

MINUTES OF BOARD OF DIRECTORS MEETING
SEPTEMBER 15, 2020

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

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The Board of Directors (the “*Board*”) of Harris County Municipal Utility District No. 109 (the “*District*”) convened in regular session on Tuesday, SEPTEMBER 15, 2020 at 6:00 p.m. via videoconference pursuant to Section 551.125, Texas Gov’t Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

Owen H. Parker, President
Chris Green, Vice President
Cheryl Moore, Secretary
Robin Sulpizio, Assistant Secretary
Nancy Frank, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Mr. Cory Burton of Municipal Accounts & Consulting, LP, bookkeeper for the District; Ms. Jan Bartholomew of RW Baird, financial advisors for the District; Lieutenant Steve Romero and Sergeant Alejo of Harris County Precinct 4 Constable’s Office; Mr. Brian Toldan of McCall Gibson Swedlund Barfoot PLLC, auditors for the District; Mr. Bill Kotlan of BGE, Inc. (“BGE”), engineer for the District; Mr. Clint Gehrke of Water Waste Water Management Services, Inc. (“WWMS”), operator for the District; and Mr. Dimitri Millas and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. The agenda packet was posted on the website as items became available. Certificates of such posting are attached hereto as *Exhibit A*.

Call to Order. President Parker called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they could hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. President Parker then set out guidelines for the conduct of the meeting. He asked all participants to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** There were no public comments.
2. **Minutes.** The Board considered the proposed minutes of a meeting held on August 18, 2020, previously distributed to the Board. Upon motion by Director Frank, seconded by Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting held on August 18, 2020, as presented.
3. **Security Report.** President Parker recognized Sergeant Alejo, who reviewed the Security Report for the month of August 2020, a copy of which is attached hereto as *Exhibit B*. Upon

motion by Director Green, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Security Report.

4. **Approve and authorizing filing of audit for fiscal year ended May 31, 2020.** President Parker recognized Mr. Toldan, who presented to and reviewed with the Board the audit management and material weakness letters, and a draft audit for fiscal year ended May 31, 2020 a copy of which is attached hereto as *Exhibit C*. He stated that there have been no changes in audit and accounting standards since the previous year's audit.

Mr. Millas 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. He requested the Board's authorization for NRF to prepare and file the Annual Continuing Disclosure Report on behalf of the District.

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 audit for fiscal year ending May 31, 2020, to authorize filing with appropriate agencies, and to authorize NRF to prepare and file the District's Annual Report of Financial Information and Operating Data for the fiscal year ended May 31, 2020.

5. **Approve and authorize filing of annual Continuing Disclosure Report.** This item was addressed under the previous item.

6. **Tax Collector's Report and authorize payment of certain bills.** The Board reviewed the Tax Assessor and Collector's Report for the month of August 2020, a copy of which is attached hereto as *Exhibit D*.

Upon motion by Director Sulpizio, seconded by Director Moore, 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 check numbers 2057 through 2063, 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 Ms. Bartholomew, 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 E*. She recommended that the Board levy a total tax rate of \$0.48 per \$100 of assessed valuation, composed of an operations and maintenance tax of \$0.165 and a debt service tax of \$0.315.

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 2020 (the "Order"), a copy of which is attached hereto as *Exhibit F*.

Upon motion by Director Moore, seconded by Frank, 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 \$0.48 per \$100 assessed valuation (\$0.315 for debt service and \$0.165 for operations and maintenance).

8. **Review Bookkeeper's 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 G*. Mr. Burton reviewed disbursements from the General Operating Fund.

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

9. **Discuss Inframark offer to add building to plant, and take necessary action.** President Parker recognized Mr. Millas, who presented to and reviewed with the Board the Lease Agreement with Inframark, a copy of which is attached hereto as *Exhibit H*. He noted that Inframark is incorporating final changes to the Lease Agreement. Upon motion by Director Green, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Lease Agreement, subject to the incorporation of the final revisions, and to authorize President Parker to execute the finalized Lease Agreement once available.

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

Mr. Kotlan presented Pay Estimate No. 5 in the amount of \$75,465.00 from Nova Painting, LLC for the Water Plant No. 1 EST Rehabilitation for the Board's approval. He stated that the project is substantially complete and back in service and that BGE is holding the 10% retainage until the final punch list items are complete. He also presented Change Order No. 1 in the amount of \$9,500.00 for the Board's approval. He stated that Change Order No. 1 is for the repair of an overflow box and replacement of an existing vent that were identified during construction.

Mr. Kotlan stated that BGE submitted revised agreements to the Texas Department of Transportation ("TxDOT") and that BGE is waiting on the final approval.

Mr. Kotlan stated that BGE is reviewing agency comments and will submit final plans this month for the Water Plant No. 2 Expansion.

Mr. Kotlan reported that after testing the paint at the Wastewater Treatment Plant and finding lead, BGE had a contractor provide a detailed estimate for painting the piping. He reviewed the estimate for the 2020 Wastewater Treatment Plant Rehabilitation project and the fee schedule for BGE's work for design and construction administration for the project. He requested the Board's approval to authorize BGE to begin the design on the 2020 Wastewater Treatment Plant Rehabilitation project in accordance with the proposed fee schedule, for a total of \$79,000.00.

Mr. Kotlan reviewed an estimate of cost for the extension of the water line to serve 4410 FM 1960 to service Mr. Lee, the 11th annexation. He also reviewed a proposal from Robert Thomas with ROW Management to assist the District in obtaining a water line easement from Ashley's who own Dirt Cheap. He recommended that the Board authorize the consultants to prepare an agreement for costs related to the utility extension between the District and Mr. Lee. He noted that once the agreement is in place and funded, BGE will present the ROW Management proposal to the District for consideration.

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 (1) accept the Engineer's Report; (2) approve Pay Estimate No. 5 to Nova Painting, LLC in the amount of \$75,465.00; (3) approve Change Order No. 1 to Nova Painting, LLC in the amount of \$9,500.00; (4) authorize BGE to begin design on the 2020 Wastewater Treatment Plant Rehabilitation project in accordance with the proposed fee schedule for a total of \$79,000.00; and (5) authorize NRF and BGE to prepare an agreement for costs related to the water line extension to service Mr. Lee.

11. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated September 15, 2020 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit J*. Mr. Gehrke reported that 93% of the water pumped was billed for the period August 1, 2020 through August 31, 2020.

Mr. Gehrke reported on various maintenance items.

Mr. Gehrke reviewed four customer letters requesting bill adjustments and payment plan options. It was the consensus of the Board to authorize WWWMS to coordinate with the customers regarding payment plan options. The Board discussed the delinquent process. It was the consensus of the Board to have WWWMS continue to deliver delinquent notices, but to not terminate services, and to further discuss the termination process at the October board meeting.

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 Operations 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, 2020.

/s/ Owen Parker
President, Board of Directors

ATTEST:

/s/ Cheryl Moore
Secretary Board of Directors

(DISTRICT SEAL)



HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

NOTICE

In light of the Office of the Governor's statewide disaster declaration related to the spread of the COVID-19 virus, and the temporary suspension by the Texas Attorney General of certain provisions of the Texas Open Meetings Act to allow telephonic or videoconference meetings without requiring a physical meeting location open to the public, take notice that the Board of Directors of Harris County Municipal Utility District No. 109 will meet via telephone and videoconference at 6:00 p.m. on Tuesday, September 15, 2020. Meeting documents will be made available at <https://www.waterdistrict109.com/meetings/index.html> prior to the meeting.

VIDEOCONFERENCE MEETING. You can join by computer or any smart device with the Zoom app. Join Zoom Meeting:

<https://nortonrosefulbright.zoom.us/j/91726346394?pwd=OUNOTVNsHR2VXBGT0Y2WWxNbEJUdz09>

If you decide not to use the Zoom app you can use the dial-in information below to connect by voice with any phone.

**— DIAL IN INSTRUCTIONS:
CALL TOLL FREE: 1-346-248-7799
MEETING ID: 917 2634 6394
PASSWORD: 688016**

At such meeting, the Board will consider and act on the following matters:

1. Public comments;
2. Approve minutes of the meetings held on August 18, 2020;
3. Report by Harris County Precinct Four Constable and action relating to security;
4. Approve and authorize filing of audit for fiscal year ended May 31, 2020;
5. Approve and authorize filing of annual Continuing Disclosure Report;
6. Review Tax Collector's Report and authorize payment of certain bills;
7. Adopt Order Designating Officer to Calculate and Publish Tax Rate;
8. Review Bookkeeper's Report, and authorize payment of certain bills, and approve quarterly investment report;
9. Discuss proposed Inframark agreement to add building to plant and take necessary action;
10. Review Engineer's Report, including approval of pay estimates, authorization of change orders to pending construction contracts, and authorize capacity commitments;
11. Approve Operations Report, authorize repairs and approve termination of delinquent accounts in accordance with the District's Rate Order; and such other matters as may properly come before it.



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.

Maher, Jane

From: The Texas Network <support@texasnetwork.com>
Sent: Wednesday, September 9, 2020 8:48 PM
To: Maher, Jane
Subject: RE: HCMUD No. 109 & AJOB September posting

The documents have been posted.

<https://www.waterdistrict109.com/meetings/index.html>

From: Maher, Jane <jane.maher@nortonrosefulbright.com>
Sent: Wednesday, September 9, 2020 5:17 PM
To: Russell Lambert <russ@texasnetwork.com>
Subject: HCMUD No. 109 & AJOB September posting

Hi Russ,

Please post the documents in the Zip folder to 109's website. I have one zip folder for 109 and the other is for AJOB. Please return the COPs at your earliest convenience.

Thanks,

Jane Maher | Paralegal
Norton Rose Fulbright US LLP
1301 McKinney, Suite 5100, Houston, Texas 77010-3095, United States
Tel +1 713 651 5589 | Fax +1 713 651 5246
jane.maher@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 2020

Categories

Burglary Habitation: 0	Burglary Vehicle: 3	Theft Habitation: 1
Theft Vehicle: 0	Theft Other: 2	Robbery: 0
Assault: 0	Sexual Assault: 0	Criminal Mischief: 4
Disturbance Family: 11	Disturbance Juvenile: 0	Disturbance Other: 3
Alarms: 25	Suspicious Vehicles: 16	Suspicious Persons: 13
Runaways: 0	Phone Harrassment: 0	Other Calls: 554

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
E112	86	9	21	1	2	57	0	6	1027	20
E113	71	11	6	0	1	45	0	0	1257	20
TOTAL	157	20	27	1	3	102	0	6	2284	40

Summary of Events

Alarms:

Deputies responded to 25 alarm calls that were cleared as false..

Checks:

Deputies conducted 289 combined 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.

5600 FM 1960 Rd E – Deputy initiated a traffic stop on a vehicle for a traffic infraction. Investigation revealed the driver did not have a driver license or liability insurance. Driver was cited and vehicle was towed.

Exhibit B

19700 Caroling Oaks Ct – Deputy conducted a traffic stop on a vehicle. Investigation revealed the driver had an open warrant for his arrest for Stalking. The subject was arrested and taken to jail.

Burglary Motor Vehicle:

19100 Moon Trail Dr – Deputy responded to a Burglary of a Motor Vehicle. Investigation revealed an unknown suspect removed a cooler from the rear of a vehicle without the owner's permission and left in an unknown direction.

4900 Woodland Meadows Ln – Deputy responded to a Burglary of a Motor Vehicle. Investigation revealed an unknown suspect gained entry to a vehicle by breaking the glass and removed a handgun without the owner's permission and left in an unknown direction.

19700 Swiftbrook Dr - Deputy responded to a burglary motor vehicle. Investigation revealed unknown suspect (s) unlawfully entered the complainant's unlocked vehicle, stole property, and fled undetected. Unsure if incident occurred at residence or a county park.

Theft Habitation:

20100 Dawn Mist Dr – Deputy responded to a Theft Residence. Reportee believes his ex wife took his credit card information / documents when she moved out after finding unauthorized transactions on his account.

Theft Other:

19100 Moon Trail Dr – Deputy responded to a Theft Other. Investigation revealed an unknown suspect removed catalytic converters from a vehicle without owner's permission and left in an unknown direction.

4500 FM 1960 Rd E – Deputy responded to a Theft Other. Investigation revealed a known suspect did not pay for a night's room rental.

Criminal Mischief:

19100 Moon Trail Dr – Deputy responded to a Criminal Mischief. Investigation revealed the reportee sustained damage to their vehicle (dent) by an unknown suspect.

5600 FM 1960 Rd E – Deputy responded to a Criminal Mischief. Investigation revealed the reportee sustained damage to their vehicle (dent) by an unknown suspect.

5400 Dove Forest Ln – Deputy responded to a Criminal Mischief. Investigation revealed tires slashed on a vehicle.

19700 Burle Oaks Ct – Deputy responded to a criminal mischief. Investigation revealed unknown suspect (s) spray painted "BLM" graffiti on the complainant's fence.

Disturbance Family:

18700 Artesian Way – Deputy responded to a Disturbance Family. Investigation revealed a parent and child had a physical altercation.

20200 Dawn Mist Dr – Deputy responded to a Disturbance Family. Investigation revealed a father

and son had an argument.

5440 Fawn Trail Ln – Deputy responded to a Disturbance Family. Investigation revealed a couple going through a separation were at the same location at the same time.

20100 Misty Pines Dr – Deputy responded to a Disturbance Family. Investigation revealed biological father of child arrived at location and was not wanted on site.

5300 Dove Forest Ln – Deputy responded to a Disturbance other, Investigation revealed a couple in a dating relationship had a verbal argument.

5500 Coon Tree Ct – Deputy responded to a family disturbance. Investigation revealed two subjects assaulted a family member. Both suspects were arrested and booked into jail.

5500 Coon Tree Ct – Deputy responded to a family disturbance. Investigation revealed two subjects who had just been arrested for Assault Family Violence, returned to the location in violation of the emergency protective order. Arrest warrants were filed for both suspects for violation of protective order.

5500 Enchanted Timbers Dr – Deputy responded to a family disturbance. Investigation revealed family members engaged in a verbal altercation during which time a juvenile punched a wall injuring their hand and requiring transport to a hospital.

5300 Misty Moon Dr – Deputy responded to a family disturbance. Investigation revealed family members engaged in a physical altercation that ended without injury. Charges were declined.

5200 Green Timbers Dr – Deputy responded to a family disturbance. Investigation revealed family members engaged in a physical altercation that ended without injury. Charges were declined.

5300 Green Timbers Dr – Deputy responded to a family disturbance. Investigation revealed family members engaged in a verbal altercation. No charges were sought.

Suspicious Vehicles:

Contract patrol deputies responded to 16 suspicious vehicle within the community. All these scenes were utilized to gather intelligence and were all cleared without incident after thorough investigations.

19100 Moon Trial Dr – Deputy observed a suspicious vehicle at the hotel. Contact was made with the occupants and a female was found in possession of marijuana and entered into the misdemeanor marijuana diversion program.

Suspicious Persons:

Contract Patrol deputies responded to 13 suspicious person within the community. All these scenes were utilized to gather intelligence and were all cleared without incident after thorough investigations

Other Calls:

20200 Misty Pines Dr - Deputy responded to a Fraudulent Use ID. Investigation revealed an unauthorized transaction occurred on the Reportee's debit card.

20200 Big Timber Dr – Deputy responded to a Child Custody Dispute. Investigation revealed Parent removed a child from Grandparent's home.

4500 FM 1960 RD E – Deputy responded to a Vehicle Recovery. Investigation revealed a vehicle previously reported stolen was recovered.

5400 Deer Timbers Trl – Deputy responded to an Information Call. Investigation revealed two sisters in dispute over money for a car payment.

4500 FM 1960 RD E – Deputy responded to an Information Call. Investigation revealed the owner of a business had knowledge a known person was saying derogatory things about the business.

20200 Timber Forest Dr – Deputy responded to an information call. Female claimed to have been involved in an accident and requested transportation to a hospital. Further investigation found no evidence of a vehicle crash occurring.

19900 Bambiwoods Dr – Deputies responded to a missing child call. The child was found hiding under the dining room table and never left the house.

19900 Burle Oak Dr – Deputy responded to a FSGL. Investigation revealed an unknown suspect struck and damaged a parked unoccupied vehicle and fled.

4700 FM 1960 RD E – Deputy responded to a FSGL. Investigation revealed an unknown driver in an unknown vehicle struck and caused damage to a vehicle and then left the scene.

19400 Flaxwood Dr – Deputy responded to a mental health call. Investigation revealed a consumer was having a medical episode and was taken to a hospital for evaluation.

19300 Wellswood Ct – Deputy responded to a fraudulent use of id call. Investigation revealed unknown suspect (s) used the complainant's information to obtain a loan without authorization.

5100 Moonshadows Dr – Deputy responded to a medical call. Investigation revealed two adults ingested a narcotic and were transported to a local hospital.

19400 Half Moon Ct – Deputy responded to an animal complaint. Deputy contacted an investigator with animal control and referred the case to SPCA.

5600 Forest Timbers Dr – Deputy responded to a mental health call. Investigation revealed consumer was having a medical episode and was transported to a hospital for evaluation.

19700 Bambiwoods Ct – Deputy responded to a fraudulent use of id type call. Investigation revealed the complainant provided their bank account information and personal information online in a scam.

5500 Moosewood Ct – Deputy responded to a fraudulent use of id type call. Investigation revealed the complainant's identification was used to open a utilities account without authorization.

5600 Forest Timbers Dr – Deputy responded to a missing person call. Investigation revealed an adult consumer left the location. It was later discovered that he had been picked up by EMS and taken to a hospital.

19700 River Brook Ct – Deputy responded to a disturbance call. Investigation revealed known female was intoxicated and caused a disturbance. She left in a vehicle which was located by Deputies driving on FM 1960. The driver was found to be intoxicated and arrested for DWI.

19700 Pioneer Ct – Deputy responded to a suspicious vehicle call of a driver found unresponsive in a running vehicle. Contact was made and the driver was found to be intoxicated and arrested for DWI.

19100 Woodland Hills Dr – Deputy responded to a Major Accident.

5400 Enchanted Timbers Dr – Deputy responded to a Major Accident.

18800 Artesian Way – Deputy responded to a Minor Accident

5400 FM 1960 RD E – Deputy responded to a Minor Accident

5300 FM 1960 RD E – Deputy responded to a Minor Accident

4500 FM 1960 RD E – Deputy responded to a Minor Accident

5300 FM 1960 RD E – Deputy responded to a Minor Accident

20100 Dawn Mist Dr. – Deputy responded to a Minor Accident

4500 Greenstill Dr – Deputy responded to Illegal Dumping. Investigation revealed someone had illegally dumped debris at this location.

