)	$
	546,830	(546,830)	
36	36	(36)	
	2,817,540	(2,817,540)	
	868,901	(868,901)	
	5,716,977	(5,716,977)	
$ 36	$ 10,008,358	$ (10,008,358)	$ - 0 -
$ 459	$ 11,450,903		
		$ 3,424,725	$ 3,424,725
		3,016,023	3,016,023
		8,229,501	8,229,501
		$ 14,670,249	$ 14,670,249

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The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
MAY 31, 2026

Total Fund Balances - Governmental Funds		$ 10,008,358
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		19,049,567
Credits due from the North Harris County Regional Water Authority for capital contributions are not current financial resources and, therefore, are not reported as assets in the governmental funds.		895,673
Interest paid in advance as part of a refunding bond sale is recorded as deferred outflows of resources in the governmental activities and systematically charged to interest expense over the remaining life of the new debt or the old debt, whichever is shorter.		206,804
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2025 and prior tax levies became part of recognized revenue in the governmental activities of the District.		425,617
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Accrued Interest Payable	$ (84,088)	
Bonds Payable	(15,831,682)	(15,915,770)
Total Net Position - Governmental Activities		$ 14,670,249

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The accompanying notes to the financial statements are an integral part of this report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2026

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	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 2,229,313	$ 1,898,430
Water Service	608,927	
Wastewater Service	817,207	
Water Authority Fees	617,255	
Penalty and Interest	78,958	68,433
Connection and Inspection Fees	53,713	
Sales Tax Revenues	99,415	
Water Authority Credits	147,135	
Investment and Miscellaneous Revenues	240,001	126,953
TOTAL REVENUES	$ 4,891,924	$ 2,093,816
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 201,976	$ 15,813
Contracted Services	669,842	68,291
Purchased Wastewater Service	835,328	
Utilities	135,677	
Repairs and Maintenance	552,984	
Water Authority Assessments	807,841	
Depreciation		
Other	414,251	17,983
Capital Outlay	2,006,247	
Debt Service:		
Bond Principal		1,550,000
Bond Interest		512,477
TOTAL EXPENDITURES/EXPENSES	$ 5,624,146	$ 2,164,564
NET CHANGE IN FUND BALANCES	$ (732,222)	$ (70,748)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2025	7,923,004	2,888,288
FUND BALANCES/NET POSITION - MAY 31, 2026	$ 7,190,782	$ 2,817,540

The accompanying notes to the financial statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 4,127,743	$ 41,125	$ 4,168,868
	608,927		608,927
	817,207		817,207
	617,255		617,255
	147,391	12,947	160,338
	53,713		53,713
	99,415		99,415
	147,135	(99,101)	48,034
2,180	369,134		369,134
$ 2,180	$ 6,987,920	$ (45,029)	$ 6,942,891
$	$ 217,789	$	$ 217,789
1,135	739,268		739,268
	835,328	(234,237)	601,091
	135,677		135,677
	552,984	(77,347)	475,637
	807,841		807,841
		734,661	734,661
115	432,349		432,349
55,139	2,061,386	(2,061,386)	
	1,550,000	(1,550,000)	
	512,477	26,969	539,446
$ 56,389	$ 7,845,099	$ (3,161,340)	$ 4,683,759
$ (54,209)	$ (857,179)	$ 857,179	$
		2,259,132	2,259,132
54,245	10,865,537	1,545,580	12,411,117
$ 36	$ 10,008,358	$ 4,661,891	$ 14,670,249

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The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2026

Net Change in Fund Balances - Governmental Funds	$	(857,179)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. Revenue is recorded in the accounting period for which the taxes are levied in governmental activities.		41,125
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		12,947
Governmental funds report repayment of capital contributions as revenues in the period received. However, in the Statement of Net Position, reimbursements reduce long-term receivables.		(99,101)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(734,661)
Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		2,372,970
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		1,550,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(26,969)
Change in Net Position - Governmental Activities	$	2,259,132

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The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2026

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 109 (the "District") was created effective July 16, 1974, by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service and storm sewer drainage for the residents of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units. See Note 9 for information concerning the District's participation in a regional sewage treatment plant.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification"). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental funds and considers each to be major funds.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of May 31, 2026, the Debt Service Fund owed the General Fund $586,665 for maintenance tax collections.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over periods ranging from 10 to 45 years.

Budgeting

A budget was adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District has no committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balance. The District assigned $868,901 of its General Fund fund balance to cover the projected fiscal year ending 2027 budgeted deficit.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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NOTE 3. LONG-TERM DEBT

	Refunding Series 2015	Series 2017	Refunding Series 2021
Amount Outstanding – May 31, 2026	$4,285,000	$9,945,000	$1,660,000
Interest Rates	2.592% - 3.24%	3.00% - 3.625%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2026/2030	October 1, 2026/2041	October 1, 2026/2029
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2023*	October 1, 2024*	October 1, 2026*

* Or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Series 2017 term bonds maturing on October 1, 2038, and 2041, are subject to mandatory redemption beginning October 1, 2037 and 2039, respectively.

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. As of May 31, 2026, the District had authorized but unissued bonds in the amount of $12,950,000 for utility facilities and $31,671,200 for refunding purposes.

Bonds payable activity during the current fiscal year is summarized in the following table:

	June 1, 2025	Additions	Retirements	May 31, 2026
Bonds Payable	$ 17,440,000	$	$ 1,550,000	$ 15,890,000
Unamortized Discounts	(162,877)		(9,963)	(152,914)
Unamortized Premiums	122,921		28,325	94,596
Bonds Payable, Net	$ 17,400,044	$ -0-	$ 1,568,362	$ 15,831,682

Amount Due Within One Year	$ 1,570,000
Amount Due After One Year	14,261,682
Bonds Payable, Net	$ 15,831,682

DRAFT SUBJECT TO CHANGE

NOTE 3. LONG-TERM DEBT (Continued)

As of May 31, 2026, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 1,570,000	$ 486,302	$ 2,056,302
2028	1,620,000	432,881	2,052,881
2029	1,675,000	386,302	2,061,302
2030	1,725,000	337,295	2,062,295
2031	1,820,000	283,098	2,103,098
2032-2036	3,030,000	1,042,688	4,072,688
2037-2041	3,640,000	482,233	4,122,233
2042	810,000	14,681	824,681
	$ 15,890,000	$ 3,465,480	$ 19,355,480

During the year ended May 31, 2026, the District levied an ad valorem debt service tax rate of $0.20 per $100 of assessed valuation, which resulted in a tax levy of $1,910,776 on the adjusted taxable valuation of $955,387,703 for the 2025 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year shall continue to be provided through the life of the bonds.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the bonds.

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NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $2,481,256 and the bank balance was $1,709,066. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at May 31, 2026, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 238,803	$ 940,000	$ 1,178,803
DEBT SERVICE FUND	127,453	1,175,000	1,302,453
TOTAL DEPOSITS	$ 366,256	$ 2,115,000	$ 2,481,256

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

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NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), a public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor and general supervision is provided by the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District records its investments in certificates of deposits at acquisition cost.

As of May 31, 2026, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Texas CLASS	$ 4,560,227	$ 4,560,227
Certificates of Deposit	940,000	940,000
DEBT SERVICE FUND		
Texas CLASS	2,088,292	2,088,292
Certificates of Deposit	1,175,000	1,175,000
CAPITAL PROJECTS FUND		
Texas CLASS	459	459
TOTAL INVESTMENTS	$ 8,763,978	$ 8,763,978

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments in Texas CLASS were rated AAAm by Standard and Poor's. The District manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage.

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NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have maturities of less than one year since the share positions can usually be redeemed each day at the discretion of the District. The District manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the current fiscal year is summarized in the following table:

	June 1, 2025	Increases	Decreases	May 31, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 230,634	$	$	$ 230,634
Construction in Progress	1,002,560	2,372,970	3,019,440	356,090
Total Capital Assets Not Being Depreciated	$ 1,233,194	$ 2,372,970	$ 3,019,440	$ 586,724
Capital Assets Subject to Depreciation				
Water System	$ 13,758,608	$ 1,373,170	$	$ 15,131,778
Wastewater System	19,713,748	1,646,270		21,360,018
Total Capital Assets Subject to Depreciation	$ 33,472,356	$ 3,019,440	$ - 0 -	$ 36,491,796
Accumulated Depreciation				
Water System	$ 6,360,461	$ 294,442	$	$ 6,654,903
Wastewater System	10,933,831	440,219		11,374,050
Total Accumulated Depreciation	$ 17,294,292	$ 734,661	$ - 0 -	$ 18,028,953
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 16,178,064	$ 2,284,779	$ - 0 -	$ 18,462,843
Total Capital Assets, Net of Accumulated Depreciation	$ 17,411,258	$ 4,657,749	$ 3,019,440	$ 19,049,567

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NOTE 7. MAINTENANCE TAX

Voters of the District approved the levy and collection of a maintenance tax of not more than $1.00 per $100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended May 31, 2026, the District levied an ad valorem maintenance tax of $0.235 per $100 of assessed valuation, which resulted in a tax levy of $2,245,161 on the adjusted taxable valuation of $955,387,703 for the 2025 tax year.

NOTE 8. WATER AND WASTEWATER SERVICE AGREEMENT

On July 1, 1996, the District and Harris County Municipal Utility District No. 151 (District No. 151) entered into an agreement which outlines the terms in which each district will provide water and wastewater collection services for certain areas of the other district. The contract was amended on October 15, 2019. The agreement has a term of 40 years.

This agreement calls for water to be provided by the District to several specific tracts of land within District No. 151. The agreement states that the meters in this area will be read by District No. 151's operator on a monthly basis and the total gallons of water registered on all such meters will be provided to the District's operator. The agreement states the District will charge District No. 151 for all water at its rate per 1,000 gallons for the first 1,000 gallons of usage in excess of the minimum bill for residential customers of the District, as such rate is set forth in the District's current rate order plus regional water authority fees. District No. 151 is treated as a single customer for purposes of calculating the amount due to the District.

The agreement also makes provisions for wastewater collection and emergency water services to the other district. Wastewater collection services are provided by each district to the other district at no charge. Emergency water service is to be paid in kind for water supplied for less than five days. The district supplying water may bill the district receiving the emergency water service for such period in excess of the first five days, at a rate equal to the out-of-district water service rate for the district providing the emergency water service.

NOTE 9. JOINT WASTE DISPOSAL CONTRACT

Harris County Municipal Utility District Nos. 46, 106, 109, 132, 151, 109 and 153 previously entered into a Waste Disposal Contract to operate and maintain a regional sewage treatment plant to serve surrounding areas. The agreement calls for each district to pay its pro rata share of operating costs of the plant based upon a budget of the estimated costs. The agreement provides for the establishment of a Joint Operations Board.

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NOTE 9. JOINT WASTE DISPOSAL CONTRACT (Continued)

The Joint Operations Board is responsible for adoption of a budget for both Exhibit B and C costs for the fiscal year June 1 through May 31 and determines the rates to be charged based upon the expected operating budgets. Exhibit B costs are insurance and maintenance of the plant, Exhibit C costs are costs related to the operation of the plant.

On December 1, 2012, the participants in the plant executed a Fourth Amended and Restated Waste Disposal Contract whereby certain participants agreed to sell and assign capacity to Harris County Municipal Utility District No. 494 (District No. 494). The term of the agreement ends August 1, 2048. On December 1, 2012, the participants executed an amended Sanitary Sewer Line Contract which provides for the participants to sell capacity in the line to District No. 494.

As of May 31, 2026, the District's advance for operation and maintenance of the regional sewage treatment plant was $546,830 and the District recorded a total of $835,328 for its share of operating costs of the plant during the current fiscal year.

The following summary financial data of the Atascocita Central Plant is presented for the fiscal year ended May 31, 2026. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US LLP.

Total Assets	$	4,606,825
Total Liabilities		1,866,725
Total Fund Balance	$	2,740,100
Total Revenues	$	3,739,818
Total Expenditures		3,739,818
Excess Revenues (Expenditures)	$	-0-
Other Financing Sources:		
Reserve Adjustment		412,750
Net Increase in Fund Balance	$	412,750
Fund Balance, Beginning of Year		2,327,350
Fund Balance, End of Year	$	2,740,100

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NOTE 10. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the "Act"), as passed by the 75th Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority is overseeing that its participants comply with the Harris-Galveston Subsidence District pumpage requirements.

The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The fee charged as of year end was $2.60 per 1,000 gallons of water pumped from each well. The District recorded expenditures of $807,841 for pumpage fees from the Authority during the current fiscal year.

In 2003, the District entered into a Capital Contribution Contract with the Authority and made a capital contribution of $2,018,949 to the Authority. The District is receiving capital contribution credits to be applied to the pumpage fees which the Authority assesses. Interest accrues on the District's Capital Contribution at 5.0575% per annum.

The following is a schedule of the remaining capital contribution credits (principal only) to be received under the terms of the agreement.

Fiscal Year	Principal
2027	$ 104,230
2028	109,626
2029	115,300
2030	121,269
2031	127,546
2032-2034	317,702
	$ 895,673

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters from which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

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NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT

Effective March 31, 2015, the District has entered into a Strategic Partnership Agreement with the City of Houston, Texas (the "City"). The agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a tract of land defined as the "Tract" for the limited purposes of applying the City's Planning, Zoning, Health, and Safety Ordinances within the Tract within the boundaries of the District. The District will continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District.

The City shall impose a Sales and Use Tax within the boundaries of the Tract upon the limited-purpose annexation of the Tract. The Sales and Use Tax shall be imposed on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Tract. The City delivers to the District its share of the sales tax receipts within 30 days of the City receiving the funds from the State Comptroller's office.

The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the agreement. During the year ended May 31, 2026, the District received $99,415 in sales tax revenues.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2026

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 1,916,709	$ 2,229,313	$ 312,604
Water Service	587,600	608,927	21,327
Wastewater Service	795,800	817,207	21,407
Water Authority Fees	1,022,900	617,255	(405,645)
Penalty and Interest	107,900	78,958	(28,942)
Connection and Inspection Fees	44,600	53,713	9,113
Sales Tax Revenues	91,300	99,415	8,115
Water Authority Credits	147,135	147,135	
Investment and Miscellaneous Revenues	300,280	240,001	(60,279)
TOTAL REVENUES	$ 5,014,224	$ 4,891,924	$ (122,300)
EXPENDITURES			
Service Operations:			
Professional Fees	$ 205,400	$ 201,976	$ 3,424
Contracted Services	647,300	669,842	(22,542)
Purchased Wastewater Service	865,900	835,328	30,572
Utilities	140,000	135,677	4,323
Water Authority Assessment	1,022,900	807,841	215,059
Repairs and Maintenance	876,000	552,984	323,016
Other	226,864	414,251	(187,387)
Capital Outlay	3,259,000	2,006,247	1,252,753
TOTAL EXPENDITURES	$ 7,243,364	$ 5,624,146	$ 1,619,218
NET CHANGE IN FUND BALANCE	$ (2,229,140)	$ (732,222)	$ 1,496,918
FUND BALANCE - JUNE 1, 2025	7,923,004	7,923,004	
FUND BALANCE - MAY 31, 2026	$ 5,693,864	$ 7,190,782	$ 1,496,918

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MAY 31, 2026

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2026

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

X	Retail Water		Wholesale Water		Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
	Parks/Recreation		Fire Protection	X	Security
	Solid Waste/Garbage		Flood Control		Roads
X	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify):				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

The following rates are based on the rate order approved May 19, 2026.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 11.00	10,000	N	$ 1.25	10,001 to 20,000
				$ 1.50	20,001 to 30,000
				$ 1.80	30,001 to 40,000
				$ 2.50	40,001 and up
WASTEWATER:	$ 25.00	30,000	N	$ 1.00	30,001 to 40,000
				$ 2.00	40,001 and up
SURCHARGE:					
Water Authority Fees			N	$ 2.35	0,001 and up

District employs winter averaging for wastewater usage? ____ Yes X No

Total monthly charges per 10,000 gallons usage: Water: $11.00 Wastewater: $25.00 Surcharge: $23.50

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2026

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered; 2.5"			x 1.0	
≤¾"	2,893	2,848	x 1.0	2,848
1"	232	225	x 2.5	563
1½"	13	13	x 5.0	65
2"	33	33	x 8.0	264
3"	1	1	x 15.0	15
4"	3	3	x 25.0	75
6"			x 50.0	
8"	1	1	x 80.0	80
10"	1		x 115.0	
Total Water Connections	3,177	3,124		3,910
Total Wastewater Connections	3,177	3,124	x 1.0	3,123

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	306,709,000	Water Accountability Ratio: 91.97% (Gallons billed and sold/Gallons pumped)
Gallons billed to customers:	272,487,000	
Gallons sold:	9,600,000	To: Harris County MUD No. 151

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2026

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes __ No X

Does the District have Operation and Maintenance standby fees? Yes __ No X

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2026

PROFESSIONAL FEES:		
Auditing	$	25,000
Engineering		98,676
Legal		78,300
TOTAL PROFESSIONAL FEES	$	201,976
WATER AUTHORITY ASSESSMENTS	$	807,841
PURCHASED WASTEWATER SERVICE	$	835,328
CONTRACTED SERVICES:		
Bookkeeping	$	76,036
Operations and Billing		210,067
Security		383,739
TOTAL CONTRACTED SERVICES	$	669,842
UTILITIES:		
Electricity	$	123,082
Telephone		12,595
TOTAL UTILITIES	$	135,677
REPAIRS AND MAINTENANCE	$	552,984
ADMINISTRATIVE EXPENDITURES:		
Consumer Confidence Report	$	12,476
Director Fees, Including Payroll Taxes		21,887
Insurance		81,545
Office Supplies and Postage		34,252
Arbitrage Compliance, Meetings, and Other		21,690
TOTAL ADMINISTRATIVE EXPENDITURES	$	171,850
CAPITAL OUTLAY	$	2,006,247
OTHER EXPENDITURES:		
Chemicals	$	60,026
Laboratory Fees		11,983
Permit Fees		7,759
Connection, Inspection and Reconnection Fees		68,977
Regulatory Assessment		6,985
Sludge Hauling		86,671
TOTAL OTHER EXPENDITURES	$	242,401
TOTAL EXPENDITURES	$	5,624,146

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
INVESTMENTS
MAY 31, 2026

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0001	Varies	Daily	$ 4,560,227	$
Certificate of Deposit	XXXX9904	4.05%	07/17/26	235,000	7,379
Certificate of Deposit	XXXX0409	3.60%	12/23/26	235,000	1,599
Certificate of Deposit	XXXX1280	3.65%	03/26/27	235,000	1,551
Certificate of Deposit	XXXX6297	4.30%	07/18/26	235,000	7,918
TOTAL GENERAL FUND				$ 5,500,227	$ 18,447
DEBT SERVICE FUND					
Texas CLASS	XXXX0003	Varies	Daily	$ 2,088,292	$
Certificate of Deposit	XXXX7222	3.70%	03/19/27	235,000	1,739
Certificate of Deposit	XXXX1159	4.25%	08/27/26	235,000	7,580
Certificate of Deposit	XXXX0753	3.75%	03/19/27	235,000	1,762
Certificate of Deposit	XXXX3518	4.15%	08/27/26	235,000	7,401
Certificate of Deposit	XXXX0146	3.65%	03/19/27	235,000	1,716
TOTAL DEBT SERVICE FUND				$ 3,263,292	$ 20,198
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 459	$ - 0 -
TOTAL - ALL FUNDS				$ 8,763,978	$ 38,645

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - JUNE 1, 2025	$ 117,492		$ 149,800	
Adjustments to Beginning Balance	9,706	$ 127,198	3,225	$ 153,025
Original 2025 Tax Levy	$ 2,089,586		$ 1,778,371	
Adjustment to 2025 Tax Levy	155,575	2,245,161	132,405	1,910,776
TOTAL TO BE ACCOUNTED FOR		$ 2,372,359		$ 2,063,801
TAX COLLECTIONS:				
Prior Years	$ 61,405		$ 53,402	
Current Year	2,167,908	2,229,313	1,845,028	1,898,430
TAXES RECEIVABLE - MAY 31, 2026		$ 143,046		$ 165,371
TAXES RECEIVABLE BY YEAR:				
2025		$ 77,253		$ 65,748
2024		26,310		23,450
2023		10,488		11,487
2022		8,420		9,568
2021		4,617		7,047
2020		3,353		6,401
2019		2,312		4,624
2018		1,436		3,976
2017		1,603		4,122
2016		1,064		3,964
2015 and prior		6,190		24,984
TOTAL		$ 143,046		$ 165,371

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2026

	2025	2024	2023	2022
PROPERTY VALUATIONS:				
Land	$ 237,405,045	$ 219,665,347	$ 145,065,469	$ 142,637,253
Improvements	759,442,472	797,609,701	862,947,439	738,645,624
Personal Property	30,958,155	29,710,338	27,833,185	19,503,427
Exemptions	(72,417,969)	(94,917,365)	(137,505,656)	(99,785,475)
TOTAL PROPERTY VALUATIONS	$ 955,387,703	$ 952,068,021	$ 898,340,437	$ 801,000,829
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.200	$ 0.205	$ 0.23	$ 0.25
Maintenance	0.235	0.230	0.21	0.22
TOTAL TAX RATES PER $100 VALUATION	$ 0.435	$ 0.435	$ 0.44	$ 0.47
ADJUSTED TAX LEVY*	$ 4,155,937	$ 4,141,497	$ 3,952,697	$ 3,764,704
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	96.56 %	98.80 %	99.44 %	99.52 %

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* Based upon adjusted tax at time of audit for the fiscal year in which the tax was levied.

Voters have approved a maximum maintenance tax rate of $1.00 per $100 of assessed valuation.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2026

Due During Fiscal Years Ending May 31	SERIES-2015 REFUNDING		
	Principal Due October 1	Interest Due October 1/ April 1	Total
2027	$ 680,000	$ 133,958	$ 813,958
2028	700,000	105,462	805,462
2029	720,000	82,458	802,458
2030	890,000	56,376	946,376
2031	1,295,000	20,979	1,315,979
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
	$ 4,285,000	$ 399,233	$ 4,684,233

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See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2026

Due During Fiscal Years Ending May 31	SERIES-2017 Principal Due October 1	Interest Due October 1/ April 1	Total
2027	$ 460,000	$ 321,294	$ 781,294
2028	475,000	307,269	782,269
2029	490,000	292,794	782,794
2030	515,000	277,719	792,719
2031	525,000	262,119	787,119
2032	560,000	245,844	805,844
2033	585,000	228,303	813,303
2034	605,000	209,709	814,709
2035	630,000	190,019	820,019
2036	650,000	168,813	818,813
2037	675,000	146,453	821,453
2038	700,000	122,812	822,812
2039	725,000	97,875	822,875
2040	755,000	71,503	826,503
2041	785,000	43,590	828,590
2042	810,000	14,681	824,681
	$ 9,945,000	$ 3,000,797	$ 12,945,797

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See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2026

Due During Fiscal Years Ending May 31	SERIES-2021 REFUNDING		
	Principal Due October 1	Interest Due October 1/ April 1	Total
2027	$ 430,000	$ 31,050	$ 461,050
2028	445,000	20,150	465,150
2029	465,000	11,050	476,050
2030	320,000	3,200	323,200
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
	$ 1,660,000	$ 65,450	$ 1,725,450

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See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2026

Due During Fiscal Years Ending May 31	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2027	$ 1,570,000	$ 486,302	$ 2,056,302
2028	1,620,000	432,881	2,052,881
2029	1,675,000	386,302	2,061,302
2030	1,725,000	337,295	2,062,295
2031	1,820,000	283,098	2,103,098
2032	560,000	245,844	805,844
2033	585,000	228,303	813,303
2034	605,000	209,709	814,709
2035	630,000	190,019	820,019
2036	650,000	168,813	818,813
2037	675,000	146,453	821,453
2038	700,000	122,812	822,812
2039	725,000	97,875	822,875
2040	755,000	71,503	826,503
2041	785,000	43,590	828,590
2042	810,000	14,681	824,681
	$ 15,890,000	$ 3,465,480	$ 19,355,480

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See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2026

Description	Original Bonds Issued	Bonds Outstanding June 1, 2025
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2015	$ 5,920,000	$ 4,980,000
Harris County Municipal Utility District No. 109 Unlimited Tax Bonds - Series 2017	12,100,000	10,390,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2021	3,705,000	2,070,000
TOTAL	$ 21,725,000	$ 17,440,000

Bond Authority:	Utility Bonds	Refunding Bonds
Amount Authorized by Voters	$ 61,830,000	$ 32,730,000
Amount Issued	(48,880,000)	(1,058,800)
Remaining to be Issued	$ 12,950,000	$ 31,671,200

Debt Service Fund cash and investment balances as of May 31, 2026:	$ 3,390,745
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,209,718

See Note 3 for interest rates, interest payment dates and maturity dates.