18400 Atascocita Meadows Dr – Deputy responded to an Unknown Medical Emergency involving a young child. Patient was transported to the hospital by EMS.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
HARRIS COUNTY, TEXAS
SEPTEMBER 15, 2020

McCall Gibson Swedlund Barfoot 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, 2020, 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, 2020, 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 engagement letter dated May 16, 2017, including our responsibility for the preparation and fair presentation of the financial statements 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) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, if any, 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 the requirements of 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) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments 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, 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:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) 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 abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) 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 we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no violations or possible violations of laws and regulations, 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.
- 24) As part of your audit, you assisted with preparation of the financial statements and related notes. 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 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 related notes.
- 25) 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, except as disclosed in the basic financial statements.
- 26) 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.
- 27) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if applicable.
- 29) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 30) All funds that meet the quantitative criteria 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.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Provisions for uncollectible receivables have been properly identified and recorded, if applicable.
- 33) 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.
- 34) 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.

- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 38) 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.
- 39) 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.
- 40) 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.
- 41) With respect to the supplementary information required by 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

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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September 15, 2020

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, 2020, 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

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.

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 District's Board of Directors is appointed or elected from the general population. 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 PLLC
Certified Public Accountants
Houston, Texas

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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September 15, 2020

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, 2020. Professional standards require that 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 in our engagement letter to you dated May 16, 2017 and continuance letter dated May 19, 2020. 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 and amounts recorded as due to developer. 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. Amounts shown as due to developer are based on final construction costs plus an estimated 15% for engineering and other fees. 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 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, 2020.

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 capital assets and due to developer schedules. 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 PLLC

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2020

DRAFT SUBJECT TO CHANGE

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INDEPENDENT AUDITOR'S REPORT

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

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, 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.

Other Matters

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, 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.

Other 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 any 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 PLLC
Certified Public Accountants
Houston, Texas

September 15, 2020

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2020**

Management’s discussion and analysis of Harris County Municipal Utility District No. 109’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended May 31, 2020. 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 inflows and 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2020**

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"). 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 \$4,534,623 as of May 31, 2020. A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2020</u>	<u>2019</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 13,178,588	\$ 13,362,136	\$ (183,548)
Capital Assets (Net of Accumulated Depreciation)	<u>15,876,988</u>	<u>15,768,108</u>	<u>108,880</u>
Total Assets	<u>\$ 29,055,576</u>	<u>\$ 29,130,244</u>	<u>\$ (74,668)</u>
Deferred Outflows of Resources	<u>\$ 600,644</u>	<u>\$ 668,583</u>	<u>\$ (67,939)</u>
Bonds Payable	\$ 24,362,732	\$ 25,700,600	\$ 1,337,868
Other Liabilities	<u>758,865</u>	<u>692,809</u>	<u>(66,056)</u>
Total Liabilities	<u>\$ 25,121,597</u>	<u>\$ 26,393,409</u>	<u>\$ 1,271,812</u>
Net Position:			
Net Investment in Capital Assets	\$ (4,586,237)	\$ (5,652,878)	\$ 1,066,641
Restricted	2,506,739	2,554,935	(48,196)
Unrestricted	<u>6,614,121</u>	<u>6,503,361</u>	<u>110,760</u>
Total Net Position	<u>\$ 4,534,623</u>	<u>\$ 3,405,418</u>	<u>\$ 1,129,205</u>

The following table provides a summary of the District's operations for the years ended May 31, 2020, and May 31, 2019.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2020</u>	<u>2019</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 3,095,667	\$ 2,901,900	\$ 193,767
Charges for Services	2,436,684	2,342,064	94,620
Other Revenues	<u>274,669</u>	<u>333,978</u>	<u>(59,309)</u>
Total Revenues	<u>\$ 5,807,020</u>	<u>\$ 5,577,942</u>	<u>\$ 229,078</u>
Expenses for Services	<u>4,677,815</u>	<u>4,618,446</u>	<u>(59,369)</u>
Change in Net Position	\$ 1,129,205	\$ 959,496	\$ 169,709
Net Position, Beginning of Year	<u>3,405,418</u>	<u>2,445,922</u>	<u>959,496</u>
Net Position, End of Year	<u>\$ 4,534,623</u>	<u>\$ 3,405,418</u>	<u>\$ 1,129,205</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of May 31, 2020, were \$10,849,739, a decrease of \$252,117 from the prior year.

The General Fund fund balance increased by \$161,366, primarily due to tax revenues and service revenues exceeding operating and administrative costs.

The Debt Service Fund fund balance increased by \$101,315, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance decreased by \$312,168, 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 an unappropriated budget for the current fiscal year. Actual revenues were \$272,092 more than budgeted revenues primarily due to higher than anticipated property tax revenues. Actual expenditures were \$635,262 less than budgeted expenditures primarily due to capital outlay being lower than anticipated.

CAPITAL ASSETS

Capital assets as of May 31, 2020, total \$15,876,988 (net of accumulated depreciation) and include land as well as the water and wastewater facilities. Significant capital asset activity during the current fiscal year included the rehabilitation of lift station no. 1, phase 1 and water plant no. 1 and no. 2 elevated storage tank rehabilitations.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2020	2019	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 230,634	\$ 230,634	\$
Construction in Progress	1,177,929	419,816	758,113
Capital Assets, Net of Accumulated Depreciation:			
Water System	4,466,194	4,687,599	(221,405)
Wastewater System	10,002,231	10,430,059	(427,828)
Total Net Capital Assets	\$ 15,876,988	\$ 15,768,108	\$ 108,880

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2020**

LONG-TERM DEBT ACTIVITY

At year end, the District had total bond debt payable of \$24,230,000. The changes in the debt position of the District during the year ended May 31, 2020, are summarized as follows:

Bond Debt Payable, June 1, 2019	\$ 25,555,000
Less: Bond Principal Paid	<u>1,325,000</u>
Bond Debt Payable, May 31, 2020	<u>\$ 24,230,000</u>

The District carries an underlying rating of "A" by Standards and Poor's Rating or A2 from Moody's. The Series 2008 Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Corp. The Series 2011 Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal. The Series 2013 Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual Assurance Company. The ratings above reflect any changes through May 31, 2020.

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, 1301 McKinney Avenue, Suite 5100, Houston, TX 77010-3095.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2020

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 329,855	\$ 317,504
Investments	4,327,903	2,596,946
Receivables:		
Property Taxes	59,522	148,125
Penalty and Interest on Delinquent Taxes		
Service Accounts	213,133	
Accrued Interest	25,896	11,678
City of Houston	19,202	
Due from Other Funds	494,203	
Prepaid Costs	24,184	
Advance for WWTP Operations	257,585	
Capital Contribution Credits Receivable		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 5,751,483	\$ 3,074,253
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,751,483	\$ 3,074,253

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 300	\$ 647,659	\$	\$ 647,659
3,354,149	10,278,998		10,278,998
	207,647		207,647
		70,862	70,862
	213,133		213,133
	37,574		37,574
	19,202		19,202
	494,203	(494,203)	
	24,184		24,184
	257,585		257,585
		1,421,744	1,421,744
		230,634	230,634
		1,177,929	1,177,929
		14,468,425	14,468,425
<u>\$ 3,354,449</u>	<u>\$ 12,180,185</u>	<u>\$ 16,875,391</u>	<u>\$ 29,055,576</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 600,644</u>	<u>\$ 600,644</u>
<u>\$ 3,354,449</u>	<u>\$ 12,180,185</u>	<u>\$ 17,476,035</u>	<u>\$ 29,656,220</u>

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, 2020

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 303,575	\$
Accrued Interest Payable		
Due to Other Funds		494,203
Due to Taxpayers		13,904
Security Deposits	255,531	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 559,106	\$ 508,107
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 59,522	\$ 148,125
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 24,184	\$
Operating Advance	257,585	
Restricted for Authorized Construction		
Restricted for Debt Service		2,418,021
Assigned to 2021 Budget	589,562	
Unassigned	4,261,524	
TOTAL FUND BALANCES	\$ 5,132,855	\$ 2,418,021
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,751,483	\$ 3,074,253
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 55,586	\$ 359,161	\$	\$ 359,161
		130,269	130,269
	494,203	(494,203)	
	13,904		13,904
	255,531		255,531
		1,390,000	1,390,000
		22,972,732	22,972,732
<u>\$ 55,586</u>	<u>\$ 1,122,799</u>	<u>\$ 23,998,798</u>	<u>\$ 25,121,597</u>
<u>\$ -0-</u>	<u>\$ 207,647</u>	<u>\$ (207,647)</u>	<u>\$ -0-</u>
\$	\$ 24,184	\$ (24,184)	\$
	257,585	(257,585)	
3,298,863	3,298,863	(3,298,863)	
	2,418,021	(2,418,021)	
	589,562	(589,562)	
	4,261,524	(4,261,524)	
<u>\$ 3,298,863</u>	<u>\$ 10,849,739</u>	<u>\$ (10,849,739)</u>	<u>\$ - 0 -</u>
<u>\$ 3,354,449</u>	<u>\$ 12,180,185</u>		
		\$ (4,586,237)	\$ (4,586,237)
		2,506,739	2,506,739
		6,614,121	6,614,121
		<u>\$ 4,534,623</u>	<u>\$ 4,534,623</u>

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, 2020

Total Fund Balances - Governmental Funds \$ 10,849,739

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. 15,876,988

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. 1,421,744

outflow 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. 600,644

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2019 and prior tax levies became part of recognized revenue in the governmental activities of the District. 278,509

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	\$ (130,269)	
Bonds Payable	<u>(24,362,732)</u>	<u>(24,493,001)</u>

Total Net Position - Governmental Activities \$ 4,534,623

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, 2020

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 1,007,887	\$ 2,031,834
Water Service	556,268	
Wastewater Service	638,922	
Water Authority Fees	994,208	
Penalty and Interest	73,753	20,626
Connection/Disconnect/Inspection Fees	67,594	
Sales Tax Revenues	74,517	
Water Authority Credits	147,135	
Investment and Miscellaneous Revenues	90,389	45,353
TOTAL REVENUES	\$ 3,650,673	\$ 2,097,813
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 142,558	\$ 3,373
Contracted Services	263,123	59,147
Purchased Wastewater Service	361,729	
Utilities	109,725	
Repairs and Maintenance	731,660	
Water Authority Assessments	1,260,028	
Depreciation		
Other	227,638	4,825
Conveyance of Capital Assets		
Capital Outlay	392,846	
Debt Service:		
Bond Principal		1,325,000
Bond Interest/Developer Interest		806,783
TOTAL EXPENDITURES/EXPENSES	\$ 3,489,307	\$ 2,199,128
NET CHANGE IN FUND BALANCES	\$ 161,366	\$ (101,315)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2019	4,971,489	2,519,336
FUND BALANCES/NET POSITION - MAY 31, 2020	\$ 5,132,855	\$ 2,418,021

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 3,039,721	\$ 55,946	\$ 3,095,667
	556,268		556,268
	638,922		638,922
	994,208		994,208
	94,379	11,387	105,766
	67,594		67,594
	74,517		74,517
	147,135	(73,209)	73,926
<u>64,410</u>	<u>200,152</u>		<u>200,152</u>
<u>\$ 64,410</u>	<u>\$ 5,812,896</u>	<u>\$ (5,876)</u>	<u>\$ 5,807,020</u>
\$	\$ 145,931	\$	\$ 145,931
493	322,763		322,763
	361,729		361,729
	109,725		109,725
	731,660		731,660
	1,260,028		1,260,028
		660,033	660,033
19	232,482		232,482
376,066	768,912	(768,912)	
	1,325,000	(1,325,000)	
	806,783	46,681	853,464
<u>\$ 376,578</u>	<u>\$ 6,065,013</u>	<u>\$ (1,387,198)</u>	<u>\$ 4,677,815</u>
\$ (312,168)	\$ (252,117)	\$ 252,117	\$
		1,129,205	1,129,205
<u>3,611,031</u>	<u>11,101,856</u>	<u>(7,696,438)</u>	<u>3,405,418</u>
<u>\$ 3,298,863</u>	<u>\$ 10,849,739</u>	<u>\$ (6,315,116)</u>	<u>\$ 4,534,623</u>

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, 2020**

Net Change in Fund Balances - Governmental Funds	\$ (252,117)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	55,946
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.	11,387
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.	(73,209)
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.	(660,033)
Governmental funds report capital expenditures 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. The conveyance of assets to other entities for ownership and maintenance is recorded as an expense.	768,912
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.	1,325,000
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.	(46,681)
Change in Net Position - Governmental Activities	<u>\$ 1,129,205</u>

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, 2020

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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

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

As discussed above, 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (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, 2020, the Debt Service Fund owed the General Fund \$494,203 for maintenance tax collections.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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. The District chose to early implement GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45

Budgeting

An annual unappropriated budget is 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 original and revised budget amounts, if revised, 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. Fund balances in governmental funds using the following hierarchy:

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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 does not have any 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 balances. The District assigned \$589,562 of its General Fund fund balance to help cover the projected budget deficit in the 2021 fiscal year.

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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 3. LONG-TERM DEBT

	<u>Refunding Series 2008</u>	<u>Refunding Series 2011</u>	<u>Refunding Series 2013</u>
Amount Outstanding – May 31, 2020	\$660,000	\$2,580,000	\$3,255,000
Interest Rates	4.00%	4.00%	2.25% - 4.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2020	October 1, 2020/2024	October 1, 2020/2029
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2016*	October 1, 2019*	October 1, 2021*
		<u>Refunding Series 2015</u>	<u>Series 2017</u>
Amount Outstanding – May 31, 2020		\$5,635,000	\$12,100,000
Interest Rates		2.592% - 3.24%	2.00% - 3.625%
Maturity Dates – Serially Beginning/Ending		October 1, 2020/2030	October 1, 2021/2041
Interest Payment Dates		October 1/ April 1	October 1/ April 1
Callable Dates		October 1, 2023*	October 1, 2024*

* 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.

On November 8, 2018, the District paid off the October 1, 2022 maturity of its Series 2009 bonds totaling \$155,000 plus interest. 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, 2020, the District had authorized but unissued bonds in the amount of \$12,950,000 for utility facilities and \$31,720,000 for refunding purposes.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended May 31, 2020:

	June 1, 2019	Additions	Retirements	May 31, 2020
Bonds Payable	\$ 25,555,000	\$	\$ 1,325,000	\$ 24,230,000
Unamortized Discounts	(194,122)		(17,158)	(176,964)
Unamortized Premiums	339,722		30,026	309,696
Bonds Payable, Net	<u>\$ 25,700,600</u>	<u>\$ -0-</u>	<u>\$ 1,337,868</u>	<u>\$ 24,362,732</u>
			Amount Due Within One Year	\$ 1,390,000
			Amount Due After One Year	<u>22,972,732</u>
			Bonds Payable, Net	<u>\$ 24,362,732</u>

As of May 31, 2020, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 1,390,000	\$ 755,227	\$ 2,145,227
2022	1,135,000	711,088	1,846,088
2023	1,240,000	674,048	1,914,048
2024	1,445,000	631,844	2,076,844
2025	1,500,000	582,777	2,082,777
2026-2030	8,220,000	2,251,617	10,471,617
2031-2035	4,200,000	1,156,973	5,356,973
2036-2040	3,505,000	607,456	4,112,456
2041-2042	1,595,000	58,271	1,653,271
	<u>\$ 24,230,000</u>	<u>\$ 7,429,301</u>	<u>\$ 31,659,301</u>

During the year ended May 31, 2020, the District levied an ad valorem debt service tax rate of \$0.32 per \$100 of assessed valuation, which resulted in a tax levy of \$2,053,175 on the adjusted taxable valuation of \$641,620,027 for the 2019 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

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 the five-year anniversary of the issue.

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 \$4,007,659 and the bank balance was \$3,945,260. 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, 2020, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 329,855	\$ 2,400,000	\$ 2,729,855
DEBT SERVICE FUND	317,504	960,000	1,277,504
CAPITAL PROJECTS FUND	300		300
TOTAL DEPOSITS	\$ 647,659	\$ 3,360,000	\$ 4,007,659

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

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.

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. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. Wells Fargo 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District records its investments in certificates of deposits at acquisition cost. As of May 31, 2020, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	\$ 1,927,903	\$ 1,927,903
Certificates of Deposit	2,400,000	2,400,000
<u>DEBT SERVICE FUND</u>		
Texas CLASS	1,636,946	1,636,946
Certificates of Deposit	960,000	960,000
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	3,354,149	3,354,149
TOTAL INVESTMENTS	\$ 10,278,998	\$ 10,278,998

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At May 31, 2020, 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.

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 due to the fact 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2020 is as follows:

	June 1, 2019	Increases	Decreases	May 31, 2020
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 230,634	\$	\$	\$ 230,634
Construction in Progress	<u>419,816</u>	<u>768,913</u>	<u>10,800</u>	<u>1,177,929</u>
Total Capital Assets Not Being Depreciated	<u>\$ 650,450</u>	<u>\$ 768,913</u>	<u>\$ 10,800</u>	<u>\$ 1,408,563</u>
Capital Assets Subject to Depreciation				
Water System	\$ 9,490,542	\$ 10,800	\$	\$ 9,501,342
Wastewater System	<u>18,684,367</u>	<u></u>	<u></u>	<u>18,684,367</u>
Total Capital Assets Subject to Depreciation	<u>\$ 28,174,909</u>	<u>\$ 10,800</u>	<u>\$ - 0 -</u>	<u>\$ 28,185,709</u>
Accumulated Depreciation				
Water System	\$ 4,802,943	\$ 232,205	\$	\$ 5,035,148
Wastewater System	<u>8,254,308</u>	<u>427,828</u>	<u></u>	<u>8,682,136</u>
Total Accumulated Depreciation	<u>\$ 13,057,251</u>	<u>\$ 660,033</u>	<u>\$ - 0 -</u>	<u>\$ 13,717,284</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 15,117,658</u>	<u>\$ (649,233)</u>	<u>\$ - 0 -</u>	<u>\$ 14,468,425</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 15,768,108</u>	<u>\$ 119,680</u>	<u>\$ 10,800</u>	<u>\$ 15,876,988</u>

The District has financed drainage facilities which have been conveyed to other entities for maintenance.