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See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding May 31, 2026	Paying Agent
$	$ 695,000	$ 133,958	$ 4,285,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	445,000	334,869	9,945,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	410,000	43,650	1,660,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
$ - 0 -	$ 1,550,000	$ 512,477	$ 15,890,000	

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See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 2,229,313	$ 2,169,125	$ 1,897,371
Water Service	608,927	584,808	598,570
Wastewater Service	817,207	778,278	646,785
Water Authority Fees	617,255	678,872	1,151,321
Penalty and Interest	78,958	95,850	93,240
Connection and Inspection Fees	53,713	278,145	39,017
Sales Tax Revenues	99,415	88,078	98,566
Water Authority Credits	147,135	147,135	147,135
Settlement, Investment and Other Revenues	240,001	325,507	647,211
TOTAL REVENUES	$ 4,891,924	$ 5,145,798	$ 5,319,216
EXPENDITURES			
Professional Fees	$ 201,976	$ 164,011	$ 189,200
Contracted Services	669,842	536,916	510,231
Purchased Wastewater Service	835,328	837,186	878,635
Utilities	135,677	134,604	147,029
Repairs and Maintenance	552,984	739,770	535,588
Water Authority Assessments	807,841	911,686	1,313,382
Other	414,251	292,346	237,736
Capital Outlay	2,006,247	749,997	425,664
TOTAL EXPENDITURES	$ 5,624,146	$ 4,366,516	$ 4,237,465
NET CHANGE IN FUND BALANCE	$ (732,222)	$ 779,282	$ 1,081,751
BEGINNING FUND BALANCE	7,923,004	7,143,722	6,061,971
ENDING FUND BALANCE	$ 7,190,782	$ 7,923,004	$ 7,143,722

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See accompanying independent auditor's report.

2023	2022	Percentage of Total Revenues 2026	2025	2024	2023	2022
$ 1,716,071	$ 1,352,957	45.7 %	42.1 %	35.5 %	35.0 %	33.8 %
613,963	515,471	12.4	11.4	11.3	12.5	12.9
651,000	613,652	16.7	15.1	12.2	13.3	15.3
1,365,774	1,163,402	12.6	13.2	21.6	27.9	29.0
92,580	69,599	1.6	1.9	1.8	1.9	1.7
61,507	37,402	1.1	5.4	0.7	1.3	0.9
97,715	94,395	2.0	1.7	1.9	2.0	2.4
147,135	147,135	3.0	2.9	2.8	3.0	3.7
154,021	11,447	4.9	6.3	12.2	3.1	0.3
$ 4,899,766	$ 4,005,460	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 115,516	$ 140,891	4.1 %	3.2 %	3.6 %	2.4 %	3.5 %
468,361	389,329	13.7	10.4	9.6	9.6	9.7
445,175	501,126	17.1	16.3	16.5	9.1	12.5
143,454	123,854	2.8	2.6	2.8	2.9	3.1
695,897	510,459	11.3	14.4	10.1	14.2	12.7
1,672,615	1,482,690	16.5	17.7	24.7	34.1	37.0
280,393	204,613	8.5	5.7	4.5	5.7	5.1
125,713	109,992	41.0	14.6	8.0	2.6	2.7
$ 3,947,124	$ 3,462,954	115.0 %	84.9 %	79.8 %	80.6 %	86.3 %
$ 952,642	$ 542,506	(15.0) %	15.1 %	20.2 %	19.4 %	13.7 %
5,109,329	4,566,823					
$ 6,061,971	$ 5,109,329					

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See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 1,898,430	$ 1,955,873	$ 2,084,995
Penalty and Interest	68,433	77,227	63,078
Investment and Miscellaneous Revenues	126,953	130,326	140,728
TOTAL REVENUES	$ 2,093,816	$ 2,163,426	$ 2,288,801
EXPENDITURES			
Tax Collection Expenditures	$ 100,512	$ 97,546	$ 100,940
Debt Service Principal	1,550,000	1,505,000	1,455,000
Debt Service Interest and Fees	514,052	544,127	585,344
Bond Issuance Costs			
TOTAL EXPENDITURES	$ 2,164,564	$ 2,146,673	$ 2,141,284
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (70,748)	$ 16,753	$ 147,517
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Refunding Bonds	$	$	$
Payment to Refunded Bond Escrow Agent			
Bond Premium			
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ (70,748)	$ 16,753	$ 147,517
BEGINNING FUND BALANCE	2,888,288	2,871,535	2,724,018
ENDING FUND BALANCE	$ 2,817,540	$ 2,888,288	$ 2,871,535
TOTAL ACTIVE RETAIL WATER CONNECTIONS	3,124	3,128	3,132
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	3,124	3,128	3,132

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See accompanying independent auditor's report.

2023	2022	Percentage of Total Revenues 2026	2025	2024	2023	2022
$ 1,961,484	$ 2,085,542	90.6 %	90.4 %	91.1 %	93.4 %	96.1 %
53,768	55,626	3.3	3.6	2.8	2.6	2.6
83,851	29,127	6.1	6.0	6.1	4.0	1.3
$ 2,099,103	$ 2,170,295	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 83,377	$ 94,125	4.8 %	4.5 %	4.4 %	4.0 %	4.3 %
1,260,000	1,135,000	74.0	69.6	63.6	60.0	52.3
624,398	677,078	24.6	25.2	25.6	29.7	31.2
	149,710					6.9
$ 1,967,775	$ 2,055,913	103.4 %	99.3 %	93.6 %	93.7 %	94.7 %
$ 131,328	$ 114,382	(3.4) %	0.7 %	6.4 %	6.3 %	5.3 %
$	$ 3,705,000					
	(3,768,567)					
	223,726					
$ - 0 -	$ 160,159					
$ 131,328	$ 274,541					
2,592,690	2,318,149					
$ 2,724,018	$ 2,592,690					
3,123	3,124					
3,123	3,124					

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See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2026

District Mailing Address - Harris County Municipal Utility District No. 109
c/o Norton Rose Fulbright US LLP
1550 Lamar Street, Suite 2000
Houston, TX 77010

District Telephone Number - (713) 651-5151

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended May 31, 2026	Expense Reimbursements for the year ended May 31, 2026	Title
Owen H. Parker	05/24 – 05/28 (Elected)	$ 6,851	$ 480	President
Chris Green	05/24 – 05/28 (Elected)	$ 5,746	$ 857	Vice President
Cheryl Moore	05/22 – 05/26 (Elected)	$ 2,652	$ 359	Secretary
Robin Sulpizio	05/22 – 05/26 (Elected)	$ 2,873	$ 841	Assistant Secretary
Dennis Bone	11/24 – 05/26 (Appointed)	$ 2,210	$ -0-	Assistant Secretary

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Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The most recent submission date of the District Registration Form was on December 12, 2024.

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution on August 20, 2003. Fees of Office are the amounts actually paid to a Director during the District's current period.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2026

Consultants:	Date Hired	Fees for the year ended May 31, 2026	Title
Norton Rose Fulbright US LLP	07/29/74	$ 78,823	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	05/24/16	$ 25,000	Auditor
Municipal Accounts & Consulting, L.P.	02/27/17	$ 76,748	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/19/96	$ 3,587	Delinquent Tax Attorney
Brown & Gay Engineers, Inc.	09/19/84	$ 450,656	Engineer
Robert W. Baird & Co.	02/17/15	$ -0-	Financial Advisor
Water Wastewater Management Services, Inc.	03/20/01	$ 751,466	Operator
Harris County	Annually	$ 333,000	Security
Bill Spencer	08/15/95	$ 29,636	Tax Assessor/ Collector

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See accompanying independent auditor's 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)

September 15, 2026

Board of Directors
Harris County Municipal
Utility District No. 109

We have audited the financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 109 (the "District") for the year ended May 31, 2026. Professional standards require 3that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our audit continuance letter dated May 20, 2025. Professional standards also require that we communicate to you the following information related to our audit. For the purposes of this letter, the term "management" refers to the Board of Directors and/or District consultants.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by the District, including new accounting policies, if any, that have been adopted and implemented during the current fiscal year, are discussed in Note 2. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were management's estimate of depreciable lives of capital assets. Depreciation of infrastructure assets is based on industry wide accepted estimated useful lives taken on a straight-line basis, or on the life of the applicable contract in the case of intangible assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The District's Bookkeeper and Board of Directors will be provided with all such adjustments.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 15, 2026.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to perform the following non-attest services for the District: (1) preparation of financial statements and related notes and schedules in conformity with accounting principles generally accepted in the United States of America and (2) preparation of the capital assets schedule. These services were performed based on information provided by you. We performed these services in accordance with applicable professional standards. The non-attest services we performed are limited to those specifically defined and did not result in assuming management responsibilities.

We applied certain limited procedures to the Management's Discussion and Analysis and the budgetary comparison schedule for the General Fund, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information required by the Texas Commission on Environmental Quality, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

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

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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)

September 15, 2026

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

In planning and performing our audit of the financial statements of Harris County Municipal Utility District No. 109 (the "District") as of and for the year ended May 31, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the District's financial statements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Material Weaknesses

This year, and last year, we observed the following matters that we consider to be control deficiencies, significant deficiencies or material weaknesses.

The District's management consists of an elected Board of Directors (the "Directors"). In most cases the day-to-day operations are performed by private companies ("Consultants") under contract with the District. The Directors of the District supervise the performance of the Consultants; however, although the Consultants can be part of the District's system of internal control, the Consultants are not members of management. Ultimately, the Directors of the District are responsible for the design and implementation of the system of internal control.

As is common within the system of internal control of most small organizations, the accounting function of the District does not prepare the financial statements complete with footnotes in accordance with accounting principles generally accepted in the United States of America. Accordingly, the District has not established internal controls over the preparation of its financial statements. This condition is considered to be a material weakness of the District's system of internal control over financial reporting.

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Material Weaknesses (Continued)

During the course of performing an audit, it is not unusual for the auditor to prepare various journal entries to present the financial statements on the government-wide basis of accounting. Management's reliance upon the auditor to detect and make these necessary adjustments is considered to be a material weakness in internal control. In addition, the District's Management relies on the District's auditor to prepare the capital asset and depreciation schedules and post adjustments related to the presentation of the capital assets in the government-wide financial statements. This reliance on the auditor to perform this function is considered to be a material weakness in the system of internal control. Auditing standards does not make exceptions for reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive.

We agree with the objective of auditing standards to inform an organization of all the conditions in its internal control that interfere with its ability to record financial data reliably and issue financial statements free of material misstatement. Communication of the material weaknesses above helps to emphasize that the responsibility for financial reporting rests entirely with the organization and not the auditor.

Management's Response

The Board engages consultants who possess industry knowledge and expertise to provide financial services, as well as legal and professional engineering services. Based on the auditor's unmodified opinion and after reading the financial statements, the Board believes the financial statements to be materially correct. The Board does not think that the addition of an employee or consultant to oversee the annual financial reporting process is necessary nor would it be cost effective.

Conclusion

Management's written response to the material weaknesses identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the Board of Directors and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

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

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
HARRIS COUNTY, TEXAS
SEPTEMBER 15, 2026

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
13100 Wortham Center Drive, Suite 235
Houston, Texas 77065-5610

Ladies and Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of Harris County Municipal Utility District No. 109 (the "District"), which comprise the respective financial position of the governmental activities and each major fund as of May 31, 2026, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 15, 2026, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit continuance letter dated May 20, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) The effects of uncorrected misstatements, if any, are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements, if any, are attached to the representation letter.

9) The effects of all known actual or possible litigation, claims, and assessments, if any, have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves -

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning such litigation, claims, or assessments.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us, if any.

21) We have a process to track the status of audit findings and recommendations, if any.

22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report as needed.

25) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

27) We have appropriately identified, measured, recognized, recorded, and/or disclosed the following (if applicable): all leases in accordance with GASB Statement No. 87; conduit debt obligations and/or certain arrangements with conduit debt obligations in accordance with GASB Statement No. 91; public-private and public-public partnerships and availability payment arrangements in accordance with GASB Statement No. 94; subscription-based information technology arrangements in accordance with GASB Statement No. 96; and compensated absences and other salary-related payments in accordance with GASB Statement No. 101.

28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

30) As part of your audit, you assisted with preparation of the financial statements and disclosures and depreciation schedule. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and depreciation schedule.

31) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

32) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

34) There are no fiduciary activities required to be disclosed in the financial statements in accordance with GASB Statement No. 84, as amended.

35) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.

36) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

38) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.

39) Provisions for uncollectible receivables have been properly identified and recorded.

40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

43) Special and extraordinary items (unusual items or infrequent items after implementing GASB Statement No. 103), if any, are appropriately classified and reported.

44) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

46) The District did not meet the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.

47) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

48) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

50) With respect to the supplementary information required by the Texas Commission on Environmental Quality (Commission) as published in the Water District Financial Management Guide,

    a) We acknowledge our responsibility for presenting this information in accordance with the Commission's requirements, and we believe this information, including its form and content, is fairly presented in accordance with the Commission's requirements. The methods of measurement and presentation of this information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b) If this information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

Signatures of the Board of Directors

_____ _____

_____ _____

_____

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

ANNUAL REPORT OF FINANCIAL INFORMATION AND OPERATING DATA
(Pursuant to S.E.C. Rule 15c2-12)

Related to:

Unlimited Tax Bonds, Series 2017
Unlimited Tax Refunding Bonds, Series 2021

Base CUSIP No. 414910

This Annual Report of Financial Information and Operating Data ("Annual Report") is filed by Harris County Municipal Utility District No. 109 (the "District"), pursuant to the terms of an Order dated January 17, 2017 (the "2017 Order"), under which the District's Series 2017 Bonds (the "2017 Bonds") were issued, and an Order dated September 21, 2021 (the "2021 Order," and collectively with the 2017 Order and the 2021 Order, the "Orders"), under which the District's Series 2021 Bonds (the "2021 Bonds," and collectively with the 2017 Bonds, the "Bonds") were issued. This Annual Report relates to the Bonds. The 2017 Bonds are described in the District's Official Statement dated January 17, 2017 and the 2021 Bonds are described in the District's Official Statement dated October 5, 2021.

Terms used herein that are not defined herein shall have the meanings ascribed to such terms in the District's Official Statements dated January 17, 2017 and October 5, 2021, which are on file with the Municipal Securities Rulemaking Board.

The information in this Annual Report is provided solely to comply with the District's contractual commitment established by the Orders to provide the information specified therein. This Annual Report is not made by the District in connection with a purchase or sale of Bonds and accordingly is not intended to contain all information material to a decision to purchase or sell Bonds.

Harris County Municipal Utility District No. 109
c/o Norton Rose Fulbright US LLP
1550 Lamar Street, Suite 2000
Houston, Texas 77010-4106
713/651-5259
Contact Person: Dimitri Millas

DISTRICT DEBT

District Debt
The information under this caption is included in the audited financial statements of the District attached hereto.

TAX DATA

Historical Tax Collections
The information under this caption is included in the audited financial statements of the District attached hereto.

Analysis of Tax Base
The information under this caption is included in the audited financial statements of the District attached hereto.

Principal Taxpayers
The following list of principal taxpayers was provided by the District's Tax Assessor/Collector based upon the 2025 tax roll:

Property Owner	Description	Taxable Value
CONCOBAR IV LLC	Land & Improvements	$5,517,500
CENTERPOINT ENERGY HOU	Personal Property	$5,062,940
PEET HOTELS INC	Land & Improvements	$4,359,703
HDP 1960 LLC	Land & Improvements	$4,199,484
ML3 PROPERTIES HOUSTON LL	Land & Improvements	$3,866,657
RICE TREE INC	Land & Improvements	$3,669,778
5311 ATAS LLC	Land & Improvements	$3,577,368
FRONTIER CUSTOM BUILDERS	Land & Improvements	$3,476,101
ALEXANDER ARTHUR	Land & Improvements	$3,041,580
FKH SFR R LP	Land & Improvements	$3,020,609

THE SYSTEM

Water

The District is served with potable water by two groundwater supply plants. According to the engineer for the District, the total capacity is sufficient to serve 6,667 equivalent single-family connections. The Historical Operations of the System are included in the audited financial statements of the District attached hereto.

Wastewater

Permanent wastewater treatment for Atascocita (Harris County MUD Nos. 46, 106, 132, 151, 152, 153, and 494) and the District is being provided by a regional sewage treatment plant (the "Regional Plant"). The Regional Plant has a total capacity of nine million gallons per day ("gpd"), of which the District owns 2.10 million gpd capacity. According to the engineer, this capacity is sufficient to serve approximately 6,563 equivalent single-family connections within the District.

AUDITED FINANCIAL STATEMENTS

Audited financial statements of the District for its fiscal year ending May 31, 2026 are attached hereto.

MISCELLANEOUS

The information set forth herein has been obtained from the District's records and other sources which are considered reliable. Any statement in this Annual Report which includes a matter of opinion, whether or not expressly so stated, is intended as such, and not as a representation of fact. The information contained in this Annual Report is provided as of the respective dates specified herein and is subject to change without notice, and the filing of this Annual Report shall not, under any circumstances, create any implication that there has been no change in the affairs of the District or in the other matters described herein since the date as of which such information is provided.

The historical information set forth in this Annual Report is not necessarily indicative of future results or performance due to various factors, including, among others, those discussed in the District's Official Statements pertaining to the Bonds. Such Official Statements are on file with the Municipal Securities Rulemaking Board.

In the Orders, the District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement. See "Continuing Disclosure of Information" in the Official Statements.

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 14th day of September 2026.

Michelle Guerrero

NOTARY PUBLIC, STATE OF TEXAS

MICHELLE GUERRERO
My Notary ID # 11179075
Expires April 10, 2030

(SEAL)

Submitted to Taxing Unit's Governing Body on _____.

HARRIS COUNTY MUD #109

TAX ASSESSOR/COLLECTOR'S REPORT

8/31/2026

Taxes Receivable: 8/31/2025	$ .00	
Reserve for Uncollectables	(.00)	
Adjustments	203,484.73	$ 203,484.73
Original 2025 Tax Levy	$ 3,867,956.35	
Adjustments	282,655.19	4,150,611.54
Total Taxes Receivable		**$ 4,354,096.27**
Prior Years Taxes Collected	$ 44,827.52	
2025 Taxes Collected (97.5%)	4,050,131.65	4,094,959.17
Taxes Receivable at: 8/31/2026		**$ 259,137.10**

2025 Receivables:

Debt Service	46,247.65
Maintenance	54,340.99

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 8/2026	Fiscal to Date 6/01/2026 - 8/31/2026
Beginning Cash Balance	**$**	**79,752.56**	**127,453.45**
Receipts:			
Current & Prior Years Taxes		10,622.56	43,949.73
Penalty & Interest		2,627.16	8,888.81
Additional Collection Penalty		1,943.17	5,636.22
Overpayments		16.93	279.82
Stop Payment on Check			217.50
Funds Pending Certification			1.09
Refund - due to adjustments		362.25	6,991.24
Rendition Penalty			73.39
TOTAL RECEIPTS	**$**	**15,572.07**	**66,037.80**
Disbursements:			
Atty's Fees, Delq. collection			6,406.12
CAD Quarterly Assessment			8,149.00
Refund - due to adjustments		3,758.40	7,750.73
Refund - due to overpayments		262.89	328.66
Transfer to Debt Service Fund		15,000.00	60,000.00
Transfer to General Fund		7,569.93	34,298.50
Tax Assessor/Collector Fee		3,327.85	9,983.55
Reissue Stop Pymt Ck		217.50	217.50
Rendition Penalty CAD Portion			30.07
Postage/Deliveries		90.50	588.39
Copies			343.12
Mileage Expense		101.50	152.25
Meeting Attendance - Night			120.00
Envelopes - May Del Stmts			102.30
Tax Lien Transfers		80.00	80.00
Positive Pay		25.00	50.00
TOTAL DISBURSEMENTS	**($**	**30,433.57)**	**(128,600.19)**
CASH BALANCE AT: 8/31/2026	**$**	**64,891.06**	**64,891.06**

HARRIS COUNTY MUD #109

Disbursements for month of September, 2026

Check#	Payee		Description		Amount
	W/T to Debt Srv Fund	9/14/26	Transfer to Debt Service Fund	$	5,000.00
	W/T to General Fund	9/14/26	Transfer to General Fund		5,145.56
1096	PBFCM, LLP		Atty's Fees, Delq. collection		905.72
1097	HCAD		CAD Quarterly Assessment		8,418.00
1098	Davis Elliott		Refund - due to adjustments		36.00
1099	Fridel Larry D		Refund - due to adjustments		217.50
1100	Allen Erma Faye		Refund - due to adjustments		108.75
1101	Bond Debbie L		Refund - due to overpayments		16.93
1102	Bob Leared		Tax Assessor/Collector Fee		3,900.51
TOTAL DISBURSEMENTS				$	23,748.97
Remaining Cash Balance				$	41,142.09

Stellar Bank

HARRIS COUNTY MUD #109

HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 8/2026	Adjustments To Collections 8/2026	Total Tax Collections at 8/31/2026	Total Taxes Receivable at 8/31/2026	Collection Percentage
2025	7,164.76	217.50-	4,050,131.65	100,588.64	97.577
2024	1,402.92	108.75-	29,844.48	46,227.12	98.882
2023	752.47		9,880.25	20,824.91	99.473
2022	730.33		2,591.62	16,992.36	99.546
2021	669.76	36.00-	965.08	10,897.09	99.677
2020	97.98		356.95	9,537.42	99.698
2019	89.07		150.06	6,786.05	99.780
2018	77.52		77.52	5,334.80	99.816
2017				5,725.08	99.802
2016			124.78	4,902.85	99.825
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
1998				158.57	99.988
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	954,163,528	13 / 13	.435000	282,655.19		4,150,611.54
2024	950,578,283	24 / 24	.435000	2,913.65-		4,135,015.53
2023	897,279,092	36 / 36	.440000	1,602.93		3,948,028.00
2022	795,725,551	48 / 48	.470000	1,484.73		3,739,910.10
2021	702,959,810	60 / 60	.480000	81.59		3,374,207.08
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
1998	197,957,174	17 / 17	.680000			1,346,040.98
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	1,908,327.08	.235000	2,242,284.46
2024	.205000	1,948,685.61	.230000	2,186,329.92
2023	.230000	2,063,742.02	.210000	1,884,285.98
2022	.250000	1,989,313.91	.220000	1,750,596.19
2021	.290000	2,038,583.56	.190000	1,335,623.52
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
1998	.630000	1,336,143.68	.050000	9,897.30
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

Notes:

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

$ 362.25 - REPORTED AS TAXES COLLECTED ON 12/21, 01/25 & 01/26 REPORTS,
TRANSFERRED TO REFUND OF ADJUSTMENTS DUE TO CAD C/R# 13, 24 & 60
2021 TAXES - #0001-004-0040 - $ 36.00
2024 TAXES - #0280-018-0050 - $ 108.75
2025 TAXES - #0280-018-0050 - $ 108.75
#0602-001-0050 - $ 108.75

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 11/12/25 - 11/12/28	11/13/2025	250.00

Adjustment Summary:	2025	
11/2025	/ ROLL 003	285,748.20
12/2025	/ ROLL 005	2,264.42
1/2026	/ ROLL 006	1,488.55-
2/2026	/ ROLL 007	41.48
3/2026	/ ROLL 008	647.96-
4/2026	/ ROLL 009	3,112.25
5/2026	/ ROLL 010	1,049.47-
6/2026	/ ROLL 011	2,842.23-
7/2026	/ ROLL 012	2,156.70-
8/2026	/ ROLL 013	326.25-
TOTAL		282,655.19

HARRIS COUNTY MUD #109
Homestead Payment Plans

Account no.	Tax Year	Last Payment Amount	Last Payment Date	Balance Due
(I) 0101-000-0010	2018	.00	None	721.76
	2019	.00	None	911.61
	2021	.00	None	1,177.06
	2022	.00	None	1,292.45
	2023	.00	None	1,225.64
*				5,328.52
(I) 0202-014-0040	2025	.00	None	1,405.07
(I) 0403-001-0410	2025	117.98	09/01/26	568.24
(I) 0406-003-0130	2025	225.00	09/08/26	469.62

***Total Count 4**

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

Standard Payment Plans

Account no.	Tax Year	Last Payment Amount	Last Payment Date	Balance Due

***Total Count 0**

CEDAR CREEK
MUNICIPAL ADVISORS

September 15, 2026

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

Re: Levy of 2026 Tax Rate

Dear Board Members:

The Harris Central Appraisal District has recently certified the 2026 value for your district at $892,898,892 and an additional $52,642,998 remains uncertified. The uncertified value represents the owners' opinion of value under review and is the estimated minimum amount of value that will be ultimately certified by the Harris Central Appraisal District. For the 2026 tax year, we anticipate the District will be classified as a Developing District for the purposes of determining the rollback tax rate. Last year, the District's value was certified at $954,163,528 and the Board of Directors levied a total tax rate of $0.435 per $100 of assessed valuation. The tax rate was composed of a maintenance tax rate of $0.235 per $100 of assessed valuation and a debt service tax rate of $0.20 per $100 of assessed valuation. For illustration purposes, we have enclosed the cash flow analysis based upon our 2026 recommended debt service tax rate. This analysis is based upon the following assumptions:

1) A 2026 net taxable value of $945,541,890 (a decrease of approximately 0.90%);
2) 98% tax collections;
3) No growth beyond January 1, 2026;
4) Debt Service Fund balance of $3,321,621 as of August 18, 2026;
5) Interest earnings of 2.00% on surplus funds; and
6) Adequate ending debt service coverage balances.

Based on this analysis, we are recommending the Board of Directors consider levying a 2026 total tax rate of $0.425 per $100 of assessed valuation composed of a maintenance tax rate of $0.235 per $100 of assessed valuation and a debt service tax rate of $0.19 per $100 of assessed valuation.