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. A 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, 2020, the District levied an ad valorem maintenance tax of \$0.16 per \$100 of assessed valuation, which resulted in a tax levy of \$1,026,588 on the adjusted taxable valuation of \$641,620,027 for the 2019 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. A supplement to this agreement was signed on April 18, 2000. The agreement has a term of 40 years.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 8. WATER AND WASTEWATER SERVICE AGREEMENT (Continued)

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. District No. 151 owes the District \$234,657 for past due amounts billed under this contract. Payment was made during the current fiscal year. In addition, the District received \$4,476 for water and wastewater collection during the current year.

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. 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, 2020, the District's advance for operation and maintenance of the regional sewage treatment plant was \$257,585 and the District recorded a total of \$361,729 for its share of operating costs of the plant.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 9. JOINT WASTE DISPOSAL CONTRACT (Continued)

The following summary financial data of the Atascocita Central Plant is presented for the fiscal year ended May 31, 2020. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US LLP.

	Joint Venture
Total Assets	\$ 1,438,037
Total Liabilities	161,837
Total Fund Balance	\$ 1,276,200
Total Revenues	\$ 1,878,532
Total Expenditures	1,878,532
Excess Revenues (Expenditures)	\$ -0-
Other Financing Sources (Uses)	
Reserve Adjustment	270,500
Net Increase (Decrease) in Fund Balance	\$ 270,500
Fund Balance, Beginning of Year	1,005,700
Fund Balance, End of Year	\$ 1,276,200

NOTE 10. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the 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 current fee charged is \$3.85 per 1,000 gallons of water pumped from each well. The District recorded expenditures of \$1,260,028 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.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 10. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Continued)

Fiscal Year	Principal
2021	\$ 76,999
2022	80,985
2023	85,177
2024	89,586
2025	94,223
2026-2030	549,526
2031-2034	445,248
	\$ 1,421,744

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.

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, 2020, the District received \$74,517 in sales tax revenues.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2020

NOTE 13. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2020

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, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 756,300	\$ 1,007,887	\$ 251,587
Water Service	556,000	556,268	268
Wastewater Service	627,000	638,922	11,922
Water Authority Fees	930,000	994,208	64,208
Penalty and Interest	101,000	73,753	(27,247)
Connection/Disconnect/Inspection Fees	84,650	67,594	(17,056)
Sales Tax Revenues	77,000	74,517	(2,483)
Investment and Miscellaneous Revenues	99,496	90,389	(9,107)
TOTAL REVENUES	\$ 3,231,446	\$ 3,503,538	\$ 272,092
EXPENDITURES			
Services Operations:			
Professional Fees	\$ 147,400	\$ 142,558	\$ 4,842
Contracted Services	237,923	263,123	(25,200)
Purchased Wastewater Service	404,136	361,729	42,407
Utilities	112,400	109,725	2,675
Water Authority Assessment, Net of Credits	930,000	1,112,893	(182,893)
Repairs and Maintenance	587,400	731,660	(144,260)
Other	252,175	227,638	24,537
Capital Outlay	1,306,000	392,846	913,154
TOTAL EXPENDITURES	\$ 3,977,434	\$ 3,342,172	\$ 635,262
NET CHANGE IN FUND BALANCE	\$ (745,988)	\$ 161,366	\$ 907,354
FUND BALANCE - JUNE 1, 2019	4,971,489	4,971,489	
FUND BALANCE - MAY 31, 2020	\$ 4,225,501	\$ 5,132,855	\$ 907,354

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, 2020

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2020**

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

<u> X </u>	Retail Water	_____	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	_____	Wholesale Wastewater	_____	Irrigation
_____	Parks/Recreation	_____	Fire Protection	<u> X </u>	Security
_____	Solid Waste/Garbage	_____	Flood Control	_____	Roads
<u> X </u>	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):

Based on the rate order approved October 16, 2018.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 10.00	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:	\$ 16.00	30,000	N	\$ 1.00	30,001 to 40,000
				\$ 2.00	40,001 and up
SURCHARGE: Water Authority Fees			N	\$ 3.60	0,001 and up
District employs winter averaging for wastewater usage?					_____ <u> X </u> Yes No

Total monthly charges per 10,000 gallons usage: Water: \$10.00 Wastewater: \$16.00 Surcharge: \$36.00 Total: \$62.00

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2020**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"			x 1.0	
1"			x 2.5	
1½"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"	3		x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections				
Total Wastewater Connections			x 1.0	

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

Gallons pumped into system: _____

Water Accountability Ratio: _____%
(Gallons billed/Gallons pumped)

Gallons billed to customers: _____

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2020**

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

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely 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

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2020

PROFESSIONAL FEES:	
Auditing	\$ 15,750
Engineering	70,423
Legal	<u>56,385</u>
TOTAL PROFESSIONAL FEES	<u>\$ 142,558</u>
PURCHASED WASTEWATER SERVICE	<u>\$ 361,729</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 27,412
Operations and Billing	133,402
Security	<u>102,309</u>
TOTAL CONTRACTED SERVICES	<u>\$ 263,123</u>
UTILITIES	
Electricity	\$ 99,671
Telephone	<u>10,054</u>
TOTAL UTILITIES	<u>\$ 109,725</u>
REPAIRS AND MAINTENANCE	<u>\$ 731,660</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 23,091
Insurance	30,478
Office Supplies and Postage	59,888
Travel and Meetings	9,705
Other	<u>3,467</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 126,629</u>
CAPITAL OUTLAY	<u>\$ 392,846</u>
TAP CONNECTIONS	<u>\$ 11,625</u>
OTHER EXPENDITURES:	
Chemicals	\$ 25,160
Laboratory Fees	6,832
Permit Fees	7,017
Reconnection Fees	13,590
Inspection Fees	11,296
Water Authority Assessments	1,260,028
Regulatory Assessment	5,723
Supplies and Chemicals	<u>19,766</u>
TOTAL OTHER EXPENDITURES	<u>\$ 1,349,412</u>
TOTAL EXPENDITURES	<u>\$ 3,489,307</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
INVESTMENTS
MAY 31, 2020

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 1,927,903	\$
Certificate of Deposit	XXXX0213	0.85%	04/22/21	240,000	218
Certificate of Deposit	XXXX7126	2.05%	12/22/20	240,000	2,184
Certificate of Deposit	XXXX7214	2.00%	08/18/20	240,000	3,314
Certificate of Deposit	XXXX2232	1.90%	01/16/21	240,000	1,686
Certificate of Deposit	XXXX2426	1.98%	02/27/21	240,000	1,211
Certificate of Deposit	XXXX0851	2.00%	09/23/20	240,000	3,301
Certificate of Deposit	XXXX0129	1.75%	02/19/21	240,000	1,174
Certificate of Deposit	XXXX0459	1.65%	01/12/21	240,000	1,508
Certificate of Deposit	XXXX9552	2.60%	07/22/20	240,000	5,368
Certificate of Deposit	XXXX4246	2.60%	06/18/20	240,000	5,932
TOTAL GENERAL FUND				<u>\$ 4,327,903</u>	<u>\$ 25,896</u>
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0003	Varies	Daily	\$ 1,636,946	\$
Certificate of Deposit	XXXX2151	1.14%	03/19/21	240,000	547
Certificate of Deposit	XXXX0095	2.00%	09/19/20	240,000	3,354
Certificate of Deposit	XXXX0072	2.15%	09/19/20	240,000	3,605
Certificate of Deposit	XXXX0283	2.45%	09/14/20	240,000	4,172
TOTAL DEBT SERVICE FUND				<u>\$ 2,596,946</u>	<u>\$ 11,678</u>
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	\$ 3,354,149	\$ -0-
TOTAL - ALL FUNDS				<u>\$ 10,278,998</u>	<u>\$ 37,574</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2020

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JUNE 1, 2019	\$	36,919	\$	114,782
Adjustments to Beginning				
Balance		<u>3,902</u>	\$	<u>12,002</u>
		\$ 40,821	\$	126,784
Original 2019 Tax Levy	\$	931,685	\$	1,863,369
Adjustment to 2019 Tax Levy		<u>94,903</u>	<u>1,026,588</u>	<u>2,053,175</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 1,067,409		\$ 2,179,959
TAX COLLECTIONS:				
Prior Years	\$	19,066	\$	54,193
Current Year		<u>988,821</u>	<u>1,007,887</u>	<u>2,031,834</u>
TAXES RECEIVABLE -				
MAY 31, 2020		<u>\$ 59,522</u>		<u>\$ 148,125</u>
TAXES RECEIVABLE BY				
YEAR:				
2019	\$	37,767	\$	75,534
2018		6,081		16,840
2017		3,943		10,140
2016		2,028		7,559
2015		1,999		5,998
2014		1,505		4,515
2013		890		3,736
2012		675		2,833
2011		602		2,528
2010		607		2,550
2009 and prior		<u>3,425</u>		<u>15,892</u>
TOTAL	\$	<u>59,522</u>	\$	<u>148,125</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2020

	2019	2018	2017	2016
PROPERTY VALUATIONS:				
Land	\$ 107,559,057	\$ 99,980,102	\$ 97,359,021	\$ 93,301,642
Improvements	564,463,334	503,023,965	492,953,478	459,329,812
Personal Property	13,751,917	13,433,003	13,133,175	13,590,992
Exemptions	<u>(44,154,281)</u>	<u>(23,157,154)</u>	<u>(25,010,945)</u>	<u>(25,252,846)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 641,620,027</u>	<u>\$ 593,279,916</u>	<u>\$ 578,434,729</u>	<u>\$ 540,969,600</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.32	\$ 0.36	\$ 0.36	\$ 0.41
Maintenance	<u>0.16</u>	<u>0.13</u>	<u>0.14</u>	<u>0.11</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.48</u>	<u>\$ 0.49</u>	<u>\$ 0.50</u>	<u>\$ 0.52</u>
ADJUSTED TAX LEVY*	<u>\$ 3,079,763</u>	<u>\$ 2,907,072</u>	<u>\$ 2,892,181</u>	<u>\$ 2,813,042</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>96.32 %</u>	<u>99.21 %</u>	<u>99.51 %</u>	<u>99.66 %</u>

* 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, 2020

SERIES - 2008 REFUNDING			
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2021	\$ 660,000	\$ 13,200	\$ 673,200
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
	\$ 660,000	\$ 13,200	\$ 673,200

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2020

SERIES - 2011 REFUNDING			
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2021	\$ 555,000	\$ 92,100	\$ 647,100
2022	580,000	69,400	649,400
2023	625,000	45,300	670,300
2024	400,000	24,800	424,800
2025	420,000	8,400	428,400
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
	\$ 2,580,000	\$ 240,000	\$ 2,820,000

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2020

SERIES - 2013 REFUNDING				
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total	
2021	\$ 105,000	\$ 124,431	\$	229,431
2022	105,000	121,806		226,806
2023	115,000	118,781		233,781
2024	380,000	109,600		489,600
2025	400,000	94,000		494,000
2026	415,000	77,700		492,700
2027	440,000	60,600		500,600
2028	460,000	42,600		502,600
2029	485,000	23,700		508,700
2030	350,000	7,000		357,000
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
	\$ 3,255,000	\$ 780,218	\$	4,035,218

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2020

SERIES - 2015 REFUNDING				
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total	
2021	\$ 70,000	\$ 145,152	\$	215,152
2022	70,000	143,338		213,338
2023	70,000	141,523		211,523
2024	225,000	137,700		362,700
2025	220,000	131,933		351,933
2026	695,000	127,818		822,818
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				
	\$ 5,635,000	\$ 1,226,697	\$	6,861,697

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2020

S E R I E S - 2 0 1 7			
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2021	\$	\$ 380,344	\$ 380,344
2022		380,000	756,544
2023		430,000	798,444
2024		440,000	799,744
2025		460,000	808,444
2026		445,000	779,869
2027		460,000	781,294
2028		475,000	782,269
2029		490,000	782,794
2030		515,000	792,719
2031		525,000	787,119
2032		560,000	805,844
2033		585,000	813,303
2034		605,000	814,709
2035		630,000	820,019
2036		650,000	818,813
2037		675,000	821,453
2038		700,000	822,812
2039		725,000	822,875
2040		755,000	826,503
2041		785,000	828,590
2042		810,000	824,681
	\$ 12,100,000	\$ 5,169,186	\$ 17,269,186

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2020

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending May 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2021	\$ 1,390,000	\$ 755,227	\$ 2,145,227
2022	1,135,000	711,088	1,846,088
2023	1,240,000	674,048	1,914,048
2024	1,445,000	631,844	2,076,844
2025	1,500,000	582,777	2,082,777
2026	1,555,000	540,387	2,095,387
2027	1,580,000	515,852	2,095,852
2028	1,635,000	455,331	2,090,331
2029	1,695,000	398,952	2,093,952
2030	1,755,000	341,095	2,096,095
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
	<u>\$ 24,230,000</u>	<u>\$ 7,429,301</u>	<u>\$ 31,659,301</u>

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2020

Description	Original Bonds Issued	Bonds Outstanding June 1, 2019
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2008	\$ 6,165,000	\$ 1,280,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2011	5,640,000	3,120,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2013	3,745,000	3,355,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2015	5,920,000	5,700,000
Harris County Municipal Utility District No. 109 Unlimited Tax Bonds - Series 2017	<u>12,100,000</u>	<u>12,100,000</u>
TOTAL	<u>\$ 33,570,000</u>	<u>\$ 25,555,000</u>
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 61,830,000	\$ 32,730,000
Amount Issued	<u>48,880,000</u>	<u>1,010,000</u>
Remaining to be Issued	<u>\$ 12,950,000</u>	<u>\$ 31,720,000</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding May 31, 2020</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 620,000	\$ 38,800	\$ 660,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	540,000	114,000	2,580,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	100,000	126,737	3,255,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	65,000	146,902	5,635,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		380,344	12,100,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 1,325,000</u>	<u>\$ 806,783</u>	<u>\$ 24,230,000</u>	

Debt Service Fund cash and investment balances as of May 31, 2020: \$ 2,914,450

Average annual debt service payment (principal and interest) for
remaining term of all debt: \$ 1,439,059

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

See accompanying independent auditor's report.

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

	Amounts		
	2020	2019	2018
REVENUES			
Property Taxes	\$ 1,007,887	\$ 770,589	\$ 796,048
Water Service	556,268	534,561	524,713
Wastewater Service	638,922	622,052	601,706
Water Authority Fees	994,208	845,456	763,278
Penalty and Interest	73,753	98,286	75,289
Connection/Disconnect/Inspection Fees	67,594	120,857	64,252
Sales Tax Revenues	74,517	70,841	80,806
Sale of Capacity		173,901	151,611
Water Authority Credits	147,135	147,135	147,135
Investment and Miscellaneous Revenues	90,389	115,555	29,857
TOTAL REVENUES	\$ 3,650,673	\$ 3,499,233	\$ 3,234,695
EXPENDITURES			
Professional Fees	\$ 142,558	\$ 138,872	\$ 129,764
Contracted Services	263,123	229,998	248,363
Purchased Services	361,729	379,479	339,454
Utilities	109,725	110,603	121,389
Repairs and Maintenance	731,660	601,088	508,336
Water Authority Assessments	1,260,028	1,066,968	932,927
Other	227,638	252,710	317,824
Capital Outlay	392,846	253,138	75,889
TOTAL EXPENDITURES	\$ 3,489,307	\$ 3,032,856	\$ 2,673,946
NET CHANGE IN FUND BALANCE	\$ 161,366	\$ 466,377	\$ 560,749
BEGINNING FUND BALANCE	4,971,489	4,505,112	3,944,363
ENDING FUND BALANCE	\$ 5,132,855	\$ 4,971,489	\$ 4,505,112

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
\$ 595,683	\$ 632,697	27.7 %	21.9 %	24.7 %	19.8 %	22.1 %
636,035	565,306	15.2	15.3	16.2	20.9	19.7
582,334	584,058	17.5	17.8	18.6	19.1	20.4
661,238	504,944	27.2	24.2	23.6	21.7	17.6
43,993	40,046	2.0	2.8	2.3	1.4	1.4
71,014	144,683	1.9	3.5	2.0	2.3	5.1
72,755	77,658	2.0	2.0	2.5	2.4	2.7
146,487	166,311		5.0	4.7	4.8	5.8
147,135	147,135	4.0	4.2	4.5	4.8	5.1
85,032	1,599	2.5	3.3	0.9	2.8	0.1
<u>\$ 3,041,706</u>	<u>\$ 2,864,437</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 115,406	\$ 104,137	3.9 %	4.0 %	4.0 %	3.8 %	3.6 %
230,088	215,305	7.2	6.6	7.7	7.6	7.5
301,412	310,281	9.9	10.8	10.5	9.9	10.8
120,188	118,619	3.0	3.2	3.8	4.0	4.1
502,091	493,569	20.0	17.2	15.7	16.5	17.2
850,178	689,343	34.5	30.5	28.8	28.0	24.1
210,812	188,114	6.2	7.2	9.8	6.9	6.6
5,689		10.8	7.2	2.3	0.2	
<u>\$ 2,335,864</u>	<u>\$ 2,119,368</u>	<u>95.5 %</u>	<u>86.7 %</u>	<u>82.6 %</u>	<u>76.9 %</u>	<u>73.9 %</u>
\$ 705,842	\$ 745,069	4.5 %	13.3 %	17.4 %	23.1 %	26.1 %
<u>3,238,521</u>	<u>2,493,452</u>					
<u>\$ 3,944,363</u>	<u>\$ 3,238,521</u>					

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		
	2020	2019	2018
REVENUES			
Property Taxes	\$ 2,031,834	\$ 2,131,528	\$ 2,058,182
Penalty and Interest	20,626	33,106	35,038
Investment and Miscellaneous Revenues	45,353	48,475	48,852
TOTAL REVENUES	\$ 2,097,813	\$ 2,213,109	\$ 2,142,072
EXPENDITURES			
Tax Collection Expenditures	\$ 64,595	\$ 74,514	\$ 69,642
Debt Service Principal	1,325,000	830,000	2,005,000
Debt Service Interest and Fees	809,533	852,514	963,284
Bond Issuance Costs			
TOTAL EXPENDITURES	\$ 2,199,128	\$ 1,757,028	\$ 3,037,926
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (101,315)	\$ 456,081	\$ (895,854)
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	\$	\$	\$
Proceeds from the Sale of Refunding Bonds			
Transfer to Refunded Bond Escrow Agent			
TOTAL OTHER FINANCING SOURCES (USES)	\$ - 0 -	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ (101,315)	\$ 456,081	\$ (895,854)
BEGINNING FUND BALANCE	2,519,336	2,063,255	2,959,109
ENDING FUND BALANCE	\$ 2,418,021	\$ 2,519,336	\$ 2,063,255
TOTAL ACTIVE RETAIL WATER CONNECTIONS		3,085	3,056
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS		3,084	3,053

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
\$ 2,209,726	\$ 1,898,460	96.8 %	96.3 %	96.1 %	98.4 %	98.7 %
33,631	22,692	1.0	1.5	1.6	1.5	1.3
3,068	1,162	2.2	2.2	2.3	0.1	
<u>\$ 2,246,425</u>	<u>\$ 1,922,314</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 73,050	\$ 66,705	3.1 %	3.4 %	3.3 %	3.3 %	3.5 %
1,195,000	1,055,000	63.2	37.5	93.6	53.2	54.9
585,993	652,251	38.6	38.5	45.0	26.1	33.9
	150,658					7.8
<u>\$ 1,854,043</u>	<u>\$ 1,924,614</u>	<u>104.9 %</u>	<u>79.4 %</u>	<u>141.9 %</u>	<u>82.6 %</u>	<u>100.1 %</u>
\$ 392,382	\$ (2,300)	<u>(4.9) %</u>	<u>20.6 %</u>	<u>(41.9) %</u>	<u>17.4 %</u>	<u>(0.1) %</u>
\$ 396,191	\$					
	5,920,000					
	(5,769,243)					
<u>\$ 396,191</u>	<u>\$ 150,757</u>					
\$ 788,573	\$ 148,457					
2,170,536	2,022,079					
<u>\$ 2,959,109</u>	<u>\$ 2,170,536</u>					
<u>2,960</u>	<u>2,907</u>					
<u>2,927</u>	<u>2,906</u>					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2020

District Mailing Address - Harris County Municipal Utility District No. 109
c/o Norton Rose Fulbright US LLP
1301 McKinney Ave., Suite 5100
Houston, TX 77010-3095

District Telephone Number - (713) 651-5151

Board Members	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended May 31, 2020</u>	<u>Expense Reimbursements for the year ended May 31, 2020</u>	<u>Title</u>
Owen H. Parker	05/20 – 05/24 (Elected)	\$ 6,300	\$ 1,946	President
Chris Green	05/20 – 05/24 (Elected)	\$ 5,250	\$ 2,993	Vice President
Cheryl Moore	05/18 – 05/22 (Elected)	\$ 2,550	\$ 1,227	Secretary
Robin Sulpizio	05/18 – 05/22 (Elected)	\$ 3,750	\$ 1,804	Assistant Secretary
Nancy Frank	03/18 – 05/22 (Appointed)	\$ 3,600	\$ 1,049	Assistant Secretary

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 submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054): June 5, 2019.