Sincerely,
Cedar Creek Municipal Advisors, LLC

Stephen M. Eustis
Managing Director

Enclosure(s)

Harris County Municipal Utility District No. 109

2026 Debt Service Tax Rate Analysis

No growth beyond January 1, 2026

Year Ending 12/31	Beginning Fund Balance as of 08/18/2026	Fund Interest Earnings @ 2.000%	Prior Year AV	AV Growth Percentage	Tax Rate / $100 of AV	Tax Collections @ 98.00%	Total Funds Available	Current Debt Service	Total Debt Service	Ending Balance	Debt Service Coverage %
2026	3,321,621	24,571	954,163,528			-	3,346,191	1,822,264	1,822,264	1,523,928	73.414%
2027	1,523,928	30,479	945,541,890	-0.904%	0.190000	1,760,599	3,315,005	2,075,796	2,075,796	1,239,209	59.435%
2028	1,239,209	24,784	945,541,890		0.190000	1,760,599	3,024,593	2,084,966	2,084,966	939,627	45.009%
2029	939,627	18,793	945,541,890		0.190000	1,760,599	2,719,018	2,087,638	2,087,638	631,381	**29.615%**
2030	631,381	12,628	945,541,890		0.190000	1,760,599	2,404,607	2,131,952	2,131,952	272,655	33.486%
2031	272,655	5,453	945,541,890		0.190000	1,760,599	2,038,708	814,244	814,244	1,224,464	148.881%
2032	1,224,464	24,489	945,541,890		0.190000	1,760,599	3,009,552	822,444	822,444	2,187,108	265.373%
2033	2,187,108	43,742	945,541,890		0.190000	1,760,599	3,991,449	824,163	824,163	3,167,287	381.483%
2034	3,167,287	63,346	945,541,890		0.190000	1,760,599	4,991,232	830,256	830,256	4,160,975	501.454%
2035	4,160,975	83,220	945,541,890		0.190000	1,760,599	6,004,794	829,781	829,781	5,175,013	621.367%
2036	5,175,013	103,500	945,541,890		0.190000	1,760,599	7,039,112	832,844	832,844	6,206,268	743.210%
2037	6,206,268	124,125	945,541,890		0.190000	1,760,599	8,090,993	835,063	835,063	7,255,930	868.389%
2038	7,255,930	145,119	945,541,890		0.190000	1,760,599	9,161,648	835,563	835,563	8,326,085	990.979%
2039	8,326,085	166,522	945,541,890		0.190000	1,760,599	10,253,206	840,188	840,188	9,413,018	1116.850%
2040	9,413,018	188,260	945,541,890		0.190000	1,760,599	11,361,878	842,819	842,819	10,519,059	1253.220%
2041	10,519,059	210,381	945,541,890		0.190000	1,760,599	12,490,039	839,363	839,363	11,650,677	
Totals		**1,269,411**				**26,408,985**		**19,349,340**	**19,349,340**		
				Average Tax Rate:	**0.190000**						

CEDAR CREEK
MUNICIPAL ADVISORS

Maintenance Tax Rate Information

Maintenance taxes are levied at the discretion of the Board of Directors of the District. Should the Board determine that a maintenance tax is necessary, we estimate the following:

2025 M&O Tax Rate	$	0.23500	@ a 98.00% collections rate generated $2,197,439.
Proposed 2026 M&O Tax Rate	$	0.23500	@ a 98.00% collections rate generates $2,177,583.
Parity M&O Tax Rate	$	0.23710	@ a 98.00% collections rate generates $2,197,042.
M&O Tax Rate to Balance Budget	$	0.07500	@ a 98.00% collections rate generates $694,973.
Maximum Authorized M&O Tax Rate	$	1.00000	
Value of One Penny	$	92,663	@ a 98.00% collections rate.

Last Year's Average Homestead Value	$	312,476
Last Year's Average Tax Bill	$	1,359
This Year's Average Homestead Value	$	313,803
This Year's Proposed Average Tax Bill	$	1,334
Percentage Change		-1.88%
Value of One Penny on This Year's Average Tax Bill	$	31

Proposed 2026 Total Tax Rate	$	0.42500	
Parity Tax Rate	$	0.43320	
Type of District		Developing District	
Total Rate to Avoid a Rollback Election	$	0.46780	
2026 M&O Rollback Rate	$	0.25270	@ a 98.00% collections rate generates $2,341,597.

CEDAR CREEK
MUNICIPAL ADVISORS

CERTIFICATE FOR ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKING OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2026

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

We, the undersigned officers of the Board of Directors (the "*Board*") of Harris County Municipal Utility District No. 109 (the "*District*") hereby certify as follows:

1. The Board convened in regular session, open to the public, on September 15, 2026, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, and the roll was called of the members 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, except _____, thus constituting a quorum. Whereupon among other business, the following was transacted at such Meeting:

ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKING OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2026

was duly introduced for the consideration of the Board and read in full. It was then duly moved and seconded that such Order be adopted; and, after due discussion, such motion, carrying with it the adoption of such Order, prevailed and carried by the following votes:

AYES: _____ NOES: _____

A true, full, and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such Meeting and each of such officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public, and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED this _____, 2026

HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 109

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

(DISTRICT SEAL)

ORDER DESIGNATING OFFICER TO CALCULATE
AND PUBLISH TAX RATES
AND TAKING OTHER ACTIONS IN CONNECTION
WITH THE LEVY OF A TAX FOR 2026

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

WHEREAS, the chief appraiser of the HCAD has prepared and certified to the Tax Assessor and Collector for the District, the District's tax roll for 2026;

WHEREAS, an officer or employee designated by the Board of Directors (the "Board") of the District is required to calculate and publish certain information in accordance with Section 49.236 of the Texas Water Code and the directions of the Comptroller of Public Accounts of the State of Texas (the "Comptroller");

WHEREAS, the Board must determine the District's development status to prepare such information;

WHEREAS, the Board must preliminarily decide the 2026 tax rate it proposes to adopt to enable it to publish notice and hold a hearing prior to adopting such tax rate;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109:

The Board hereby designates Ms. Odette Champion, Tax Assessor and Collector for the District, as its representative to calculate and publish in the form prescribed by the Comptroller all information required by Section 49.236 of the Texas Water Code and the directions of the Comptroller.

The Board hereby finds that it is a developed water district as defined in Section 49.23602 of the Texas Water Code.

At a subsequent meeting, the Board shall consider a proposal to levy an ad valorem tax for the year 2026 at the rate of $[0.__ per $100 assessed valuation ($0.__ per $100 assessed valuation to pay principal and interest to service the District's debts in the next year and $0.__ per $100 assessed valuation to fund maintenance and operating expenditures)].

The Board hereby calls a public hearing on the proposed tax rate at 5:30 p.m. on October 20, 2026, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, and authorizes and instructs the Tax Assessor and Collector for the District to publish notice of such hearing in accordance with section 49.236 of the Texas Water Code.

The President or the Vice President and Secretary or Assistant Secretary are authorized on behalf of the Board to evidence adoption of this Order and to do any and all things appropriate or necessary to give effect to the intent hereof.

* * *

CERTIFICATE FOR ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKING OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2026

THE STATE OF TEXAS §
COUNTY OF HARRIS §
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SIGNED AND SEALED this _____, 2026

HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 109

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

(DISTRICT SEAL)

ORDER DESIGNATING OFFICER TO CALCULATE
AND PUBLISH TAX RATES
AND TAKING OTHER ACTIONS IN CONNECTION
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COUNTY OF HARRIS §
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* * *

MUNICIPAL ACCOUNTS & CONSULTING, L.P.

Bookkeeper's Report | September 15, 2026

Harris County Municipal Utility District No. 109

Exhibit I

WEBSITE
www.municipalaccounts.com

ADDRESS
1281 Brittmoore Road
Houston, Texas 77043

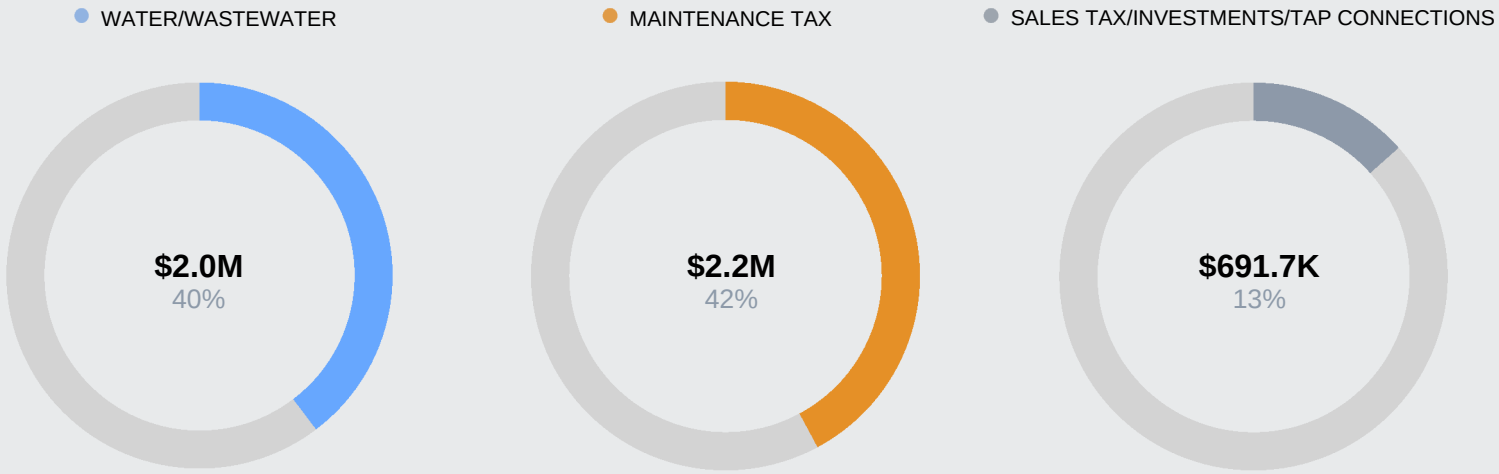
CONTACT
Phone: 713.623.4539
Fax: 713.629.6859

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Harris County MUD No. 109
BOOKKEEPER'S REPORT | 09/15/2026

Spotlight On Long Term Planning & Balancing Revenues

Most Districts have 2 major revenue streams that can fund District Operations. These are Water & Wastewater Revenues and M&O Property Tax Revenues. In addition, most Districts have multiple 'Other' Revenue streams that can contribute, but are usually not as significant, unless the 'Other' is extraordinary Sales Tax Revenue. For long term planning, ensuring your M&O Property Tax and Water & Wastewater revenues are covering at least 90% of your expenses is prudent. Investment revenues are unpredictable, Tap Connection revenue disappears as you are built out and Sales Tax can ebb and flow based on the economy. Fixed expenses need fixed revenues. Balancing these revenues to ensure you are covering all expenses as well as building proper reserves should be an ongoing exercise for your District.