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, 2020

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2020</u>	<u>Title</u>
Norton Rose Fulbright US LLP	07/29/74	\$ 56,795	General Counsel
McCall Gibson Swedlund Barfoot PLLC	05/24/16	\$ 15,750	Auditor
Municipal Accounts & Consulting, L.P.	02/27/17	\$ 30,825	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/19/96	\$ 13,853	Delinquent Tax Attorney
Brown & Gay Engineers, Inc.	09/19/84	\$ 305,056	Engineer
Robert W. Baird & Co.	02/17/15	\$ -0-	Financial Advisor
Water Wastewater Management Services, Inc.	03/20/01	\$ 812,702	Operator
Bill Spencer	08/15/95	\$ 34,032	Tax Assessor/ Collector

See accompanying independent auditor's report.

Harris County Municipal Utility District Number 109

Tax Collector's Report

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August 31, 2020

Cash Receipts and Disbursements	Page 1
Taxes Receivable Summary	Pages 2-3
2019 Tax Levy and Adjustments	Page 4
Tax Collections Detail	Pages 5-6
Taxes Receivable Detail	Pages 7-8

Disbursements for September 15, 2020:

#2057: Ad Valorem Appraisals Inc; Tax Assessor-Collector Fee-9/2020	\$2,848.43
#2058: Perdue, Brandon, Fielder, Collins & Mott; Tax Atty Fee-8/2020	4,921.54
#2059: Harris County Appraisal District; Quarterly Assessment	5,818.00
#2060: Mary L Cummings; Refund 109-145-000-0010	120.00
#2061: Red Ramirez; Refund 110-750-000-0003	18.47
#2062: Larry S & Kimberly J Williams; Refund 110-750-000-0039	120.00
#2063: D L Peterson Trust; Refund 0214595	<u>13.99</u>
Total Disbursements for September 15, 2020	<u>\$13,860.43</u>

Harris County Municipal Utility District Number 109

Tax Collector's Report

Current Period Covered: August 1, 2020 to August 31, 2020

Fiscal Year Beginning: June 1, 2020

<u>Cash Receipts and Disbursements</u>	<u>Current Period</u>	<u>Year to Date</u>
Cash Balance at Beginning of Period	\$317,415.72	\$284,759.24
Collections:		
2019 Tax Collections	19,572.59	52,358.17
2018 Tax Collections	1,449.85	3,483.72
2017 Tax Collections	98.84	259.00
2016 Tax Collections	87.72	-1,057.61
2006 Tax Collections	721.73	1,067.64
2005 Tax Collections	0.00	365.46
2004 Tax Collections	0.00	243.60
2003 Tax Collections	0.00	227.64
2002 Tax Collections	0.00	158.16
Penalty and Interest	4,282.92	10,928.31
Tax Attorney Fees	4,921.54	7,656.26
Overpayments	315.36	2,211.28
Interest Earned	<u>48.23</u>	<u>135.24</u>
Total Collections	31,498.78	78,036.87
Disbursements:		
Tax Assessor-Collector Fee	2,848.43	8,545.29
Tax Assessor-Collector Bond	0.00	250.00
Tax Attorney Fee	2,456.29	3,001.54
Appraisal District Quarterly Fee	0.00	6,045.49
Refund Overpayments	<u>1,394.67</u>	<u>2,738.68</u>
Total Disbursements	<u>6,699.39</u>	<u>20,581.00</u>
Cash Balance at End of Period	<u>\$342,215.11</u>	<u>\$342,215.11</u>

Harris County Municipal Utility District Number 109

Tax Collector's Report Taxes Receivable Summary as of August 31, 2020

<u>Taxes Receivable by Year</u>		2899.7		
<u>Year</u>	<u>Adjusted Tax Levy</u>	<u>Collections To Date</u>	<u>Taxes Receivable</u>	<u>Percent Collected</u>
2019	\$3,079,330.49	\$3,018,821.13	\$60,509.36	98.03%
2018	2,907,539.25	2,888,195.06	19,344.19	99.33%
2017	2,895,673.63	2,881,717.26	13,956.37	99.52%
2016	2,808,753.01	2,799,370.08	9,382.93	99.67%
2015	2,573,712.76	2,566,437.03	7,275.73	99.72%
2014	2,301,769.82	2,295,749.86	6,019.96	99.74%
2013	2,097,527.32	2,092,901.91	4,625.41	99.78%
2012	2,071,519.13	2,068,010.99	3,508.14	99.83%
2011	2,121,714.06	2,118,584.76	3,129.30	99.85%
2010	2,138,895.52	2,135,737.86	3,157.66	99.85%
2009	2,160,628.25	2,157,589.91	3,038.34	99.86%
2008	2,142,045.24	2,139,597.48	2,447.76	99.89%
2007	2,084,977.70	2,082,208.47	2,769.23	99.87%
2006	2,108,720.67	2,106,415.30	2,305.37	99.89%
2005	2,197,283.24	2,195,543.57	1,739.67	99.92%
2004	2,010,295.69	2,007,622.69	2,673.00	99.87%
2003	1,863,011.08	1,860,553.26	2,457.82	99.87%
2002	1,743,166.99	1,742,780.89	386.10	99.98%
2001	1,705,006.18	1,704,772.45	233.73	99.99%
2000	1,630,288.09	1,630,151.22	136.87	99.99%
1999	1,482,019.84	1,481,978.10	41.74	100.00%
1998	1,346,040.98	1,345,882.41	158.57	99.99%
1997	1,218,889.39	1,218,854.71	34.68	100.00%
1996	1,156,053.10	1,156,015.39	37.71	100.00%
1995	1,130,565.24	1,130,545.88	19.36	100.00%
1994	1,124,058.85	1,124,058.85	0.00	100.00%
1993	1,075,288.28	1,075,288.28	0.00	100.00%
1992	1,056,792.83	1,056,792.83	0.00	100.00%
1991	1,062,453.27	1,062,453.27	0.00	100.00%
1990	918,308.87	918,308.87	0.00	100.00%
1989	894,403.45	894,403.45	0.00	100.00%
1988	856,779.83	856,779.83	0.00	100.00%
1987	853,204.06	853,204.06	0.00	100.00%
1986	857,037.29	857,037.29	0.00	100.00%
1985	793,674.23	793,674.23	0.00	100.00%
1984	760,460.05	760,460.05	0.00	100.00%
1982	<u>561,303.52</u>	<u>561,303.52</u>	<u>0.00</u>	<u>100.00%</u>
Totals	<u>\$61,789,191.20</u>	<u>\$61,639,802.20</u>	<u>\$149,389.00</u>	<u>99.76%</u>

Harris County Municipal Utility District Number 109

Tax Collector's Report Taxes Receivable Summary as of August 31, 2020

Tax Roll Information

<u>Year</u>	<u>Taxable Value</u>	<u>Annual Change</u>	<u>Debt Tax Rate</u>	<u>Maintenance Tax Rate</u>	<u>Total Tax Rate</u>	<u>Exemptions</u>
2019	641,529,911	8.12%	0.32000	0.16000	0.48000	25,000 O/D
2018	593,375,297	2.46%	0.36000	0.13000	0.49000	10,000 O/D
2017	579,133,338	7.22%	0.36000	0.14000	0.50000	10,000 O/D
2016	540,148,676	9.13%	0.41000	0.11000	0.52000	10,000 O/D
2015	494,944,745	11.81%	0.39000	0.13000	0.52000	10,000 O/D
2014	442,648,062	9.74%	0.39000	0.13000	0.52000	10,000 O/D
2013	403,370,606	1.26%	0.42000	0.10000	0.52000	10,000 O/D
2012	398,369,066	-2.37%	0.42000	0.10000	0.52000	10,000 O/D
2011	408,021,927	-0.80%	0.42000	0.10000	0.52000	10,000 O/D
2010	411,326,061	-1.01%	0.42000	0.10000	0.52000	10,000 O/D
2009	415,504,618	0.87%	0.42000	0.10000	0.52000	10,000 O/D
2008	411,931,758	2.74%	0.42000	0.10000	0.52000	10,000 O/D
2007	400,957,245	6.48%	0.42000	0.10000	0.52000	10,000 O/D
2006	376,557,265	2.83%	0.46000	0.10000	0.56000	10,000 O/D
2005	366,208,721	9.30%	0.50000	0.10000	0.60000	10,000 O/D
2004	335,049,282	7.91%	0.50000	0.10000	0.60000	10,000 O/D
2003	310,501,847	6.88%	0.50000	0.10000	0.60000	10,000 O/D
2002	290,527,832	5.63%	0.50000	0.10000	0.60000	10,000 O/D
2001	275,035,288	9.50%	0.52000	0.10000	0.62000	10,000 O/D
2000	251,170,142	15.23%	0.57367	0.07547	0.64914	10,000 O/D
1999	217,977,950	10.11%	0.60460	0.07540	0.68000	10,000 O/D
1998	197,957,174	10.43%	0.63000	0.05000	0.68000	10,000 O/D
1997	179,258,410	3.88%	0.63000	0.05000	0.68000	10,000 O/D
1996	172,555,210	2.26%	0.62000	0.05000	0.67000	10,000 O/D
1995	168,741,080	2.08%	0.62000	0.05000	0.67000	10,000 O/D
1994	165,302,770	4.54%	0.63000	0.05000	0.68000	10,000 O/D
1993	158,130,630	3.99%	0.63000	0.05000	0.68000	10,000 O/D
1992	152,056,520	-0.53%	0.64500	0.05000	0.69500	10,000 O/D
1991	152,870,970	6.44%	0.64500	0.05000	0.69500	10,000 O/D
1990	143,620,410	4.37%	0.58940	0.05000	0.63940	10,000 O/D
1989	137,600,530	4.39%	0.60000	0.05000	0.65000	10,000 O/D
1988	131,812,280	0.42%	0.60000	0.05000	0.65000	10,000 O/D
1987	131,262,160	-8.11%	0.60000	0.05000	0.65000	10,000 O/D
1986	142,839,550	-1.02%	0.55000	0.05000	0.60000	10,000 O/D
1985	144,304,410	4.37%	0.50000	0.05000	0.55000	10,000 O/D
1984	138,265,460	-1.22%	0.50000	0.05000	0.55000	10,000 O/D
1982	139,975,940	0.00%	0.35100	0.05000	0.40100	10,000 O/D

Harris County Municipal Utility District Number 109

Tax Collector's Report 2019 Tax Levy and Adjustments as of August 31, 2020

<u>2019 Tax Rate: \$0.48 (0.32 I&S + 0.16 M&O)</u>		<u>Taxable Value</u>	<u>Tax Levy</u>
Original Tax Roll:	8/24/2019	\$582,302,792	\$2,795,053.45
Adjustments:			
Supplemental Roll #1	9/21/2019	4,874,279	23,396.54
Supplemental Roll #2	10/19/2019	34,876,233	167,405.92
Supplemental Roll #3	10/31/2019	14,999,304	71,996.66
Supplemental Roll #4	12/20/2019	3,415,583	16,394.80
Supplemental Roll #5	1/24/2020	159,694	766.53
Supplemental Roll #6	3/26/2020	1,148,802	5,514.25
Correctional Rolls #7&8	4/24/2020	-53,305	-255.88
Correctional Roll #9	5/24/2020	-103,355	-509.21
Correctional Roll #10	6/19/2020	-10,014	-48.07
Correctional Roll #11	7/24/2020	-23,341	-112.04
Correctional Roll #12	8/21/2020	<u>-56,761</u>	<u>-272.46</u>
Total Adjustments		<u>59,227,119</u>	<u>284,277.04</u>
Total Tax Levy		<u>\$641,529,911</u>	<u>\$3,079,330.49</u>

Summary of 2019 Certified Property Values:

<u>Land Value</u>	<u>Improvements</u>	<u>Personalty</u>	<u>Assessed</u>	<u>Exemptions</u>	<u>Taxable Value</u>
<u>107,559,057</u>	<u>564,423,487</u>	<u>14,194,029</u>	<u>686,176,573</u>	<u>44,646,662</u>	<u>641,529,911</u>

Harris County Municipal Utility District Number 109

Tax Collector's Report Tax Collections for August, 2020

<u>Property Owner</u>	<u>Account No</u>	<u>Tax Amount</u>	<u>Pen & Int</u>	<u>Atty/Cost</u>	<u>Overpaid</u>	<u>Total Pmt</u>
2019 Tax Collections:						
19 Accounts	Various Accounts	\$19,887.95	\$3,645.43	\$4,549.63	\$0.00	\$28,083.01
Cummings Mary L	108-145-000-0018	-120.00	0.00	0.00	120.00	0.00
Ramirez Red	110-750-000-0003	-18.47	0.00	0.00	18.47	0.00
Williams Larry S & Kimberly J	110-750-000-0039	-120.00	0.00	0.00	120.00	0.00
Akoma Ibeawuchi J & Beverly	114-139-015-0067	-42.90	0.00	0.00	42.90	0.00
D L Peterson Trust	0214595	-13.99	0.00	0.00	13.99	0.00
Total 2019 Tax Collections		<u>\$19,572.59</u>	<u>\$3,645.43</u>	<u>\$4,549.63</u>	<u>\$315.36</u>	<u>\$28,083.01</u>
2018 Tax Collections:						
Catlin Steven L	102-069-000-0004	\$5.14	\$0.43	\$0.00	\$0.00	\$5.57
Barrera George & Marie	102-070-000-0031	766.22	237.53	200.75	0.00	1,204.50
De La Garza Michael A	114-139-016-0006	33.84	-33.84	0.00	0.00	0.00
Frontier Custom Builders Inc	136-402-001-0005	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0006	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0007	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0010	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0011	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0014	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0015	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0016	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0018	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0019	24.43	7.33	6.35	0.00	38.11
Frontier Custom Builders Inc	136-402-001-0020	24.43	7.33	6.35	0.00	38.11
Educational Advantage III LLC	2290641	158.85	49.24	41.62	0.00	249.71
Educational Advantage III LLC	2292899	<u>217.07</u>	<u>60.78</u>	<u>55.57</u>	<u>0.00</u>	<u>333.42</u>
Total 2018 Tax Collections		<u>\$1,449.85</u>	<u>\$394.77</u>	<u>\$367.79</u>	<u>\$0.00</u>	<u>\$2,212.41</u>
2017 Tax Collections:						
Catlin Steven L	102-069-000-0004	\$84.35	\$11.25	\$0.00	\$0.00	\$95.60
Frontier Custom Builders Inc	136-402-002-0008	<u>14.49</u>	<u>6.08</u>	<u>4.12</u>	<u>0.00</u>	<u>24.69</u>
Total 2017 Tax Collections		<u>\$98.84</u>	<u>\$17.33</u>	<u>\$4.12</u>	<u>\$0.00</u>	<u>\$120.29</u>
2016 Tax Collections:						
Catlin Steven L	102-069-000-0004	<u>\$87.72</u>	<u>\$18.49</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$106.21</u>
Total 2016 Tax Collections		<u>\$87.72</u>	<u>\$18.49</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$106.21</u>
2015 Tax Collections:						
Johnson Thomas & Barbara	108-498-000-0001	<u>\$721.73</u>	<u>\$206.90</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$928.63</u>
Total 2015 Tax Collections		<u>\$721.73</u>	<u>\$206.90</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$928.63</u>

Harris County Municipal Utility District Number 109

Tax Collector's Report Tax Collections for August, 2020

Summary of Other Collections	<u>\$4,282.92</u>	<u>\$4,921.54</u>	<u>\$315.36</u>	31,450.55
Interest Earnings				<u>48.23</u>
Total Collected during Month				<u>\$31,498.78</u>