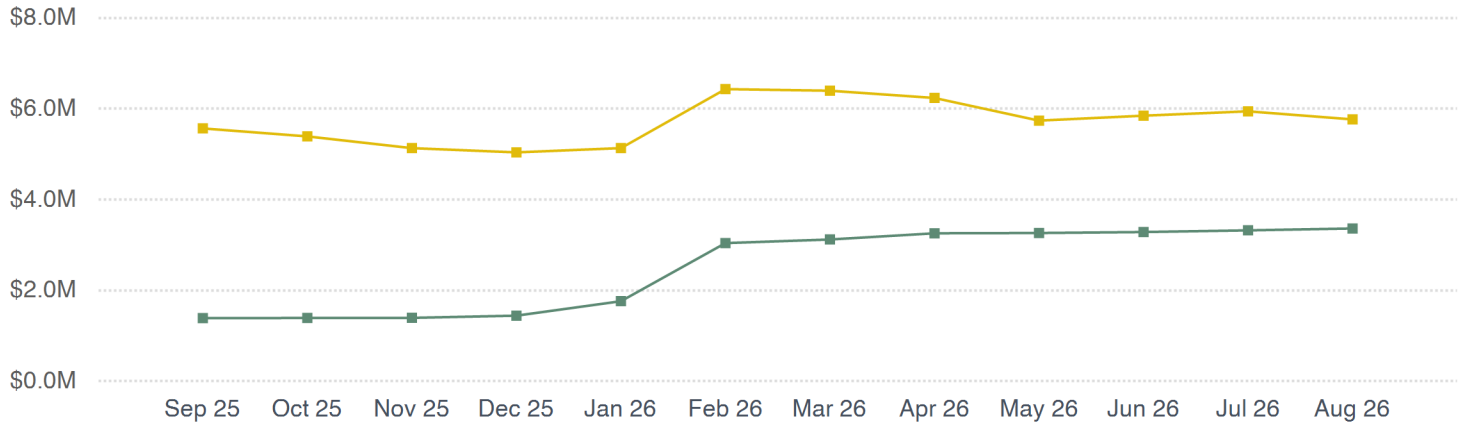


Account Balance | As of 09/15/2026

General Operating	Debt Service
$5,519,268	$3,363,296

Total For All Accounts: $8,882,564

Account Balance By Month | September 2025 - August 2026



Monthly Financial Summary - General Operating Fund

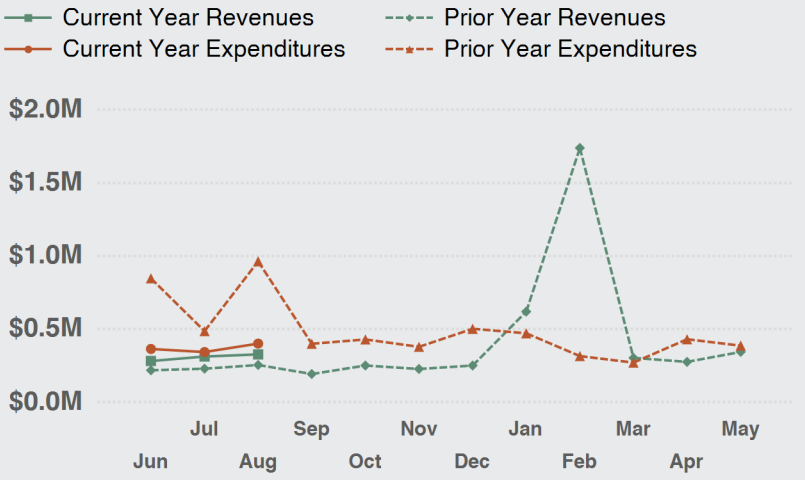
Harris County MUD No. 109 - GOF

Account Balance Summary

Balance as of 08/19/2026	**$5,578,832**
Receipts	614,908
Disbursements	(674,472)
Balance as of 09/15/2026	**$5,519,268**

Overall Revenues & Expenditures

By Month (Year to Date)



August 2026

Revenues

Actual	Budget	Over/(Under)
$326,408	$300,055	$26,353

Expenditures

Actual	Budget	Over/(Under)
$400,270	$427,784	($27,514)

June 2026 - August 2026 (Year to Date)

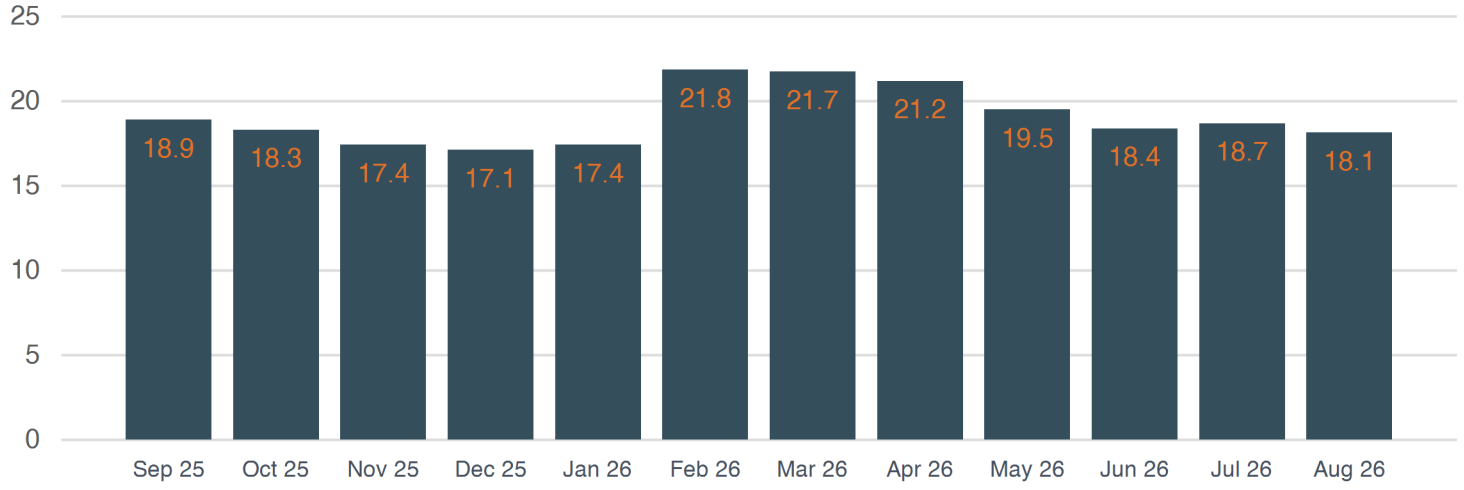
Revenues

Actual	Budget	Over/(Under)
$919,015	$874,552	$44,462

Expenditures

Actual	Budget	Over/(Under)
$1,106,229	$1,225,121	($118,892)

Operating Fund Reserve Coverage Ratio (In Months)



Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF

Number	Name	Memo	Amount	Balance
Balance as of 08/19/2026				**$36,465.57**
Receipts				
	HC 151 Water Supply		3,175.20	
	Interest Earned on Checking		6.17	
	Sweep from Lockbox Account		217,044.22	
	City of Houston - Sales Tax Rebate		8,605.77	
	HC 106 Sanitary Sewer Rehab		16,634.52	
	HC 494 Sanitary Sewer Rehab		1,905.39	
	HC 152 Sanitary Sewer Rehab		5,492.26	
	Wire Transfer from Money Market		100,000.00	
Total Receipts				**$352,863.53**
Disbursements				
18207	Robin Sulpizio	VOID: Fees of Office - 08/18/2026	0.00	
18254	Brightspeed	Telephone Expense	(1,298.95)	
18255	Centerpoint Energy	Utilities Expense	(452.27)	
18256	NHCRWA	Water Authority Fees	(75,759.15)	
18257	Arman David	Customer Refund	(125.04)	
18258	Armm Asset Company 2, LLC	Customer Refund	(121.41)	
18259	Deneah Carr	Customer Refund	(80.03)	
18260	Edgar Villegas	Customer Refund	(24.78)	
18261	Ellen & Thorstien Holt	Customer Refund	(179.60)	
18262	Eric Tate	Customer Refund	(185.98)	
18263	Greg Kaider	Customer Refund	(50.55)	
18264	Hector Lopez.	Customer Refund	(62.76)	
18265	Jennifer Perez	Customer Refund	(153.44)	
18266	Jesus & Silvia Ramirez	Customer Refund	(60.68)	
18267	Judy Ann Chiroy	Customer Refund	(159.30)	
18268	Latoya Woods	Customer Refund	(42.62)	
18269	Maria Jackson	Customer Refund	(57.86)	
18270	Market Force Realty	Customer Refund	(161.24)	
18271	Marvin or Marlys Lackey	Customer Refund	(73.62)	
18272	MYND Management, Inc..	Customer Refund	(183.20)	
18273	Paul Seyler	Customer Refund	(3.20)	
18274	Sheila Scott	Customer Refund	(84.48)	
18275	Stanley Nganga & Ester Kuria	Customer Refund	(159.94)	
18276	Veronica Alonso	Customer Refund	(78.26)	
18277	Atascocita Joint Operations Board	Schedule B & C Costs	(91,151.47)	
18278	BGE, Inc.	Engineering Fees	(10,956.03)	
18279	CDC Unlimited, LLC	Mowing Expense	(3,950.00)	
18280	Chlorinator Maint. Co., Inc.	Repairs & Maintenance	(4,737.05)	
18281	DSHS Central Lab MC2004	Laboratory Expense	(1,028.00)	
18282	G-M Inspection Services, Inc.	Well Performance Test	(1,000.00)	

Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF

Number	Name	Memo	Amount	Balance
Disbursements				
18283	GFL Environmental	Garbage Expense	(365.63)	
18284	Multi Mains Sw & MH	Maintenance & Repair	(1,680.00)	
18285	Municipal Accounts & Consulting, L.P.	Bookkeeping Fees	(7,461.05)	
18286	Norton Rose Fulbright US LLP	Legal Fees	(5,074.75)	
18287	Oaks of Atascocita Community Improvement	Security Contribution - HOA	(3,667.08)	
18288	PVS DX, Inc	Chemicals Expense	(1,319.20)	
18289	Water Utility Services, Inc.	Laboratory Fees	(350.00)	
18290	WWWMS	Maintenance and Operations	(47,425.94)	
18291	Brightspeed	Telephone Expense	0.00	
18292	Centerpoint Energy	Utilities Expense	0.00	
18293	NHCRWA	Water Authority Fees	(96,902.35)	
18294	Hudson Energy	Utilities Expense	0.00	
18295	Harris County Treasurer	Patrol Services	0.00	
Svc Chrg	Central Bank	Service Charge	(30.00)	
Total Disbursements				**($356,656.91)**
Balance as of 09/15/2026				**$32,672.19**

Cash Flow Report - Operator Account

Harris County MUD No. 109 - GOF

Number	Name	Memo	Amount	Balance
Balance as of 08/19/2026				**$189,056.40**
Receipts				
	Accounts Receivable		90,399.45	
	Accounts Receivable		149,941.60	
Total Receipts				**$240,341.05**
Disbursements				
Ret Ck	Central Bank	Customer Returned Checks	(441.34)	
Svc Chrg	Central Bank	Service Charge	(30.00)	
Sweep	Harris County MUD 109	Transfer to Checking Account	(217,044.22)	
WS	Central Bank	Accounts Receivable	(300.00)	
Total Disbursements				**($217,815.56)**
Balance as of 09/15/2026				**$211,581.89**

Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF

		August 2026			June 2026 - August 2026			
		Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Revenues								
Water Revenue								
14101	Water- Customer Service Revenue	69,670	59,000	10,670	184,156	172,000	12,156	615,900
14102	Surface Water - Reserve	99,251	91,000	8,251	235,415	263,000	(27,585)	917,700
14103	Capital Contribution Credit-NHC	12,261	12,261	0	36,784	36,784	0	147,135
14105	Connection Fees	2,075	3,225	(1,150)	7,075	9,675	(2,600)	38,700
14108	Water Sales to HC 151	818	923	(105)	1,969	2,157	(188)	8,600
Total Water Revenue		184,075	166,409	17,666	465,399	483,616	(18,217)	1,728,035
Wastewater Revenue								
14201	Wastewater-Customer Service Rev	103,023	100,000	3,023	303,717	290,000	13,717	1,000,000
Total Wastewater Revenue		103,023	100,000	3,023	303,717	290,000	13,717	1,000,000
Property Tax Revenue								
14301	Maintenance Tax Collections	7,570	0	7,570	34,299	0	34,299	2,199,510
Total Property Tax Revenue		7,570	0	7,570	34,299	0	34,299	2,199,510
Sales Tax Revenue								
14401	COH Rebate	9,326	8,567	759	26,537	25,700	837	102,800
Total Sales Tax Revenue		9,326	8,567	759	26,537	25,700	837	102,800
Tap Connection Revenue								
14501	Tap Connections	0	417	(417)	3,300	1,250	2,050	5,000
14502	Inspection Fees	800	858	(58)	2,550	2,575	(25)	10,300
Total Tap Connection Revenue		800	1,275	(475)	5,850	3,825	2,025	15,300
Administrative Revenue								
14702	Penalties & Interest	7,451	6,817	634	22,060	20,450	1,610	81,800
Total Administrative Revenue		7,451	6,817	634	22,060	20,450	1,610	81,800
Interest Revenue								
14801	Interest Earned on Checking	6	108	(102)	27	325	(298)	1,300
14802	Interest Earned on Temp. Invest	14,134	16,879	(2,745)	60,488	50,636	9,852	202,546
Total Interest Revenue		14,140	16,987	(2,847)	60,515	50,961	9,553	203,846
Other Revenue								
15801	Miscellaneous Income	24	0	24	469	0	469	0
15803	Insurance Reimbursement	0	0	0	169	0	169	0
Total Other Revenue		24	0	24	637	0	637	0
Total Revenues		326,408	300,055	26,353	919,015	874,552	44,462	5,331,291