Harris County Municipal Utility District Number 109

Tax Collector's Report Taxes Receivable Detail as of August 31, 2020

<u>Property Owner</u>	<u>Account No.</u>	<u>2018 Tax</u>	<u>2017 Tax</u>	<u>2016 Tax</u>	<u>2015 Tax</u>	<u>Prior Yrs</u>
Guniganti Prabhakar	045-005-000-0125	\$0.81	\$0.00	\$0.00	\$0.00	\$0.00
D:Vineyard Travis & Danelle	102-065-000-0007	581.84	593.71	617.46	569.28	1,017.41
Extreme Remodeling LLC	102-066-000-0020	4.29	4.38	4.55	0.00	0.00
State of Texas	102-066-000-0021	1.76	0.00	0.00	0.00	0.00
D:Catlin Steven L	102-069-000-0004	77.52	0.00	0.00	0.00	0.00
Sweeney Bryan A	108-492-000-0020	0.00	873.37	0.00	0.00	0.00
D:Brown-Sullinger Kelly	108-492-000-0027	758.71	774.20	735.35	749.00	762.48
D:Strengel Kris C	108-494-000-0020	859.70	868.56	816.45	760.61	4,533.36
Wilson Dewey M	108-497-000-0032	708.16	722.61	682.71	639.79	0.00
State of Texas	108-497-000-0047	23.50	0.00	0.00	0.00	0.00
D:Johnson Thomas & Barb	108-498-000-0001	810.27	822.12	772.55	0.00	0.00
Q:Key Sherry R	109-142-000-0001	360.88	123.40	0.00	0.00	0.00
S:Cruz Sara	109-142-000-0006	0.00	579.11	499.20	473.20	0.00
D:Cartwright Ed & Diane	109-142-000-0034	550.92	533.51	499.68	463.67	2,196.14
D:Brokaw Sharon	109-144-000-0002	475.30	0.00	496.33	514.16	0.00
P:Deyle Kurt	111-527-000-0010	576.66	210.95	0.00	0.00	0.00
Deyle Kurt	111-527-000-0013	0.00	0.00	532.95	490.09	640.96
P:Gloria Simon & Maria	113-135-000-0013	621.37	119.41	0.00	0.00	0.00
Warmuth John J	113-142-000-0028	50.00	0.00	0.00	0.00	0.00
Bjornaas Kevin Estate of	114-139-009-0007	578.20	0.00	0.00	0.00	0.00
S:Jackson Keshell	114-139-009-0015	612.80	625.31	620.03	0.00	0.00
P:Paxton Roy C & Debbie M	114-139-010-0036	0.00	259.40	0.00	0.00	0.00
D:Gonzalez Virginia	114-139-015-0003	527.53	488.00	0.00	0.00	0.00
D:Cook Julia S	114-139-015-0036	468.45	478.01	471.60	435.90	1,481.13
Seward B Randolph	114-139-017-0014	463.62	0.00	0.00	0.00	0.00
Cruz Rosa L	114-350-015-0008	305.50	0.00	0.00	0.00	0.00
Lund Timothy C & Amy W	114-350-015-0058	764.40	0.00	0.00	0.00	0.00
Jones Edward A & Agnes	114-350-015-0047	0.00	0.00	0.78	0.00	0.00
Blow Frederick E & Cheryl	114-350-015-0118	1,036.24	1,057.39	0.00	0.00	0.00
D:Harris Virginia B	114-350-016-0083	868.88	844.16	794.67	759.91	1,857.00
State of Texas	115-346-000-0002	8.33	0.00	0.00	0.00	0.00
Stitchem Anna M	115-511-021-0036	957.26	926.80	0.00	0.00	0.00
State of Texas	115-813-000-0005	2.00	0.00	0.00	0.00	0.00
State of Texas	116-275-000-0416	91.06	0.00	0.00	0.00	0.00
Continental Land Owners	116-276-000-0312	0.49	0.00	0.00	0.00	0.00
Olveda Salvador	119-320-001-0004	0.00	19.59	0.00	0.00	0.00
Harris Jack L & Diana L	119-848-003-0002	916.39	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0001	922.81	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0005	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0006	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0007	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0010	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0011	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0012	0.00	294.39	100.14	0.00	0.00
P:Frontier Custom Builders	136-402-001-0014	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0015	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0016	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0018	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0019	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-001-0020	121.05	0.00	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-002-0008	0.00	46.97	0.00	0.00	0.00
P:Frontier Custom Builders	136-402-002-0011	887.77	0.00	0.00	0.00	0.00
Marks Nathaniel	136-402-002-0012	375.92	0.00	0.00	0.00	0.00

Harris County Municipal Utility District Number 109

Tax Collector's Report Taxes Receivable Detail as of August 31, 2020

<u>Property Owner</u>	<u>Account No.</u>	<u>2018 Tax</u>	<u>2017 Tax</u>	<u>2016 Tax</u>	<u>2015 Tax</u>	<u>Prior Yrs</u>
S:John Escamilla	0656655	0.00	0.00	0.00	0.00	119.37
First Data Merchants Servic	0893261	4.33	4.34	0.00	0.00	0.00
S:John Escamilla	0931712	0.00	2.59	0.00	0.00	33.85
Joseph Stewart	0947318	0.00	37.90	6.73	7.48	194.12
The Crush Volleyball Club	0974276	0.00	6.80	7.07	7.07	71.26
Clown Express	0993423	2.45	0.00	0.00	0.00	0.00
Jose Angel Barbosa Jr	1053957	0.00	10.42	3.40	3.77	68.63
Vale Services	1054527	3.98	4.51	3.25	3.61	0.00
Kwik Kar Lube & Tune	2013181	85.46	89.60	0.00	0.00	0.00
Digital Professionals Compt	2064780	21.89	22.15	22.89	22.89	44.79
John Escamilla	2108677	0.00	8.90	0.00	0.00	80.96
Anonited Child Card Inc	2116166	0.00	39.88	32.17	35.74	0.00
Adonai Transportation	2153210	0.00	39.90	27.23	30.25	78.83
B & L Capital Inc	2154083	24.08	27.55	28.66	31.84	82.99
Kevin R Culp	2157330	46.42	52.56	57.45	63.84	166.38
S:Eric W Moore	2157651	0.00	250.75	190.11	211.23	345.54
JD Wade Trucking Inc	2159086	2.45	26.67	22.96	0.00	3.24
Dupree Express Trucking	2172915	99.37	223.95	257.90	168.69	4.17
Jason C Sanders	2176400	0.00	27.22	22.01	0.00	0.00
ADT LLC	2179108	0.00	23.75	0.00	0.00	0.00
E M Hot Spot Transport Inc	2188335	0.00	7.26	8.39	9.32	11.50
Books & Boxes Plus LLC	2191926	7.83	0.00	0.00	0.00	0.00
Lobo Transport LLC	2200158	0.00	54.72	46.10	51.22	0.00
Jabez LLC	2204500	17.15	0.00	0.00	0.00	0.00
S:Texas Sunset Grill	2208356	0.00	396.95	412.18	412.18	0.00
Fuve Star Fades Barber Sho	2208361	4.15	4.24	4.40	4.40	0.00
Republic Real Estate Broker	2208930	0.00	7.83	8.14	0.00	0.00
ARC Insurance Agency	2209050	44.66	45.57	47.39	47.39	0.00
Jemes Lewis	2213148	39.75	89.38	99.06	110.06	0.00
David L Barrera	2214578	0.00	63.40	66.04	0.00	0.00
Ricardo D Martinez	2221041	0.00	14.22	13.31	14.79	0.00
Newtex Wine and Spirit	2248152	319.90	320.09	0.00	0.00	0.00
Marcus A Murillo	2260364	0.00	29.53	0.00	0.00	0.00
Martha Martinez	2260554	0.00	53.30	0.00	0.00	0.00
Carrie Jean Quinn	2264871	0.00	44.25	0.00	0.00	0.00
RB Mobile Repair	2274611	86.77	0.00	0.00	0.00	0.00
XCL Titling Trust	2275057	42.80	131.57	0.00	0.00	0.00
JM and MS Inc	2275721	476.44	476.50	0.00	0.00	0.00
Taquera Las Maragitas LLC	2281228	142.75	0.00	0.00	0.00	0.00
Metro PCS	2287557	45.71	0.00	0.00	0.00	0.00
Humble Kitchen & Bath Inc	2287561	110.71	0.00	0.00	0.00	0.00
Phones-R-Us Inc	2289501	54.59	0.00	0.00	0.00	0.00
Angie's Mexican & Seafood	2289580	51.79	52.77	0.00	0.00	0.00
Prior Yrs Personal Property	92 Accounts	27.87	0.00	351.64	184.35	18,888.07
Total Receivable		\$19,344.19	\$13,956.37	\$9,382.93	\$7,275.73	\$32,682.18

HARRIS COUNTY APPRAISAL DISTRICT
HOUSTON, TEXAS

THE STATE OF TEXAS, }
COUNTY OF HARRIS. }

2020
CERTIFICATION OF APPRAISAL ROLL AND
LISTING OF PROPERTIES UNDER SECS. 26.01(c) AND (d)
FOR
HC MUD 109

Pursuant to Section 26.01(a), Texas Tax Code, I hereby certify the 2020 appraisal roll of properties taxable by HC MUD 109. The roll is delivered in electronic form.

The total appraised value now on the appraisal roll for this unit is: \$614,419,122

The taxable value now on the appraisal roll for this unit is: \$583,060,683

As required by Section 26.01(c), Texas Tax Code, I have included with your roll a listing of those properties which are taxable by the unit but which are under protest and are therefore not included in the appraisal roll values approved by the appraisal review board and certified above. My estimate of the total taxable value which will be assigned to such properties if the owners' claims are upheld by the appraisal review board is: \$61,690,261

Pursuant to Section 26.01(d), Texas Tax code, the estimated value of taxable property not under protest and not yet included on the certified appraisal roll, after hearing loss, is \$11,483,074

Signed this 4th day of September, 2020



Roland Altinger

Roland Altinger, CAE, RPA, CTA
Chief Appraiser

ASSESSOR'S ACKNOWLEDGEMENT

As tax assessor/collector of the above-named taxing unit, I hereby acknowledge receipt of the certified 2020 appraisal roll on this the _____ day of _____, 2020

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Mailing Address:
Office of the Chief Appraiser
P.O. Box 920975
Houston, TX 77292-0975



Harris County Appraisal District
13013 Northwest Fwy, Houston, Texas
Information Center: (713)957-7800

September 4, 2020

Mr Tim Spencer
Assessor Collector
HC MUD 109
822 Pasadena Blvd
Deer Park TX 77536 -5749

Dear Mr Spencer:

On August 21, 2020, the Appraisal Review Board of Harris County approved the 2020 appraisal records under Sec. 41.12, Tax Code. Accordingly, I am certifying this year's appraisal roll to each taxing unit.

Approved & Certified Accounts

Accounts on your certified roll include accounts on which no protest was filed, as well as accounts for which the ARB has completed the protest process.

Uncertified Accounts

We have also included a report listing accounts that are still under protest and those which we believe to be taxable in your jurisdiction but which are not yet included on your certified roll. Estimated values for these properties are summarized in the enclosed reports. Final certified values for these properties will be provided on later supplemental rolls.

Other Information

Also included in your certification packet is a sheet titled "WHERE TO FIND." This sheet notes where to find information you will need to calculate your no new revenue and voter approved tax rates. The certified residential homestead report includes a summary of average residential values in your unit, which is information required for your tax rate hearing notices.

Please review the homestead exemption data in your printouts to ensure that we used the most current information on your exemption rates. Also, remember that homestead exemptions may be claimed up to two years after the delinquency date for the taxes on the homestead. This means that your tax base will be reduced by late applications filed during this extended application period.

Additional value loss may result from provisions in the Tax Code that allow for district court, SOAH, or arbitration appeal of ARB decisions; late protests; and corrections.

Sincerely,

A handwritten signature in black ink that reads "Roland Altinger".

Roland Altinger, CAE, RPA, CTA
Chief Appraiser

Enclosures

409 HC MUD 109
TAX YEAR: 2020

HARRIS COUNTY APPRAISAL DISTRICT
UNCERTIFIED ROLL SUMMARY 00

LAST UPDATED: 08/21/2020
DELV DATE: 09/04/2020

TYPE	UNITS	MARKET	APPRAISED	OWNERS VALUE	ESTIMATED FINAL TAXABLE VALUE WITH HEARING LOSS
ACCOUNTS ON HTS	349	73,259,061	69,943,744	63,248,861	61,690,261
ACCOUNTS ON PTS	71	6,054,611	6,019,541	4,798,703	3,795,475
OTHER ACCOUNTS	63	8,322,459	8,193,832	8,101,404	7,687,599
TOTAL UNCERTIFIED	483	\$87,636,131	\$84,157,117	\$76,148,968	\$73,173,335

**Harris County Municipal Utility District Number 109
2020 Effective Tax Rate Worksheet - September 10, 2020**

1	2019 total taxable value	641,527,181
2	2019 tax ceilings	0
3	Preliminary 2019 adjusted taxable value	641,527,181
4	2019 total adopted tax rate (/ \$100)	0.480000
5	2019 taxable value lost because court appeals of ARB decisions reduced 2019 appraised value	
5A	Original 2019 ARB values	165,881,045
5B	2019 values resulting from final court decisions	8,713,935
5C	2019 value loss	157,167,110
6	2019 taxable value, adjusted for court-ordered reductions	798,694,291
7	2019 taxable value of property in territory the unit deannexed after January 1, 2019	0
8	2019 taxable value lost because property first qualified for an exemption in 2020	
8A	2020 absolute exemptions	20,771
8B	2020 partial exemptions	2,116,228
8C	2019 value loss	2,136,999
9	2019 taxable value lost because property first qualified for agricultural, timber or special appraisal in 2020	
9A	2020 market value	0
9B	2020 productivity of special appraised value	0
9C	2019 value loss	0
10	Total adjustments for lost value	2,136,999
11	2019 adjusted taxable value	796,557,292
12	Adjusted 2019 taxes	3,823,475.00
13	Taxes refunded for years preceding tax year 2019	0.00
14	Taxes in tax increment financing (TIF) for tax year 2019	0.00
15	Adjusted 2019 taxes with refunds	3,823,475.00
16	Total 2020 taxable value on the 2020 certified appraisal roll today	
16A	2020 certified values only	614,419,122
16B	Counties only	0
16C	Pollution control exemption	210
16D	Tax increment financing	0
16E	Total 2020 value	614,418,912
17	Total value of properties under protest or not included on certified appraisal roll	
17A	2020 taxable value of properties under protest	61,690,261
17B	2020 value of properties not under protest or included on certified appraisal roll	11,483,074
17C	Total 2020 value under protest or not certified	73,173,335
18	School districts only	0
19	2020 total taxable value	687,592,247
20	Total 2020 taxable value of properties in territory annexed after January 1, 2019	40,853
21	Total 2020 taxable value of new improvements and new personal property located in new improvements	7,962,001
22	Total adjustments to the 2020 taxable value	8,002,854
23	2020 adjusted taxable value	679,589,393
24	2020 Effective Tax Rate (/ \$100)	0.5626155
25	Counties only	0
	Maintenance and Operations (M&O) Tax Rate (Rollback Tax Rate Worksheet)	
1	2019 average appraised value of residence homestead	200,697
2	2019 general exemptions available for the average homestead (excluding senior citizens & disabled)	0
3	2019 average taxable value of residence homestead	200,697
4	2019 adopted M&O tax rate	0.160000
5	2019 M&O tax on average residence homestead	321.12
6	Percentage increase to the M&O taxes	8.00%
7	Highest M&O tax on average residence homestead with increase (1.08%)	346.80
8	2020 average appraised value of residence homestead	206,960
9	2020 general exemptions available for the average homestead	0
10	2020 average taxable value of residence homestead	206,960
11	Highest 2020 M&O Tax Rate	0.167571
12	2020 Debt Tax Rate	0.320000
13	2020 Parity Tax Rate (Line 5 / Line 10 * 100) + Line 12	0.475158
14	2020 Rollback Tax Rate	0.487571
	Proposed 2020 Tax Rate: 0.00 (M&O Rate) + 0.00 (I&S Rate) = 0.00 (Total Rate)	



September 15, 2020

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

Re: Levy of 2020 Tax Rate

Dear Board Members:

The Harris County Appraisal District has recently certified the 2020 value for your district at \$583,060,683 and an additional \$73,173,335 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 County Appraisal District. For the 2020 tax year, the District was classified as a Developing District for the purposes of determining the rollback tax rate. Last year, the District's value was certified at \$641,527,181 and the Board of Directors levied a total tax rate of \$0.48 per \$100 of assessed valuation. The tax rate was composed of a maintenance tax rate of \$0.16 per \$100 of assessed valuation and a debt service tax rate of \$0.32 per \$100 of assessed valuation. For illustration purposes, we have enclosed the cash flow analysis based upon our 2020 recommended debt service tax rate. This analysis is based upon the following assumptions:

- 1) A 2020 net taxable value of \$656,234,018 (an increase of approximately 2.29%);
- 2) 98% tax collections;
- 3) No growth beyond January 1, 2020;
- 4) Debt Service Fund balance of \$2,601,114 as of August 18, 2020;
- 5) Interest earnings of 1.50% 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 2020 total tax rate of \$0.48 per \$100 of assessed valuation composed of a maintenance tax rate of \$0.165 per \$100 of assessed valuation and a debt service tax rate of \$0.315 per \$100 of assessed valuation.

Sincerely,
Robert W. Baird & Co. Incorporated

A handwritten signature in black ink that reads "Jan Bartholomew". The signature is written in a cursive, flowing style.