Actual vs. Budget Comparison
Harris County MUD No. 109 - GOF

		August 2026			June 2026 - August 2026			
		Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Expenditures								
Water Service								
16101	Billing Service Fees - Water	3,423	0	3,423	8,858	0	8,858	0
16102	Operations - Water	4,862	12,892	(8,030)	20,833	38,675	(17,842)	154,700
16105	Maintenance & Repairs - Water	29,419	32,750	(3,331)	82,082	98,250	(16,168)	393,000
16107	Chemicals - Water	1,975	5,558	(3,584)	13,127	16,675	(3,548)	66,700
16108	Laboratory Expense - Water	993	1,083	(90)	5,240	3,250	1,990	13,000
16109	Mowing - Water	980	733	247	2,940	2,200	740	8,800
16110	Utilities - Water	201	7,650	(7,449)	19,765	22,950	(3,185)	91,800
16111	Reconnections	925	1,175	(250)	3,015	3,525	(510)	14,100
16112	Disconnection Expense	0	642	(642)	495	1,925	(1,430)	7,700
16114	Telephone Expense - Water	758	633	125	2,373	1,900	474	7,600
16115	Meter Replacement	0	292	(292)	0	875	(875)	3,500
16116	Permit Expense - Water	0	0	0	0	0	0	8,000
16117	TCEQ Regulatory Expense - Water	0	0	0	0	0	0	4,040
16118	Pumpage Fees	109,164	110,124	(960)	262,839	330,372	(67,533)	917,700
16122	Lead & Copper Survey	0	0	0	0	0	0	1,700
Total Water Service		152,700	173,532	(20,832)	421,568	520,597	(99,029)	1,692,340
Wastewater Service								
16201	Billing Service Fees-Wastewater	3,423	0	3,423	8,858	0	8,858	0
16202	Operations - Wastewater	7,271	5,342	1,929	18,357	16,025	2,332	64,100
16203	Grease Trap Inspections	0	125	(125)	606	375	231	1,500
16204	Purchase Wastewater Service	45,355	43,433	1,921	136,092	130,300	5,792	521,200
16205	Maint & Repairs - Wastewater	2,675	32,217	(29,542)	37,300	96,650	(59,350)	386,600
16207	Chemicals - Wastewater	0	50	(50)	474	150	324	600
16209	Mowing - Wastewater	1,040	642	398	3,120	1,925	1,195	7,700
16210	Utilities - Lift Station	313	2,617	(2,304)	6,689	7,850	(1,161)	31,400
16212	Sludge Removal	0	6,083	(6,083)	26,248	18,250	7,998	73,000
16214	Telephone Expense - Wastewater	541	467	74	1,495	1,400	95	5,600
16217	TCEQ Regulatory Exp-Wastewater	0	0	0	0	0	0	4,040
16218	Sanitary Sewer Televising	0	0	0	0	0	0	118,000
16221	Dumpster Expense	366	1,008	(643)	1,086	3,025	(1,939)	12,100
Total Wastewater Service		60,982	91,983	(31,001)	240,325	275,950	(35,625)	1,225,840
Storm Water Quality								
16404	Detention Pond Mowing	1,930	1,858	72	4,825	5,575	(750)	22,300
Total Storm Water Quality		1,930	1,858	72	4,825	5,575	(750)	22,300
Tap Connection								
16501	Tap Connection Expense	0	417	(417)	2,036	1,250	786	5,000
16502	Inspection Expense	0	242	(242)	248	725	(478)	2,900

Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF

		August 2026			June 2026 - August 2026			
		Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Expenditures								
Total Tap Connection		0	658	(658)	2,283	1,975	308	7,900
Administrative Service								
16703	Legal Fees	5,058	7,908	(2,851)	19,113	23,725	(4,612)	94,900
16705	Auditing Fees	0	0	0	16,000	16,000	0	22,000
16706	Engineering Fees	2,434	6,667	(4,233)	14,964	20,000	(5,036)	80,000
16708	GIS Expense	0	833	(833)	0	2,500	(2,500)	10,000
16709	Election Expense	0	0	0	523	0	523	0
16710	Website Expense	0	250	(250)	0	250	(250)	1,000
16712	Bookkeeping Fees	6,850	8,250	(1,400)	23,905	24,750	(845)	75,000
16714	Printing & Office Supplies	2,600	2,525	75	7,717	7,575	142	30,300
16716	Delivery Expense	143	100	43	392	300	92	1,200
16717	Postage	109	83	26	220	250	(30)	1,000
16718	Insurance & Surety Bond	0	0	0	0	0	0	85,000
16719	AWBD Expense	0	0	0	0	0	0	1,800
16722	Bank Service Charges	60	125	(65)	290	375	(85)	1,500
16723	Travel Expense	17	42	(24)	54	125	(71)	500
16727	Arbitrage Expense	0	0	0	0	0	0	5,100
16728	Record Storage Fees	62	67	(4)	187	200	(13)	800
16729	Consumer Confidence Report	0	0	0	11,744	13,100	(1,356)	13,100
Total Administrative Service		17,332	26,850	(9,518)	95,108	109,150	(14,042)	423,200
Security Service								
16801	Security Patrol Expense	32,657	32,626	31	97,970	97,878	92	391,512
16802	Security Monitoring	0	2,200	(2,200)	175	6,600	(6,425)	26,400
Total Security Service		32,657	34,826	(2,169)	98,145	104,478	(6,333)	417,912
Payroll Expense								
17101	Payroll Expenses	1,326	1,833	(507)	4,862	5,500	(638)	22,000
17103	Payroll Tax Expense	101	150	(49)	372	450	(78)	1,800
17104	Payroll Administration	25	25	0	75	75	0	300
Total Payroll Expense		1,452	2,008	(556)	5,309	6,025	(716)	24,100
Other Expense								
17802	Miscellaneous Expense	199	250	(51)	497	750	(253)	3,000
Total Other Expense		199	250	(51)	497	750	(253)	3,000
Total Expenditures		267,253	331,967	(64,714)	868,059	1,024,500	(156,441)	3,816,592
Total Revenues (Expenditures)		**59,155**	**(31,912)**	**91,067**	**50,956**	**(149,948)**	**200,903**	**1,514,699**

Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF

	August 2026			June 2026 - August 2026			
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Other Revenues							
Extra Ordinary Revenue							
15901 Assigned Surplus	0	0	0	0	0	0	868,901
Total Extra Ordinary Revenue	0	0	0	0	0	0	868,901
Total Other Revenues	0	0	0	0	0	0	868,901
Other Expenditures							
Capital Outlay							
17901 Capital Outlay							
17901a Capital Outlay - General	87,200	50,000	37,200	87,200	50,000	37,200	50,000
17901b Capital Outlay - AJOB	45,818	45,818	0	137,453	137,453	0	450,000
17901d WP 1 Electrical Improvements	0	0	0	4,800	4,800	0	1,167,600
17901f HC 46 Water Interconnect	0	0	0	8,368	8,368	0	195,000
17901h LS Wet Well/Piping Rehab	0	0	0	349	0	349	0
17901k Lift Station 1	0	0	0	0	0	0	115,000
17901m WP 1 Booster Pump Replacem	0	0	0	0	0	0	136,000
17901n WP2 Well & Pump Rehab	0	0	0	0	0	0	150,000
17901o Lift Station 6	0	0	0	0	0	0	120,000
Total Capital Outlay	133,018	95,818	37,200	238,170	200,621	37,549	2,383,600
Total Capital Outlay	133,018	95,818	37,200	238,170	200,621	37,549	2,383,600
Total Other Expenditures	133,018	95,818	37,200	238,170	200,621	37,549	2,383,600
Total Other Revenues (Expenditures)	**(133,018)**	**(95,818)**	**(37,200)**	**(238,170)**	**(200,621)**	**(37,549)**	**(1,514,699)**
Excess Revenues (Expenditures)	**(73,862)**	**(127,729)**	**53,867**	**(187,214)**	**(350,568)**	**163,354**	**0**

Balance Sheet as of 08/31/2026

Harris County MUD No. 109 - GOF

Assets	
Bank	
11101 Cash in Bank	$179,603
11102 Operator	211,582
Total Bank	$391,185
Investments	
11201 Time Deposits	$5,375,014
Total Investments	$5,375,014
Receivables	
11301 Accounts Receivable	$327,324
11303 Maintenance Tax Receivable	143,046
11305 Accrued Interest	18,447
11306 Due From COH	25,905
Total Receivables	$514,723
Interfund Receivables	
11403 Due From Tax Account	$592,292
11450 Due from HC MUD 46	4,636
11451 Due from HC MUD 106	17,384
11452 Due from HC MUD 132	9,136
11453 Due from HC MUD 151	6,329
11454 Due from HC MUD 152	6,809
11455 Due from HC MUD 153	10,925
11456 Due from HC MUD 494	2,362
Total Interfund Receivables	$649,873
Reserves	
11601 Reserve in A.C.P.	$460,213
Total Reserves	$460,213
Total Assets	**$7,391,009**
Liabilities & Equity	
Liabilities	
Accounts Payable	
12101 Accounts Payable	$153,217
12102 Payroll Liabilities	507
Total Accounts Payable	$153,724
Other Current Liabilities	
12202 Due to TCEQ	$2,799
12204 Retainage Payable	
Total Retainage Payable	
Total Other Current Liabilities	$2,799

Balance Sheet as of 08/31/2026

Harris County MUD No. 109 - GOF

Liabilities & Equity	
Liabilities	
Deferrals	
12502 Deferred Taxes	$143,046
Total Deferrals	$143,046
Deposits	
12601 Customer Meter Deposits	$333,089
Total Deposits	$333,089
Total Liabilities	$632,659
Equity	
Unassigned Fund Balance	
13101 Unallocated Fund Balance	$6,945,564
Total Unassigned Fund Balance	$6,945,564
Net Income	($187,214)
Total Equity	$6,758,350
Total Liabilities & Equity	**$7,391,009**

District Debt Summary as of 09/15/2026

Harris County MUD No. 109 - DSF

		WATER, SEWER, DRAINAGE	PARK/ROAD/OTHER	REFUNDING
Total $ Authorized		**Authorized**	**Authorized**	**Authorized**
$61.83M		$61.83M	N/A	$32.73M
Total $ Issued		**Issued**	**Issued**	**Issued**
$48.88M		$48.88M	N/A	$1.06M
Yrs to Mat	**Rating**	**$ Available To Issue**	**$ Available To Issue**	**$ Available To Issue**
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
Total	**$21,725,000**		**$15,890,000**

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	$164,096.89	$624,096.89
Regions Equipment Finance	2015 - Refunding	$680,000.00	$69,417.00	$749,417.00
Total Due 10/01/2026		**$1,570,000.00**	**$252,263.89**	**$1,822,263.89**

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
Total Due 04/01/2027		**$0.00**	**$227,897.89**	**$227,897.89**

Investment Profile as of 09/15/2026

Harris County MUD No. 109

General Operating Fund	Capital Projects Fund	Debt Service Fund	Other Funds
Funds Available to Invest	**Funds Available to Invest**	**Funds Available to Invest**	**Funds Available to Invest**
$5,519,268	N/A	$3,363,296	N/A
Funds Invested	**Funds Invested**	**Funds Invested**	**Funds Invested**
$5,275,014	N/A	$3,363,296	N/A
Percent Invested	**Percent Invested**	**Percent Invested**	**Percent Invested**
96%	N/A	100%	N/A

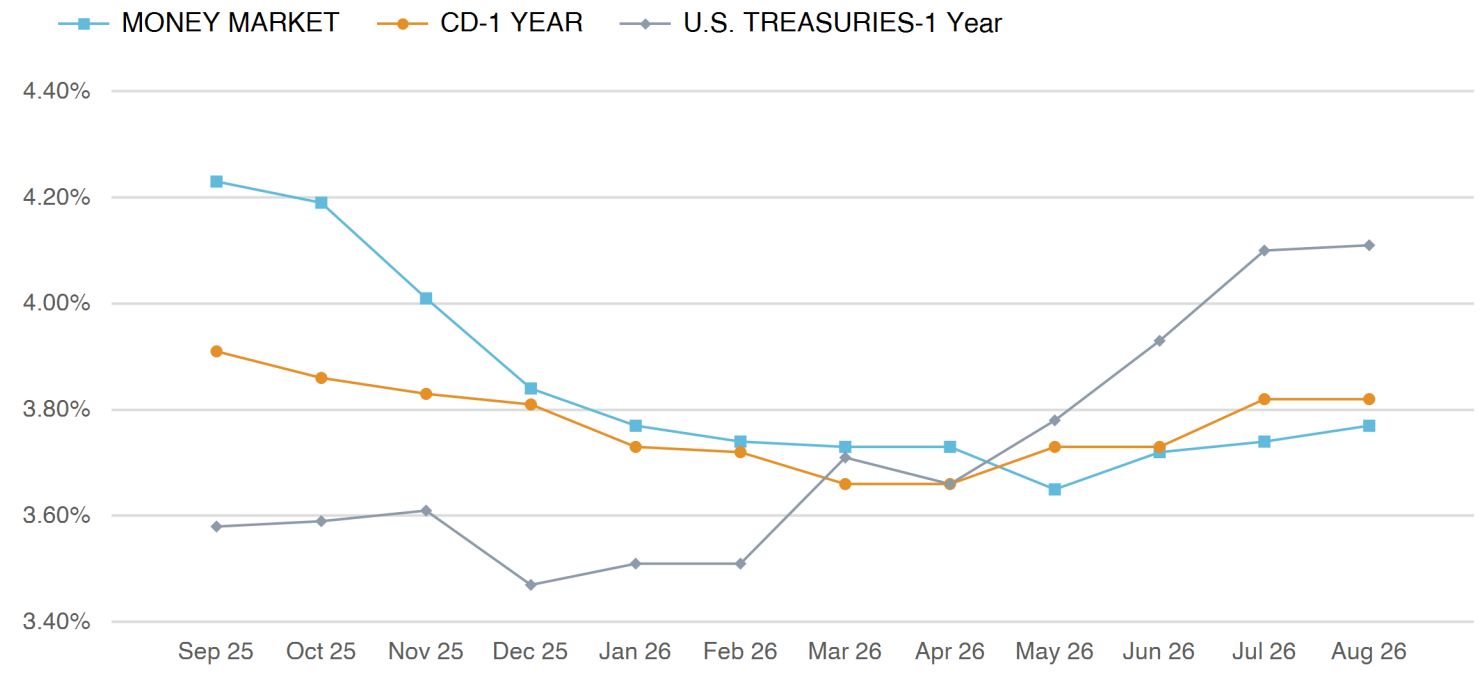
Term	Money Market
On Demand	3.76%

Term	Certificate of Deposit
180 Days	3.92%
270 Days	3.74%
1 Yr	3.82%
13 Mo	1.65%
18 Mo	2.35%
2 Yr	1.87%