Jan Bartholomew
Managing Director

Enclosure(s)

Harris County Municipal Utility District No. 109

2020 Debt Service Tax Rate Analysis

Year Ending 12/31	Beginning Fund Balance as of 08/18/2020	Fund Interest Earnings @ 1.500%	Other Income 1	Other Income 2	Prior Year Taxable AV	AV Growth Percentage	Tax Rate / \$100 of Assessed Value	Tax Collections @ 98.00%	Total Funds Available	Current Debt Service	Total Debt Service	Ending Balance	Debt Service Coverage %
2020	2,601,114	14,391	-	-	641,527,181			-	2,615,505	1,780,808	1,780,808	834,697	44.784%
2021	834,697	12,520	-	-	656,234,018	2.292%	0.315000	2,025,794	2,873,012	1,863,839	1,863,839	1,009,174	52.199%
2022	1,009,174	15,138	-	-	656,234,018		0.315000	2,025,794	3,050,106	1,933,337	1,933,337	1,116,769	53.186%
2023	1,116,769	16,752	-	-	656,234,018		0.315000	2,025,794	3,159,315	2,099,760	2,099,760	1,059,555	50.241%
2024	1,059,555	15,893	-	-	656,234,018		0.315000	2,025,794	3,101,243	2,108,928	2,108,928	992,315	46.993%
2025	992,315	14,885	-	-	656,234,018		0.315000	2,025,794	3,032,994	2,111,625	2,111,625	921,369	43.534%
2026	921,369	13,821	-	-	656,234,018		0.315000	2,025,794	2,960,984	2,116,428	2,116,428	844,556	39.875%
2027	844,556	12,668	-	-	656,234,018		0.315000	2,025,794	2,883,019	2,117,996	2,117,996	765,023	36.041%
2028	765,023	11,475	-	-	656,234,018		0.315000	2,025,794	2,802,293	2,122,666	2,122,666	679,627	31.979%
2029	679,627	10,194	-	-	656,234,018		0.315000	2,025,794	2,715,616	2,125,238	2,125,238	590,378	27.692%
2030	590,378	8,856	-	-	656,234,018		0.315000	2,025,794	2,625,028	2,131,952	2,131,952	493,076	60.556%
2031	493,076	7,396	-	-	656,234,018		0.125000	803,887	1,304,359	814,244	814,244	490,116	59.593%
2032	490,116	7,352	-	-	656,234,018		0.125000	803,887	1,301,354	822,444	822,444	478,910	58.109%
2033	478,910	7,184	-	-	656,234,018		0.125000	803,887	1,289,981	824,163	824,163	465,818	56.105%
2034	465,818	6,987	-	-	656,234,018		0.125000	803,887	1,276,692	830,256	830,256	446,436	53.802%
2035	446,436	6,697	-	-	656,234,018		0.125000	803,887	1,257,019	829,781	829,781	427,238	51.299%
2036	427,238	6,409	-	-	656,234,018		0.125000	803,887	1,237,533	832,844	832,844	404,689	48.462%
2037	404,689	6,070	-	-	656,234,018		0.125000	803,887	1,214,646	835,063	835,063	379,584	45.429%
2038	379,584	5,694	-	-	656,234,018		0.125000	803,887	1,189,164	835,563	835,563	353,602	42.086%
2039	353,602	5,304	-	-	656,234,018		0.125000	803,887	1,162,792	840,188	840,188	322,605	38.277%
2040	322,605	4,839	-	-	656,234,018		0.125000	803,887	1,131,331	842,819	842,819	288,512	34.373%
2041	288,512	4,328	-	-	656,234,018		0.125000	803,887	1,096,726	839,363	839,363	257,364	0.000%
Totals			214,852	-	-			29,100,698		31,659,300	31,659,300		
							Average Tax Rate:	0.215476					

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:

2019 M&O Tax Rate	\$ 0.16000	@ a 98.00% collections rate generated \$1,005,915.
Proposed 2020 M&O Tax Rate	\$ 0.16500	@ a 98.00% collections rate generates \$1,061,130.
Parity M&O Tax Rate	\$ 0.15640	@ a 98.00% collections rate generates \$1,005,823.
M&O Tax Rate to Balance Budget	\$ 0.06500	@ a 98.00% collections rate generates \$418,021.
Maximum Authorized M&O Tax Rate	\$ 1.00000	
Value of One Penny	\$ 64,311	@ a 98.00% collections rate.
Last Year's Average Homestead Value	\$ 200,697	
Last Year's Average Tax Bill	\$ 963	
This Year's Average Homestead Value	\$ 206,960	
This Year's Proposed Average Tax Bill	\$ 993	
Percentage Change	3.12%	
Value of One Penny on This Year's Average Tax Bill	\$ 21	
Proposed 2020 Total Tax Rate	\$ 0.48000	
Parity Tax Rate	\$ 0.46550	
Type of District	Developing District	
Total Rate to Avoid a Rollback Election	\$ 0.50270	
2020 M&O Rollback Rate	\$ 0.16750	@ a 98.00% collections rate generates \$1,077,208.

CERTIFICATE FOR ORDER DESIGNATING OFFICER TO CALCULATE
AND PUBLISH TAX RATES AND TAKING OTHER
ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2020

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, 2020, at 6:00 p.m., via teleconference, in compliance with the guidelines approved by the Office of the Governor of the State of Texas upon request of the Office of the Attorney General, temporarily suspending a limited number of open meeting laws to allow telephonic meetings and to avoid congregate settings in physical locations in response to the Coronavirus disaster. 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
Nancy Frank, 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 2020

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: _____

2. 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 Order; 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 such Meeting was open to the public, and public notice of the time, teleconference number, and purpose of such Meeting was given, all as required by the guidelines approved by the Office of the Governor of the State of Texas upon

request of the Office of the Attorney General, temporarily suspending a limited number of open meeting laws to allow telephonic meetings and to avoid congregate settings in physical locations in response to the Coronavirus disaster.

SIGNED AND SEALED this _____, 2020

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 2020

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 2020;

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 2020 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 Mr. Tim Spencer, 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 developing 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 2020 at the rate of \$[] per \$100 assessed valuation (\$[] per \$100 assessed valuation to pay principal and interest to service the District’s debts in the next year and \$[] per \$100 assessed valuation to fund maintenance and operating expenditures).

The Board hereby calls a public hearing on the proposed tax rate at 6:00 p.m. on October 20, 2020, via teleconference at 1-346-248-7799, Meeting ID: 981 0201 4803, and Password: 846231, 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.

* * *



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

Harris County Municipal Utility District No. 109

Bookkeeper's Report

September 15, 2020

Cash Flow Report - Checking Account

As of September 15, 2020

Num	Name	Memo	Amount	Balance
BALANCE AS OF 08/19/2020				\$148,543.45
Receipts				
	HC 151 Water Supply		3,060.35	
	Interest Earned on Checking		27.59	
	Accounts Receivable		108,272.08	
	Accounts Receivable		122,897.18	
	City of Houston Rebate - June		7,374.21	
	Wire Transfer from Money Market		100,000.00	
Total Receipts				341,631.41
Disbursements				
14196	Centerpoint Energy	Utilities Expense	(176.59)	
14197	Century Link	Telephone Expense	(834.93)	
14198	NHCRWA	Water Authority Fees	(149,349.25)	
14199	WCA Waste	Garbage Expense	(83.65)	
14200	Owen H. Parker	Fees of Office - 8/3, 8/7, 8/8, 7/27, 7/19/2020 &	(668.92)	
14201	Cheryl C. Moore	Fees of Office - 8/7, 8/8/2020	(277.05)	
14202	Nancy Frank	Fees of Office - 8/7, 8/8/2020	(277.05)	
14203	Cheryl C. Moore	Fees of Office - 9/15/2020	(138.52)	
14204	Chris Green	Fees of Office - 9/15/2020	(138.52)	
14205	Nancy Frank	Fees of Office - 9/15/2020	(138.53)	
14206	Owen H. Parker	Fees of Office - 9/15/2020	(138.52)	
14207	Robin Sulpizio	Fees of Office - 9/15/2020	(138.53)	
14208	Cheryl C. Moore	Expenses	(29.95)	
14209	Chris Green	Expenses	(64.30)	
14210	Nancy Frank	Fees of Office - 9/2/2020 & Expenses	(168.47)	
14211	Owen H. Parker	Fees of Office - 8/2, 8/19/2020 & Expenses	(317.29)	
14212	Robin Sulpizio	Fees of Office - 9/2/2020 & Expenses	(203.52)	
14213	Association of Water Board Directors	Registration Fees	(540.00)	
14214	Atascocita Joint Operations Board	Schedule B & C Costs	(43,046.06)	
14215	BGE, Inc.	Engineering Fees	(8,726.33)	
14216	CDC Unlimited, LLC	Mowing Expense	(3,626.50)	
14217	Harris County Treasurer	Patrol Services	(12,092.00)	
14218	Municipal Accounts & Consulting, L.P.	Bookkeeping Fees	(2,804.37)	
14219	Norton Rose Fulbright US LLP	Legal Fees	(7,875.11)	
14220	WCA Waste	Garbage Expense	(780.49)	
14221	Displays2go	Repairs & Maintenance	(346.94)	
14222	DXI Industries	Chemical Expenses	(990.54)	
14223	GM Inspection Services	Repairs & Maintenance	(750.00)	
14224	Grainger	Repairs & Maintenance	(590.51)	
14225	Napco Chemicals	Chemicals Expense	(1,942.50)	
14226	Source Point Solutions	Repairs & Maintenance	(16,624.25)	
14227	Southern Flowmeter, Inc.	Repairs & Maintenance	(40.00)	
14228	Sun Coast Resources, Inc.	Chemicals Expense	(555.93)	
14229	Today's Integration	Security Monitoring	(1,060.25)	
14230	Uline, Inc.	Supplies Expense	(175.80)	
14231	Water Utility Services, Inc.	Laboratory Fees	(335.00)	
14232	WWWMS	Maintenance and Operations	(81,614.80)	
14233	Centerpoint Energy	Utilities Expense	0.00	
14234	Century Link	Telephone Expense	0.00	
14235	NHCRWA	Water Authority Fees	0.00	
14236	WCA Waste	Garbage Expense	0.00	

Harris County MUD No 109 - GOF
Cash Flow Report - Checking Account
 As of September 15, 2020

Num	Name	Memo	Amount	Balance
Disbursements				
14237	Hudson Energy	Utilities Expense	0.00	
Fee	BBVA	Service Charge	(18.00)	
Ret Ck	BBVA	Customer Returned Check (1)	(243.00)	
Total Disbursements			(261.00)	(337,921.97)
BALANCE AS OF 09/15/2020				\$152,252.89

Cash Flow Report - Checking Account

As of September 15, 2020

Num	Name	Memo	Amount	Balance
BALANCE AS OF 08/19/2020				\$300.00
Receipts				
	Interest Earned on Checking		10.17	
	Transfer from Money Market - Series 2017		110,435.77	
Total Receipts				110,445.94
Disbursements				
1084	BGE, Inc.	Engineering Fees	(34,970.77)	
1085	Nova Paintings, LLC	Pay Estimate No. 5 - WP1 EST Rehab	(75,465.00)	
	Fee BBVA	Service Charge	(10.17)	
Total Disbursements				(110,445.94)
BALANCE AS OF 09/15/2020				\$300.00

Account Balances

As of September 15, 2020

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Fund: Operating					
Certificates of Deposit					
PLAINS STATE BANK (XXXX0851)	09/23/2019	09/23/2020	2.00 %	240,000.00	
BANCORPSOUTH (XXXX7126)	12/21/2019	12/22/2020	2.05 %	240,000.00	
TEXAS CAPITAL BANK (XXXX0459)	01/13/2020	01/12/2021	1.65 %	240,000.00	
FRONTIER BANK (XXXX2232)	01/17/2020	01/16/2021	1.90 %	240,000.00	
SOUTH STAR BANK (XXXX0129)	02/19/2020	02/19/2021	1.75 %	240,000.00	
LONE STAR BANK (XXXX2426)	02/28/2020	02/27/2021	1.98 %	240,000.00	
ALLEGIANCE BANK (XXXX0213)	04/22/2020	04/22/2021	0.85 %	240,000.00	
Money Market Funds					
TEXAS CLASS (XXXX0001)	03/22/2017		0.26 %	2,294,876.72	
Checking Account(s)					
BBVA USA-CHECKING (XXXX6351)			0.15 %	152,252.89	Checking Account
Totals for Operating Fund:				\$4,127,129.61	
Fund: Capital Projects					
Money Market Funds					
TEXAS CLASS (XXXX0002)	03/22/2017		0.26 %	2,566,517.78	Series 2017
Checking Account(s)					
BBVA USA-CHECKING (XXXX7755)			0.15 %	300.00	Checking Account
Totals for Capital Projects Fund:				\$2,566,817.78	
Fund: Debt Service					
Certificates of Deposit					
SPIRIT OF TX BANK - DEBT (XXXX0283)	09/15/2019	09/14/2020	2.45 %	240,000.00	
PLAINS STATE BANK - DEBT (XXXX0095)	09/19/2019	09/19/2020	2.00 %	240,000.00	
SOUTH STAR BANK-DEBT (XXXX0072)	09/19/2019	09/19/2020	2.15 %	240,000.00	
PIONEER BANK-DEBT (XXXX2151)	03/19/2020	03/19/2021	1.14 %	240,000.00	
Money Market Funds					
BBVA USA-DEBT (XXXX7305)	02/15/2017		0.10 %	2,745.26	
TEXAS CLASS (XXXX0003)	03/22/2017		0.26 %	1,638,810.45	
Totals for Debt Service Fund:				\$2,601,555.71	
Grand total for Harris County MUD No. 109:				\$9,295,503.10	

Harris County MUD 109
Capital Projects Fund Breakdown
September 15, 2020

Net Proceeds for All Bond Issues

Receipts

Series 2017 - Bond Proceeds	\$12,100,000.00
Series 2017 - Interest Earnings	235,800.12

Disbursements

Series 2017 - Disbursements (Attached)	(9,768,982.34)
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Total Cash Balance	<u><u>\$2,566,817.78</u></u>
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Balances by Account

Checking - Compass Bank (3518)	\$300.00
Series 2017 MM - Texas Class (0002)	2,566,517.78

Total Cash Balance	<u><u>\$2,566,817.78</u></u>
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Balances by Bond Series

Series 2017 - Bond Proceeds	\$2,566,817.78
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Total Cash Balance	<u><u>\$2,566,817.78</u></u>
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Remaining Costs/Surplus By Bond Series

Series 2017 - Remaining Costs	\$2,129,343.47
Proposed Surplus Project - WP 2 Expansion	437,474.31

Total Amount in Remaining Costs	<u><u>\$2,566,817.78</u></u>
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Total Surplus & Interest Balance	\$0.00
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Total Remaining Costs/Surplus	<u><u>\$2,566,817.78</u></u>
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HARRIS COUNTY MUD 109
\$12,100,000 SERIES 2017
COST COMPARISON

<u>CONSTRUCTION COSTS</u>	<u>USE OF PROCEEDS</u>	<u>ACTUAL COSTS</u>	<u>REMAINING COSTS</u>	<u>VARIANCE (OVER)/UNDER</u>
A. Developer Items				
1. Rivergrove, Section 1 - Water, Wastewater & Drainage	191,360.00	191,359.51	0.00	0.00
2. Rivergrove, Section 2 - Water, Wastewater & Drainage	125,139.00	125,139.00	0.00	0.00
3. Rivergrove, Section 3 - Water, Wastewater & Drainage	353,345.00	353,344.99	0.00	0.00
4. Rivergrove, Section 4 - Water, Wastewater & Drainage	881,359.00	881,359.20	0.00	0.00
5. Rivergrove Drainage Swales	52,480.00	52,479.50	0.00	0.00
6. Rivergrove, Section 5 - Water, Wastewater & Drainage	668,281.00	603,157.27	0.00	65,123.73
7. Rivergrove, Section 6 - Water, Wastewater & Drainage	427,157.00	403,019.99	0.00	24,137.01
8. Rivergrove Clearing and Grubbing, Sections 1 & 2	33,135.00	33,135.00	0.00	0.00
9. Rivergrove Clearing and Grubbing, Section 3	15,524.00	15,524.00	0.00	0.00
10. Rivergrove Clearing and Grubbing, Section 4	20,155.00	20,154.50	0.00	0.00
11. Rivergrove Clearing and Interim Drainage, Sections 5-6	84,391.00	84,391.25	0.00	0.00
12. Kings Lake Estates Section 8 - Water, Wastewater & Drainage	1,851,399.00	1,851,398.80	0.00	0.00
13. Stormwater Pollution Prevention Plans	206,123.00	134,172.92	0.00	71,950.08
14. Geotechnical Reports and Materials Testing	124,233.00	80,105.42	0.00	44,127.58
15. Contingency	109,543.00	58,257.52	0.00	51,285.48
16. Engineering Fees	706,603.00	706,603.00	0.00	0.00
17. Rivergrove Due Diligence	34,023.00	34,023.41	0.00	0.00
Subtotal Developer Items	<u>5,884,250.00</u>	<u>5,627,625.28</u>	<u>0.00</u>	<u>256,623.88</u>
B. District Items				
1. Kings Lake Estates Lift Station No. 2 Improvements	371,240.00	362,689.62	0.00	8,550.38
2. Kings Lake Estates Lift Station No. 3	460,869.00	417,828.05	0.00	43,040.95
3. Water Plant No. 1 Elevated Storage Tank Recoating	500,000.00	644,040.00	159,460.00	(303,500.00)
4. Water Plant No. 2 Elevated Storage Tank Recoating	500,000.00	500,000.00	0.00	0.00
5. Water Plant No. 2 Buildout	1,600,000.00	0.00	1,600,000.00	0.00
6. Contingencies (10% of Items 1, 3-5)	297,124.00	34,500.00	262,624.00	0.00
7. Engineering (20.89% of Items 1-2)	173,812.00	160,240.92	0.00	13,571.08
8. Engineering (15% of Items 3-5)	390,000.00	282,740.53	107,259.47	0.00
Subtotal District Items	<u>4,293,045.00</u>	<u>2,402,039.12</u>	<u>2,129,343.47</u>	<u>(238,337.59)</u>
TOTAL CONSTRUCTION COSTS	<u>10,177,295.00</u>	<u>8,029,664.40</u>	<u>2,129,343.47</u>	<u>18,286.29</u>
<u>NON-CONSTRUCTION COSTS</u>				
A. Legal Fees	231,000.00	231,000.00	0.00	0.00
B. Fiscal Agent Fees	242,000.00	242,000.00	0.00	0.00
C. Interest				
1. Capitalized Interest (1 year @ 4.50%)	396,191.00	396,191.41	0.00	0.00
2. Developer Interest	383,273.00	383,272.81	0.00	0.19
D. Bond Discount (3.00%)	262,563.00	262,563.40	0.00	0.00
E. Bond Issuance Expenses	28,854.00	28,854.00	0.00	0.00
F. Attorney General Fee	9,500.00	9,500.00	0.00	0.00
G. TCEQ Bond Issuance Fee	30,250.00	30,250.00	0.00	0.00
H. Bond Application Report Cost	45,000.00	45,000.00	0.00	0.00
I. Rivergrove Studies	45,328.00	45,328.00	0.00	0.00
J. Contingency	248,746.00	65,358.32	0.00	183,387.68
TOTAL NON-CONSTRUCTION COSTS	<u>1,922,705.00</u>	<u>1,739,317.94</u>	<u>0.00</u>	<u>183,387.87</u>
TOTAL BOND ISSUE REQUIREMENT	<u>12,100,000.00</u>	<u>9,768,982.34</u>	<u>2,129,343.47</u>	<u>201,674.16</u>
			Interest Earned	235,800.12
			Total Remaining Costs & Interest	2,365,143.59
			Total Surplus & Interest	437,474.31

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

August 2020

		<u>August 2020</u>			<u>June 2020 - August 2020</u>			<u>Annual</u>
		<u>Actual</u>	<u>Budget</u>	<u>Over/(Under)</u>	<u>Actual</u>	<u>Budget</u>	<u>Over/(Under)</u>	<u>Budget</u>
Revenues								
14000	Transfer From Construction	0	0	0	97,450	55,900	41,550	55,900
14110	Water - Customer Service Revenue	51,098	61,000	(9,902)	148,311	177,000	(28,689)	559,000
14112	Surface Water - Reserve	119,037	125,000	(5,963)	346,655	365,000	(18,345)	1,116,000
14140	Connection Fees	950	2,167	(1,217)	3,300	6,500	(3,200)	26,000
14150	Tap Connections	0	0	0	0	0	0	31,650
14210	Sewer - Customer Service Fee	54,302	53,500	802	160,058	160,500	(442)	642,000
14220	Inspection Fees	761	2,000	(1,239)	2,273	6,000	(3,727)	24,000
14310	Penalties & Interest	(259)	6,750	(7,009)	(194)	20,250	(20,444)	81,000
14330	Miscellaneous Income	332	100	232	1,866	300	1,566	1,200
14340	COH Rebate	6,900	5,917	983	20,102	17,750	2,352	71,000
14350	Maintenance Tax Collections	0	0	0	0	0	0	1,004,500
14370	Interest Earned on Temp. Invest	5,000	3,664	1,336	19,524	10,991	8,533	43,965
14380	Interest Earned on Checking	28	50	(22)	91	150	(59)	600
14650	Water Sales to HC 151	789	700	89	2,335	2,100	235	8,400
Total Revenues		238,938	260,847	(21,909)	801,770	822,441	(20,671)	3,665,215
Expenditures								
16010	Operations - Water	6,913	6,942	(29)	20,784	20,825	(41)	83,300
16030	Operations - Sewer	2,283	2,292	(9)	6,865	6,875	(10)	27,500
16110	Tap Connection Expense	0	0	0	0	0	0	15,825
16120	Surface Water Fee	149,349	125,000	24,349	409,032	365,000	44,032	1,116,000
16130	Maintenance & Repairs - Water	54,484	39,217	15,267	123,170	117,650	5,520	470,600
16140	Chemicals - Water	3,489	2,242	1,247	11,381	6,725	4,656	26,900
16150	Laboratory Expense - Water	335	417	(82)	965	1,250	(285)	5,000
16160	Utilities	0	8,350	(8,350)	19,348	25,050	(5,702)	100,200
16180	Reconnections	760	892	(132)	2,440	2,675	(235)	10,700
16190	Disconnect Expense	0	283	(283)	30	850	(820)	3,400
16200	Mowing - Water	1,465	1,067	398	3,942	3,200	742	12,800
16210	Inspection Expense	0	1,033	(1,033)	0	3,100	(3,100)	12,400
16220	Purchase Sewer Service	42,889	34,237	8,652	128,453	102,712	25,741	410,848
16230	Maintenance & Repairs - Sewer	30,069	19,367	10,702	74,901	58,100	16,801	232,400
16240	Chemicals - Sewer	0	0	0	372	0	372	0
16250	Lab Fees - Sewer	0	167	(167)	319	500	(181)	2,000
16280	Mowing - Sewer	1,465	1,067	398	3,942	3,200	742	12,800
16320	Arbitrage Expense	0	0	0	400	400	0	3,250
16327	TCEQ Fees	0	0	0	0	0	0	3,500
16330	Legal Fees	3,679	4,167	(488)	11,044	12,500	(1,456)	50,000
16340	Auditing Fees	0	0	0	13,000	13,000	0	15,900
16350	Engineering Fees	7,222	6,667	556	20,612	20,000	612	80,000
16354	GIS Expense	0	167	(167)	0	500	(500)	2,000
16360	Garbage Expense	864	267	597	1,646	800	846	3,200
16380	Permit Expense	0	0	0	0	0	0	7,200
16390	Telephone Expense	0	850	(850)	1,678	2,550	(872)	10,200
16420	Service Account Collection	1,536	2,217	(681)	5,240	6,650	(1,410)	26,600
16430	Bookkeeping Fees	2,522	2,792	(270)	9,921	8,375	1,546	33,500
16460	Printing & Office Supplies	2,296	2,408	(112)	7,094	7,225	(131)	28,900
16470	Filing Fees	0	8	(8)	0	25	(25)	100
16480	Delivery Expense	31	33	(2)	54	100	(46)	400
16520	Postage	2,770	2,583	186	8,313	7,750	563	31,000
16530	Insurance & Surety Bond	0	0	0	0	0	0	30,400
16540	Travel Expense	28	183	(155)	28	550	(522)	2,200
16550	Website Expense	0	0	0	188	200	(13)	900

Harris County MUD No 109 - GOF
Actual vs. Budget Comparison
August 2020

	<u>August 2020</u>			<u>June 2020 - August 2020</u>			<u>Annual</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Over/(Under)</u>	<u>Actual</u>	<u>Budget</u>	<u>Over/(Under)</u>	<u>Budget</u>	
Expenditures								
16560	Miscellaneous Expense	469	567	(98)	1,089	1,700	(611)	6,800
16570	AWBD Expense	0	0	0	845	0	845	7,800
16580	Bank Fees	18	19	(1)	54	57	(3)	230
16590	Security Monitoring	1,060	1,792	(731)	1,225	5,375	(4,150)	21,500
16592	Security Patrol Expense	12,092	12,092	0	36,276	36,275	1	145,100
16600	Payroll Expenses	3,068	1,858	1,210	6,459	5,575	884	22,300
Total Expenditures		<u>331,156</u>	<u>281,240</u>	<u>49,916</u>	<u>931,110</u>	<u>847,319</u>	<u>83,791</u>	<u>3,075,653</u>
Other Revenues								
14720	Transfer from Operating Reserve	0	0	0	0	0	0	1,433,720
Total Other Revenues		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,433,720</u>
Other Expenditures								
17000	Capital Outlay	1,504	1,500	4	5,016	5,000	16	2,023,282
Total Other Expenditures		<u>1,504</u>	<u>1,500</u>	<u>4</u>	<u>5,016</u>	<u>5,000</u>	<u>16</u>	<u>2,023,282</u>
Excess Revenues (Expenditures)		<u>(\$93,722)</u>	<u>(\$21,893)</u>	<u>(\$71,829)</u>	<u>(\$134,356)</u>	<u>(\$29,878)</u>	<u>(\$104,478)</u>	<u>\$0</u>

Balance Sheet

As of August 31, 2020

Aug 31, 20

ASSETS

Current Assets

Checking/Savings

11100 · Cash in Bank

380,221

Total Checking/Savings

380,221

Other Current Assets

11300 · Time Deposits

4,074,877

11500 · Accounts Receivable

259,393

11520 · Maintenance Tax Receivable

59,522

11580 · Accrued Interest

25,896

11720 · Due From COH

19,202

11750 · Due From Tax Account

494,203

11920 · Reserve in A.C.P.

200,242

Total Other Current Assets

5,133,334

Total Current Assets

5,513,555

TOTAL ASSETS

5,513,555

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

12000 · Accounts Payable

254,005

Total Accounts Payable

254,005

Other Current Liabilities

12080 · Deferred Taxes

59,522

12100 · Payroll Liabilities

675

12610 · Customer Meter Deposits

261,031

12760 · Due to TCEQ

2,272

12770 · Unclaimed Property

771

12787 · Lee Annexation

(1,187)

12788 · Barents Annexation

(19,929)

12790 · Country Scramble

(15,111)

Total Other Current Liabilities

288,043

Total Current Liabilities

542,048

Total Liabilities

542,048

Equity

13010 · Unallocated Fund Balance

5,105,864

Net Income

(134,356)

Total Equity

4,971,508

TOTAL LIABILITIES & EQUITY

5,513,555

District Debt Service Payments

09/01/2020 - 09/01/2021

Paying Agent	Series	Date Due	Date Paid	Principal	Interest	Total Due
Debt Service Payment Due 10/01/2020						
Bank of New York	2008 - Refunding	10/01/2020		660,000.00	13,200.00	673,200.00
Bank of New York	2011 - Refunding	10/01/2020		555,000.00	51,600.00	606,600.00
Bank of New York	2013 - Refunding	10/01/2020		105,000.00	62,806.25	167,806.25
Regions Bank	2015 - Refunding	10/01/2020		70,000.00	73,029.60	143,029.60
Bank of New York	2017 - WS&D	10/01/2020		0.00	190,171.88	190,171.88
Total Due 10/01/2020				1,390,000.00	390,807.73	1,780,807.73
Debt Service Payment Due 04/01/2021						
Bank of New York	2011 - Refunding	04/01/2021		0.00	40,500.00	40,500.00
Bank of New York	2013 - Refunding	04/01/2021		0.00	61,625.00	61,625.00
Regions Bank	2015 - Refunding	04/01/2021		0.00	72,122.40	72,122.40
Bank of New York	2017 - WS&D	04/01/2021		0.00	190,171.88	190,171.88
Total Due 04/01/2021				0.00	364,419.28	364,419.28
District Total				\$1,390,000.00	\$755,227.01	\$2,145,227.01

Harris County MUD No 109 - GOF

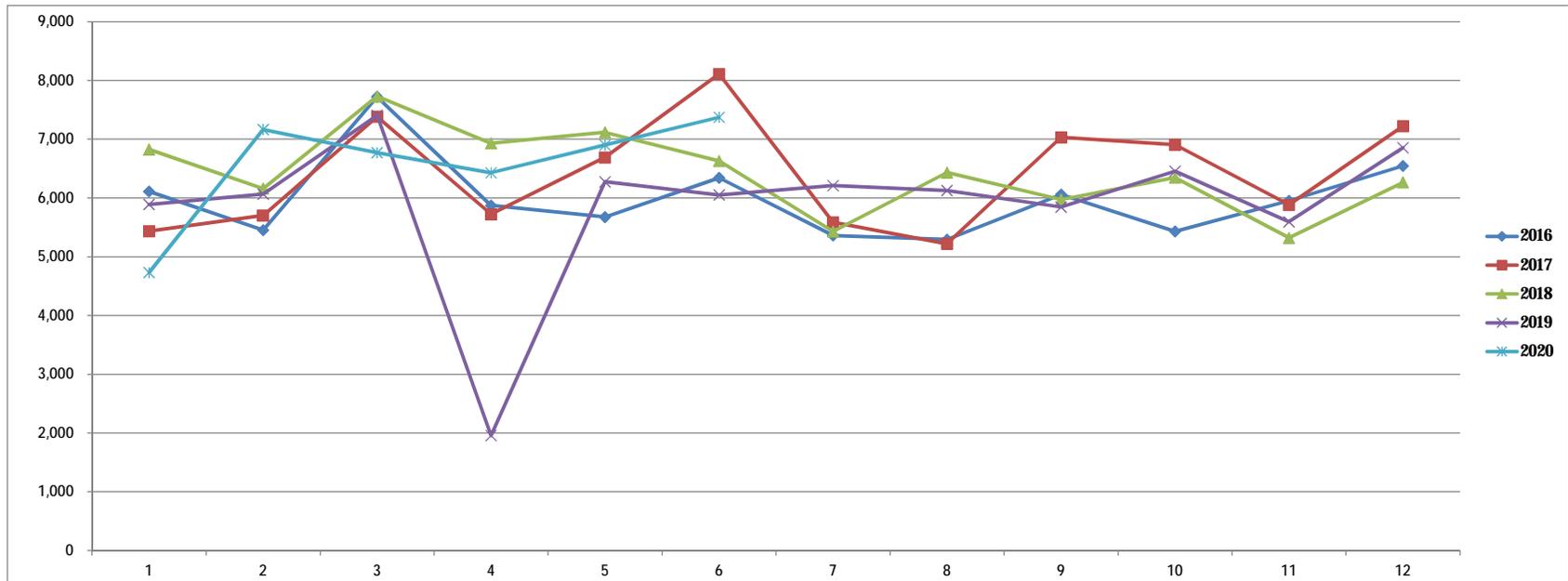
Annexations

All Transactions

Date	Num	Name	Memo	Debit	Credit	Balance
12787 · Lee Annexation						
04/26/2019	JE		Deposit for Annexation		15,000.00	15,000.00
05/31/2019	5-190176	BGE, Inc.	Engineering Fees - Annexation No. 11	984.83		14,015.17
06/30/2019	6-190136	BGE, Inc.	Engineering Fees - Annexation No. 11	3,418.23		10,596.94
07/31/2019	7-190471	BGE, Inc.	Engineering Fees - Annexation No. 11	1,887.45		8,709.49
07/31/2019	9495136631	Norton Rose Fulbright US LLP	Legal Fees	172.50		8,536.99
08/31/2019	191647	The Research Staff, Inc.	Title Report - Annexation	80.00		8,456.99
08/31/2019	PS119001733	Harris County Appraisal District	Certificate of Ownership - Annexation	5.00		8,451.99
08/31/2019	8-190493	BGE, Inc.	Engineering Fees - Annexation No. 11	398.44		8,053.55
08/31/2019	9495142345	Norton Rose Fulbright US LLP	Legal Fees	702.50		7,351.05
09/30/2019	9495149477	Norton Rose Fulbright US LLP	Legal Fees	143.75		7,207.30
10/31/2019	10-190502	BGE, Inc.	Engineering Fees - Annexation No. 11	273.44		6,933.86
10/31/2019	9495155990	Norton Rose Fulbright US LLP	Legal Fees - Annexation	1,548.75		5,385.11
11/30/2019	11-190054	BGE, Inc.	Engineering Fees - Annexation No. 11	2,167.95		3,217.16
11/30/2019	9495163224	Norton Rose Fulbright US LLP	Legal Fees	742.50		2,474.66
12/31/2019	12-190187	BGE, Inc.	Engineering Fees - Annexation No. 11	1,289.06		1,185.60
12/31/2019	9495170944	Norton Rose Fulbright US LLP	Legal Fees - Annexation	496.18		689.42
01/31/2020	9495175858	Norton Rose Fulbright US LLP	Legal Fees - Annexation	270.00		419.42
02/29/2020	2-200558	BGE, Inc.	Engineering Fees - Annexation No. 11	195.31		224.11
02/29/2020	9495182734	Norton Rose Fulbright US LLP	Legal Fees - Annexation	270.00		-45.89
04/30/2020	9495196527	Norton Rose Fulbright US LLP	Legal Fees - Annexation	360.00		-405.89
06/30/2020	9495209384	Norton Rose Fulbright US LLP	Legal Fees - Annexation	90.00		-495.89
07/31/2020	9495216040	Norton Rose Fulbright US LLP	Legal Fees - Annexation	0.00		-495.89
08/31/2020	9495222409	Norton Rose Fulbright US LLP	11th Annexation	691.35		-1,187.24
Total 12787 · Lee Annexation				16,187.24	15,000.00	-1,187.24
12788 · Barents Annexation						
08/31/2019	Rcpt	BBVA	Barents Annexation Deposit - Ida Gilbert		5,000.00	5,000.00
08/31/2019	Rcpt	BBVA	Barents Annexation Deposit - GAP Plumbin...		5,000.00	10,000.00
08/31/2019	9495142345	Norton Rose Fulbright US LLP	Legal Fees	322.50		9,677.50
09/03/2019	Rcpt	BBVA	Barents Annexation Deposit - Champ Auto ...		5,000.00	14,677.50
09/30/2019	9-190038	BGE, Inc.	Engineering Fees - Annexation No. 12	1,205.47		13,472.03
09/30/2019	9495149477	Norton Rose Fulbright US LLP	Legal Fees	143.75		13,328.28
10/31/2019	9495155990	Norton Rose Fulbright US LLP	Legal Fees - Annexation	517.50		12,810.78
10/31/2019	10-190504	BGE, Inc.	Engineering Fees - Annexation No. 12	6,362.73		6,448.05
11/30/2019	11-190056	BGE, Inc.	Engineering Fees - Annexation No. 12	3,448.57		2,999.48
11/30/2019	9495163224	Norton Rose Fulbright US LLP	Legal Fees	146.25		2,853.23
12/31/2019	12-190189	BGE, Inc.	Engineering Fees - Annexation No. 12	2,516.81		336.42
12/31/2019	9495170944	Norton Rose Fulbright US LLP	Legal Fees - Annexation	1,350.00		-1,013.58
01/31/2020	1-200553	BGE, Inc.	Engineering Fees - Annexation No. 12	292.97		-1,306.55
01/31/2020	9495175858	Norton Rose Fulbright US LLP	Legal Fees - Annexation	0.00		-1,306.55
02/29/2020	2-200560	BGE, Inc.	Engineering Fees - Annexation No. 12	2,171.88		-3,478.43
02/29/2020	2-200525	BGE, Inc.	Engineering Fees - Barents Drive LS Feasibil...	2,762.20		-6,240.63
02/29/2020	9495182734	Norton Rose Fulbright US LLP	Legal Fees - Annexation	0.00		-6,240.63
03/31/2020	3-200228	BGE, Inc.	Engineering Fees - Barents Drive LS Feasibil...	454.00		-6,694.63
04/30/2020	4-200364	BGE, Inc.	Engineering Fees - Annexation No. 12	2,332.65		-9,027.28
04/30/2020	4-200354	BGE, Inc.	Engineering Fees - Barents Drive LS Feasibil...	3,165.61		-12,192.89
04/30/2020	9495196527	Norton Rose Fulbright US LLP	Legal Fees - Annexation	0.00		-12,192.89
05/31/2020	5-200205	BGE, Inc.	Engineering Fees - Barents Drive LS Feasibil...	883.59		-13,076.48
06/30/2020	6-200423	BGE, Inc.	Engineering Fees - Barents Drive LS Feasibil...	1,953.10		-15,029.58
06/30/2020	9495209384	Norton Rose Fulbright US LLP	Legal Fees - Annexation	978.75		-16,008.33
07/31/2020	7-200217	BGE, Inc.	Engineering Fees - Barents Drive LS Feasibil...	390.62		-16,398.95
07/31/2020	9495216040	Norton Rose Fulbright US LLP	Legal Fees - Annexation	243.75		-16,642.70
08/31/2020	9495222409	Norton Rose Fulbright US LLP	12th Annexation	3,286.35		-19,929.05
Total 12788 · Barents Annexation				34,929.05	15,000.00	-19,929.05
TOTAL				51,116.29	30,000.00	-21,116.29