Term	U.S. Treasuries
180 Days	4.17%
270 Days	4.17%
1 Yr	4.34%
13 Mo	N/A
18 Mo	0.00%
2 Yr	4.66%

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

Investment Rates Over Time (By Month) | September 2025 - August 2026



Account Balance as of 09/15/2026

Harris County MUD No. 109 - Investment Detail

FUND: General Operating

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Certificates of Deposit					
SOUTH STAR BANK (XXXX0409)	03/23/2026	12/23/2026	3.60%	235,000.00	
SOUTHSTATE BANK (XXXX1566)	08/24/2026	02/24/2027	3.75%	235,000.00	
THIRD COAST BANK, SSB (XXXX1280)	03/26/2026	03/26/2027	3.65%	235,000.00	
CAPITAL BANK (XXXX1972)	07/13/2026	04/13/2027	3.65%	235,000.00	
TEXAS TRADITIONS BANK (XXXX5228)	08/24/2026	05/24/2027	3.55%	235,000.00	
WALLIS BANK (XXXX6297)	07/18/2026	07/18/2027	3.90%	235,000.00	
FRONTIER BANK (XXXX3978)	08/24/2026	08/24/2027	3.75%	235,000.00	
Money Market Funds					
TEXAS CLASS (XXXX0001)	03/22/2017		3.84%	3,635,159.36	
Checking Account(s)					
CENTRAL BANK - CHECKING (XXXX1891)			0.00%	32,672.19	Checking Account
CENTRAL BANK - CHECKING (XXXX4632)			0.00%	211,581.89	Operator
Totals for General Operating Fund				**$5,524,413.44**	

FUND: Debt Service

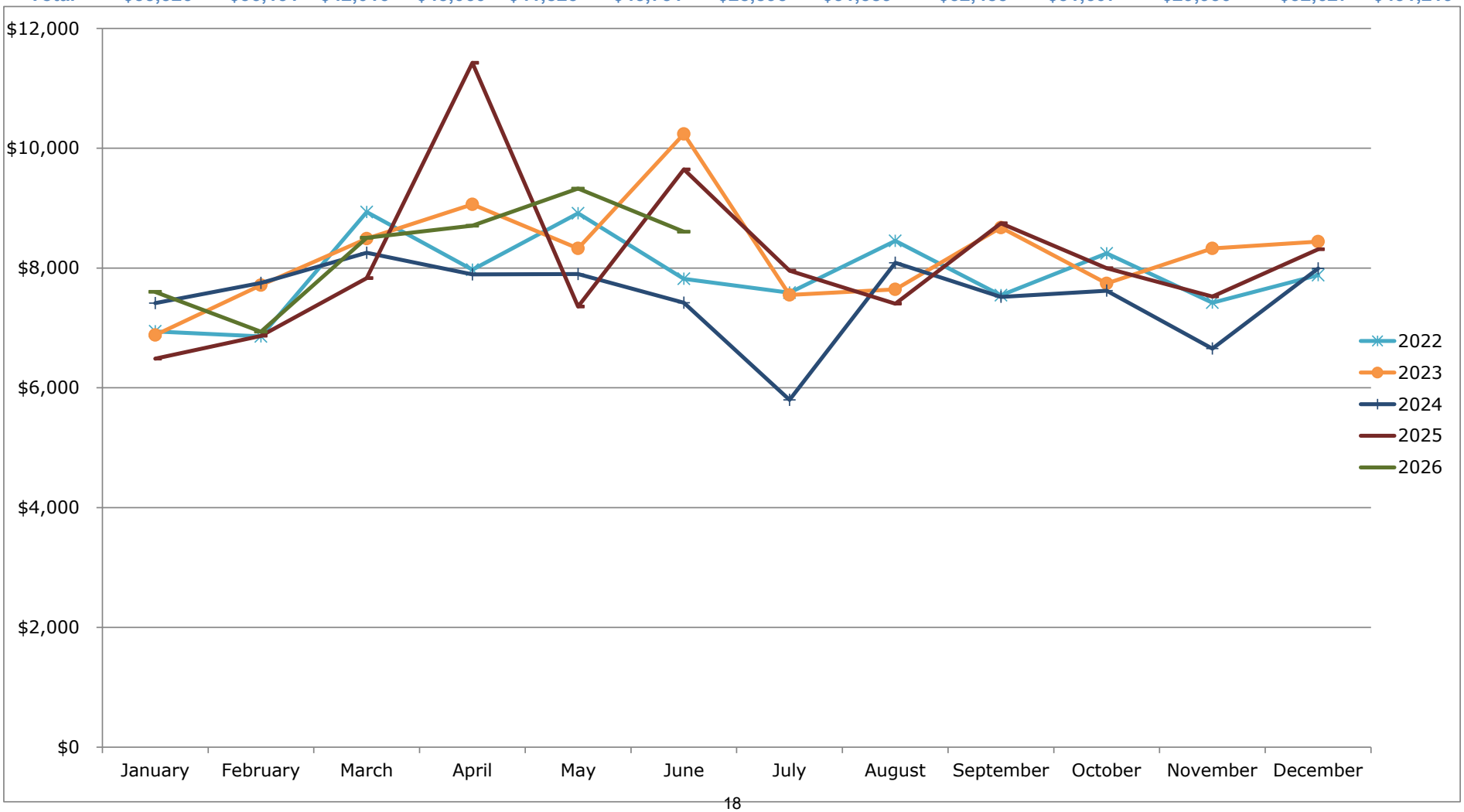
Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Certificates of Deposit					
FRONTIER BANK - DEBT (XXXX7222)	03/19/2026	03/19/2027	3.70%	235,000.00	
PLAINS STATE BANK - DEBT (XXXX0753)	03/19/2026	03/19/2027	3.75%	235,000.00	
WALLIS BANK-DEBT (XXXX0146)	03/19/2026	03/19/2027	3.65%	235,000.00	
CAPITAL BANK-DEBT (XXXX2331)	08/24/2026	08/24/2027	3.60%	235,000.00	
THIRD COAST BANK-DEBT (XXXX3518)	08/27/2026	08/27/2027	3.70%	235,000.00	
Money Market Funds					
TEXAS CLASS (XXXX0003)	03/22/2017		3.84%	2,193,296.19	
Totals for Debt Service Fund				**$3,368,296.19**	

Grand Total for Harris County MUD No. 109 : $8,892,709.63

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	$8,505	$8,706	$9,326	$8,606							$49,682
Total	**$35,326**	**$36,131**	**$42,016**	**$45,060**	**$41,823**	**$43,731**	**$28,895**	**$31,589**	**$32,485**	**$31,607**	**$29,930**	**$32,627**	**$431,219**



Cash Flow Forecast

Harris County MUD 109

	5/27	5/28	5/29	5/30	5/31
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	$2,199,510	$2,199,510	$2,199,510	$2,199,510	$2,199,510
% Change in Water Rate		0.00%	0.00%	0.00%	0.00%
% Change in Wastewater Rate		2.00%	2.00%	2.00%	2.00%
% Change in NHCRWA		10.00%	10.00%	10.00%	10.00%
% Change in Expenses		5.00%	5.00%	5.00%	5.00%
Beginning Cash Balance 5-31-2026	**$5,739,030**	**$4,870,129**	**$4,504,792**	**$5,063,069**	**$4,510,326**
Revenues					
Maintenance Tax	$2,199,510	$2,199,510	$2,199,510	$2,199,510	$2,199,510
Water Revenue	615,900	615,900	615,900	615,900	615,900
Wastewater Revenue	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432
NHCRWA Revenue	917,700	1,009,470	1,110,417	1,221,459	1,343,605
Other	598,181	628,090	659,495	692,469	727,093
Total Revenues	**$5,331,291**	**$5,472,970**	**$5,625,722**	**$5,790,546**	**$5,968,539**
Expenses					
NHCRWA	$917,700	$1,009,470	$1,110,417	$1,221,459	$1,343,605
Other Expenses	2,898,892	3,043,837	3,196,028	3,355,830	3,523,621
Total Expenses	**$3,816,592**	**$4,053,307**	**$4,306,445**	**$4,577,289**	**$4,867,226**
Net Surplus	**$1,514,699**	**$1,419,663**	**$1,319,276**	**$1,213,257**	**$1,101,314**
Capital Outlay					
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
WP 1 Electrical Improvements	1,167,600	0	0	0	0
WP 1 Booster Pump Replacement	136,000	136,000	136,000	136,000	136,000
WP 1 Chloramine Conversion	0	299,000	0	0	0
WP 1 EST Rehab	0	0	0	1,005,000	0
WP 2 Well Rehab & Motor Replacemen	150,000	0	0	0	0
WP 2 Chloramine Conversion	0	299,000	0	0	0
WP 2 EST Rehab	0	0	0	0	1,005,000
L/S Wet Well and Piping Rehabilitation	0	0	0	0	282,000
Lift Station 1 Rehab	115,000	0	0	0	0
Lift Station 5 Rehab & Pump Replaceme	0	176,000	0	0	0
Lift Station 6 Rehab	120,000	0	0	0	0
Manhole Valve Rehab	0	250,000	0	0	0
HC46 Water Interconnect	195,000	0	0	0	0
Developer Reimbursement	0	125,000	125,000	125,000	0
Total Capital Outlay	**$2,383,600**	**$1,785,000**	**$761,000**	**$1,766,000**	**$1,923,000**
Construction Surplus	**$0**	**$0**	**$0**	**$0**	**$0**
Ending Cash Balance	**$4,870,129**	**$4,504,792**	**$5,063,069**	**$4,510,326**	**$3,688,640**
Operating Reserve % of Exp					
Percentage	128%	111%	118%	99%	76%
Number of Months	15	13	14	12	9

Bond Authority

Remaining Bonding Capacity - $12,950,000

Maintenance Tax Rate Cap - $1.00

Starting in FYE 2032, the District's debt service obligations will decrease by $1.3M/year

2027 AWBD Midwinter Conference

Harris County Municipal Utility District No. 109

Friday, January 22 - Saturday, January 23, 2027
Fairmont Austin, Austin TX

Director	Registration			Prior Conference Expenses
Name	**Attending**	**Online**	**Paid**	**Paid**
Cheryl Moore				N/A
Chris Green				N/A
Dennis Bone				N/A
Owen Parker				N/A
Robin Sulpizio				N/A

Note

Register on-line www.awbd-tx.org (For log in assistance, contact Taylor Cavnar: 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	8/5/2026	$390
Regular Registration:	Begins	8/27/2026	$440
Late Registration	Begins	12/10/2026	$540

Cancellation Policy

All cancellations must be made in writing.

A $50.00 administrative fee is assessed for each conference registration cancelled on or before 12/09/26.

There will be no refunds after 12/09/26.

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.

ENGINEERING REPORT

September 15, 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:

New anticipated belt press delivery: End of September.

Contractor has re-mobilized. Existing belt press removed; existing electrical removed.

Sanitary Sewer Rehabilitation:

Ongoing submittal reviews.

b. **Capital Improvement Plan (CIP):** Anticipate update 50% complete by end of September.

c. **Interconnect With HCMUD 46**

Design ongoing. Anticipate 90% civil and structural design plans by the end of October. Anticipate resubmitting to Harris County for review by the end of September. Anticipate submitting plans to District Operator and HCMUD 46 District Engineer for review by the end of October.

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

Design ongoing. Anticipate 95% design plans by the end of September.

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e. Woodland Hills Tract: No Update

f. Capacity Commitments- No Update

g. Annexation/Capacity Request: No update.