Harris County MUD No. 109 Sales Tax Revenue History

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2016	6,112	5,452	7,722	5,873	5,676	6,344	5,364	5,293	6,058	5,431	5,954	6,546	71,825
2017	5,434	5,703	7,385	5,723	6,692	8,112	5,584	5,221	7,033	6,909	5,885	7,225	76,905
2018	6,828	6,158	7,730	6,930	7,116	6,632	5,430	6,434	5,972	6,345	5,322	6,267	77,163
2019	5,893	6,065	7,408	1,957	6,274	6,053	6,211	6,128	5,846	6,457	5,596	6,855	70,743
2020	4,731	7,165	6,772	6,430	6,900	7,374							39,372
Total	\$38,297	\$39,713	\$49,919	\$33,893	\$38,618	\$54,055	\$32,961	\$34,380	\$37,987	\$37,408	\$33,173	\$38,508	\$468,913



**Harris County MUD 109
Cash Flow Forecast**

	<u>May-21</u>	<u>May-22</u>	<u>May-23</u>	<u>May-24</u>	<u>May-25</u>
Assessed Value	\$641,723,382	\$641,723,382	\$641,723,382	\$641,723,382	\$641,723,382
Maintenance Tax Rate	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16
Maintenance Tax	\$1,004,500	\$1,006,222	\$1,006,222	\$1,006,222	\$1,006,222
% Change in Water Rate		1.00%	1.00%	1.00%	1.00%
% Change in Sewer Rate		3.00%	3.00%	3.00%	3.00%
% 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	\$4,657,758	\$3,063,226	\$2,733,769	\$2,571,980	\$2,338,470
<u>Revenues</u>					
Maintenance Tax	\$1,004,500	\$1,006,222	\$1,006,222	\$1,006,222	\$1,006,222
Water Revenue	559,000	564,590	570,236	575,938	581,698
Sewer Revenue	642,000	661,260	681,098	701,531	722,577
NHCRWA Revenue	1,116,000	1,147,806	1,262,587	1,388,845	1,527,730
Additional Revenue	343,715	360,901	378,946	397,893	417,788
	<u>\$3,665,215</u>	<u>\$3,740,779</u>	<u>\$3,899,088</u>	<u>\$4,070,430</u>	<u>\$4,256,014</u>
<u>Expenses</u>					
NHCRWA Expense	\$1,116,000	\$1,227,600	\$1,350,360	\$1,485,396	\$1,633,936
Other Expenses	1,959,653	2,057,636	2,160,517	2,268,543	2,381,970
	<u>\$3,075,653</u>	<u>\$3,285,236</u>	<u>\$3,510,877</u>	<u>\$3,753,939</u>	<u>\$4,015,906</u>
Net Surplus	\$589,562	\$455,543	\$388,211	\$316,490	\$240,108
<u>Other Revenues/Expenses</u>					
WP 1 Booster Pump Improvements	\$0	\$100,000	\$0	\$0	\$0
WP 1 Well Rehab & Motor Replacement	0	0	0	200,000	0
WP 1 Electrical Control Improvements	0	0	0	250,000	210,000
WP 1 GST 1 Replacement	0	0	250,000	0	0
WP 2 Expansion	372,000	0	0	0	0
WP 2 Well Rehab & Motor Replacement	170,000	0	0	0	200,000
Lift Station No. 1	50,000	205,000	0	0	0
Lift Station No. 3	0	125,000	0	0	0
Lift Station No. 5	0	115,000	0	0	0
Barents Dr Lift Station No. 6	250,000	0	0	0	0
HC 46 Water Interconnect	0	0	0	50,000	0
FM 1960 Utility Relocation	1,292,094	0	0	0	0
Manholes Valve Rehab	0	0	250,000	0	0
Manholes Survey	0	120,000	0	0	0
Water Valve Survey	0	70,000	0	0	0
Capital Outlay - AJOB	50,000	50,000	50,000	50,000	50,000
Transfer from Construction Fund	(97,450)	0	0	0	0
	<u>\$2,184,094</u>	<u>\$785,000</u>	<u>\$550,000</u>	<u>\$550,000</u>	<u>\$460,000</u>
Construction Surplus	\$0	\$0	\$0	\$0	\$0
Ending Cash Balance	<u>\$3,063,226</u>	<u>\$2,733,769</u>	<u>\$2,571,980</u>	<u>\$2,338,470</u>	<u>\$2,118,578</u>
Operating Reserve % of Exp <i>(Ideal is at least 100%)</i>	99.60%	83.21%	73.26%	62.29%	52.75%
Bond Authority: Remaining Bonding Capacity - \$12,950,000					

Harris County MUD No. 109

2021 AWBD Mid-Winter Conference Friday, January 29 - Saturday, January 30, 2021 JW Marriott - Austin, TX

DIRECTOR		CONFERENCE REGISTRATION		ADVANCE	PRIOR CONFERENCE EXPENSES
Name	Attending	Online	Paid	Paid	Paid
Cheryl Moore	Yes	Yes	Yes		Yes
Chris Green	Yes	Yes	Yes		Yes
Nancy Frank					Yes
Owen Parker					Yes
Robin Sulpizio	Yes	Yes	Yes		Yes

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	09/02/20	\$310
Regular Registration:	Begins	10/01/20	\$360
Late Registration:	Begins	12/17/20	\$460

CANCELLATION POLICY:

All cancellations must be made in writing.

A \$50.00 administrative fee is assessed for each conference registration cancelled on or before 12/16/2020.

There will be no refunds after 12/16/2020.

All registrations are non-transferable.

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 or Sara Albright at (281) 350-7090.

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is entered and made effective as of the _____ day of _____, 2020 (the “Effective Date”), by and between **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109, a conservation and reclamation district created pursuant to Article XVI, Section 59 of the Texas Constitution (“District”)**, and acting by and through its duly authorized Board of Directors (the “Board”), and **INFRAMARK, LLC (“Inframark”)**, a Texas limited liability company with offices located in Katy, Harris County, Texas. The District and Inframark are hereinafter referred to collectively as the “Parties” and individually as a “Party”.

WITNESSETH:

1. Inframark currently provides operations, maintenance, and management services for the Atascocita Joint Operations Board, a Joint Board located in Harris County, Texas (“AJOB”) pursuant to that certain Professional Services Agreement dated July 28, 1998, as amended (the “O&M Agreement”), by and between AJOB and Inframark.

2. The District currently owns that certain tract of land consisting of a wastewater treatment plant, situated in Harris County, Texas, described on Exhibit A attached hereto and made a part hereof (the “District Plant Property”).

3. The District desires to lease to Inframark, and Inframark desires to lease from the District, an unused and unoccupied portion of the District Plant Property identified as the leased property on Exhibit A (the “Leased Property”) to be used by Inframark for constructing or providing commercial office space for use by the Parties or related entities.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE promises, covenants and considerations hereinafter set forth, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to enter into this Lease, as follows:

I. TERM AND USE

- A. The District, for an in consideration of the agreements herein contained on the part of Inframark to be kept, observed and performed, does hereby lease to Inframark, and Inframark hereby leases from the District, the Leased Property, subject only to (a) the provisions of this Lease, and (b) any law, regulation or ordinance or any lien or encumbrance of record that validly affects the Leased Property.
- B. Subject to the terms and conditions of this Lease, the District leases to Inframark, and Inframark leases from District, the Leased Property to be used as office space and related parking and for no other purpose, for one year from the Effective Date (the “Term”) and shall continue thereafter from year-to-year subject, however, to termination by either the District or Inframark for any reason at any time by giving thirty (30) days advance written notice to the other.

II. OWNERSHIP OF IMPROVEMENTS

- A. The Parties acknowledge and agree that the District Plant Property, including the Leased Property, and all existing improvements are the sole property of the District, free and clear of all claims of Inframark or anyone claiming by, through or under Inframark except as to such rights as are expressly granted herein to Inframark, as a tenant.

- B. Inframark shall have the right to construct or provide a modular office structure (the "Building"), the plans of which shall be reviewed and approved by the District prior to any construction on the Leased Property, which shall be and remain the property and responsibility of Inframark. Upon the expiration or termination of this Lease, Inframark, at its sole expense, shall remove such Building and other related personal property within 30 days, regardless of the reason for such expiration or termination, and take all other action to restore the Leased Property to its original condition, and terminate and provide full payment of all services of any kind provided to the Building and the Leased Property. If Inframark fails to remove the Building as described herein and return the Leased Property to its original condition within 30 days of the expiration or termination of this Lease, the Building will be deemed abandoned, and ownership of the Building will immediately be conveyed to the District, and Inframark shall be obligated to reimburse the District any reasonable costs for removal of the Building and incidental costs thereto to return the Leased Property to its original condition within 30 days of sending the invoices to Inframark, or take any actions reasonably required for the conveyance of the Building to the District, at its sole cost. In the alternative, upon termination of this Lease and with the mutual agreement of the Parties, the District may purchase the Building upon termination of this Lease on negotiated terms.

III. TERMINATION

- A. Either Party may terminate this Lease with or without cause upon thirty (30) days' written notice to the other Party; provided, however, that if the O&M Agreement is terminated for any reason, this Lease will automatically terminate on even date therewith.

IV. DISTRICT'S OBLIGATIONS

- A. On the Effective Date, District shall deliver Inframark sole possession and use of the Leased Property. Inframark accepts the Leased Property "AS IS" on the Effective Date. Except as otherwise expressly provided in this Lease, Inframark has full responsibility for the construction, repair, alteration, maintenance, use, operation, and replacement of the Leased Property.
- B. District covenants and agrees that Inframark may peaceably and quietly enjoy the Leased Property without hindrance, interference, or molestation of District or anyone acting through or on behalf of the District.
- C. District shall be responsible for the following obligations related to the Leased Property: (1) all general and special real estate taxes, special assessments and other ad valorem taxes, levies and assessments payable with respect to the Leased Property and all taxes or other charges imposed in lieu of any such taxes; and (2) the cost of all utility services, and all other costs directly or incidentally related to the use, operation, and maintenance of the Leased Property.
- D. District, AJOB, and related entities comprising AJOB may use the common space in the Building for meetings with twenty-four (24) notice to Inframark and as long as such use will not disrupt or interfere with Inframark's use of the Building. Such use of the Building shall not be unreasonably withheld by Inframark.

V. INFRAMARK'S OBLIGATIONS

- A. Subject to all applicable laws and this Lease, Inframark shall use the Leased Property only to place a modular office structure and to use for parking. Inframark may put the Building on the Leased Property and shall be responsible for all costs, work, permits, and taxes necessary to put and operate the Building on the Leased Property; provided Inframark shall not allow liens to affix to the Leased

Property because of the Building or related construction on the Leased Property.

- B. Inframark shall not use or occupy, nor permit or suffer the Leased Property or any part thereof to be used or occupied for any unlawful, illegal, or extra hazardous business, use, or purpose, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the Certificate of Occupancy or of any laws, or which may make void or voidable any insurance then in force on the Leased Property. Inframark shall take, immediately upon the discovery of any such unpermitted, unlawful, illegal, or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use.
- E. Inframark shall not permit the Leased Property to be used during this Lease in a manner that would impair District's title to or interest in the Leased Property or in such a manner as would cause a claim or claims of adverse possession, adverse use, prescription, or other similar claims of, in, to, or with respect to the Leased Property.
- F. Inframark warrants and agrees that, during this Lease : (a) Inframark will conduct its business and activities on or related to the Leased Property in full compliance with all applicable laws; (b) Inframark will neither do nor permit any act or omission which could cause the Leased Property and Inframark's use thereof to fail to be in full compliance with all applicable laws; and (c) Inframark will neither do nor permit any act or omission which could cause any liabilities to exist or be asserted against District or the Leased Property.
- G. Inframark shall be responsible for costs of: (1) maintaining the Leased Property in a clean and sanitary condition, including without limitation regular cleaning and removal of trash; and (2) to the extent possible, Inframark will establish directly with the utility companies for provision of electric power, gas, potable water, sanitary sewer, telephone, wireless internet connectivity, and domestic trash, refuse and waste removal. If the District pays for any such utilities, Inframark shall reimburse District all charges for such utilities within thirty (30) days of receiving a statement from District setting forth in reasonably sufficient detail the charges for such utilities during the applicable period.

VI. INSURANCE

- A. Inframark shall procure at its cost and expense, and keep in effect during this Lease, insurance coverage for all risks of physical loss or damage to the Leased Property. Inframark shall procure at its cost and expense, and maintain throughout this Lease, commercial general liability insurance, worker's compensation insurance, and such other insurance as is customarily available to and obtained by providers of commercial office space covering Inframark and Inframark's operations in, on, from and at the Leased Property, all in such amounts, with such deductibles, and with good and reputable insurance carriers licensed to do business in the State of Texas as may be reasonably required by the District. District shall be named as an additional insured on all insurance policies to the extent appropriate.
- B. Inframark shall deliver to the District a certificate from each insurance carrier as to each such insurance policy in form and content acceptable to District prior to the commencement of this Lease.

VII. INDEMNIFICATION

- A. AS PART OF THE CONSIDERATION FOR THIS LEASE, AND TO THE EXTENT AUTHORIZED BY TEXAS LAW, INFRAMARK (THE "INDEMNIFYING PARTY"), FOR

ITSELF AND ITS SUCCESSORS AND ASSIGNS, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE DISTRICT AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND AGENTS (THE "INDEMNIFIED PARTY"), FROM LIABILITY FOR EVERY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT, OR LIABILITY OF EVERY KIND OR CHARACTER, WHETHER IN AGREEMENT, TORT, OR OTHERWISE, WHICH ARISES FROM THIRD PARTY CLAIMS FOR BODILY INJURY, WRONGFUL DEATH, OR PROPERTY DAMAGES TO THE EXTENT CAUSED BY INDEMNIFYING PARTY'S WILLFUL, INTENTIONAL, RECKLESS, OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS LEASE. THIS INDEMNITY AND HOLD HARMLESS PROVISION WILL APPLY WHETHER SUCH ACTS OR, OMISSIONS ARE CONDUCTED BY INDEMNIFYING PARTY OR ANY SUBCONTRACTOR OR AGENT THEREOF.

- B. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE DISTRICT SHALL BE LIABLE FOR ITS OWN NEGLIGENCE AND WILLFUL MISCONDUCT, AND FOR ANY ACT OR OMISSION OF THE DISTRICT, OR ANYONE ACTING BY, THROUGH OR UNDER THE DISTRICT, AND SHALL NOT BE ENTITLED TO ANY INDEMNITY IN CONNECTION WITH ANY OF THE FOREGOING.

VIII. WAIVER OF DAMAGES

- A. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED IN THIS LEASE, TO THE EXTENT AUTHORIZED BY TEXAS LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE, EITHER DIRECTLY OR INDIRECTLY, FOR ANY SPECIAL, PUNITIVE, INDIRECT AND/OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES ATTRIBUTABLE TO LOSS OF USE, LOSS OF INCOME OR LOSS OF PROFIT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

IX. DISPUTE RESOLUTION

- A. In the event of any disputes, the Parties shall first attempt to resolve the situation by good faith discussions which shall take place in a timely manner. If the dispute cannot be resolved within sixty (60) days, the Parties shall mediate their dispute before a mediator acceptable to both parties, if they cannot agree, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The Parties shall bear their own costs of the mediation but the parties shall share equally the costs of the mediator and the mediation facilities.
- B. If the Parties are unable to resolve any disputes in accordance with Section IX.A above, either party may request that such dispute be submitted for non-binding arbitration, which shall be governed by the rules of the American Arbitration Association or such other rules as the parties may agree. The parties agree that any judgment issued as a result of arbitration may be entered in the court having jurisdiction thereof. The Parties agree that arbitration shall be the exclusive means to settle any dispute, controversy or claim arising out of this Lease.

X. ASSIGNMENTS AND SUBLEASES

- A. Inframark shall not sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Leased Property or Inframark's leasehold estate hereunder or sublet the Leased Property or any portion thereof or permit the Leased Property to be occupied by anyone other than Inframark without District's prior written consent, which consent will not be unreasonably withheld or delayed; however, Inframark may assign this Lease to a parent, subsidiary, affiliate, or successor

without such prior written consent.

XI. MISCELLANEOUS

- A. Nothing herein contained shall be deemed or constructed by the Parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the Parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship other than landlord and tenant.
- B. This Lease contains the entire agreement between District and Inframark and supersedes all prior or contemporaneous communications, representations, understandings or agreements that are not consistent with any material provision of this Lease.
- C. Inframark recognizes and acknowledges that the District is subject to the Public Information Act, Ch. 552, Texas Government Code, as amended, and the Local Government Records Act, Ch. 201-205, Texas Local Government Code, as amended, with respect to any public information or local government records of the District. Inframark agrees to maintain records related to this Lease in accordance with said Acts during the term of this Lease and to cooperate with the District to provide any of said records which may be subject to an open records request made under said Acts.
- D. Prior to execution of this Lease, Inframark shall provide a completed and executed Form 1295, submitted in the electronic format prescribed by the Texas Ethics Commission, to the District pursuant to the provisions of Section 2252.908, Texas Government Code, as amended.
- E. The Parties may only modify this Lease by a written amendment signed by both Parties.
- F. The failure on the part of either Party to enforce its rights as to any provision of this Lease shall not be construed as a waiver of its rights to enforce such provisions in the future.
- G. In the event that Inframark or the District is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Lease, it is agreed that each party shall give written notice of such force majeure to the other Party as soon as possible after the occurrence of the cause relied on and shall, therefore, be relieved of its obligations, so far as they are affected by such force majeure, during the continuance of any disabilities so caused, but for no longer. In the event that the period of suspension shall extend longer than thirty (30) days, either party shall have the privilege of terminating this Lease. In such event, the District shall pay Inframark compensation pursuant to this Lease up to the date of termination. The term "force majeure," as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or of the state or any civil or military authority, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other similar or different cause not reasonably within the control of the Party claiming such inability.
- H. The Lease shall be governed by and construed in accordance with the laws of the State of Texas.
- I. In the event that District receives notice of or undertakes the defense or prosecution of any legal or administrative action or proceeding in connection with the ownership, operation and/or maintenance of the Leased Property, the Building, and/or this Lease, District shall give Inframark prompt notice of such proceedings and shall inform Inframark in advance of all hearings. In the

event Inframark receives notice of any action, claim, suit, administrative or arbitration proceeding or investigation in connection with the ownership, operation and/or maintenance of the Leased Property, the Building and/or this Lease, Inframark shall give District prompt notice of such proceedings.

- J. All notices will be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices required to be given to the parties by each other will be addressed to:

Inframark, LLC
2002 West Grand Parkway North, Suite 100
Katy, Texas 77449
ATTN: Todd Burrer

Harris County MUD No. 109
c/o Norton Rose Fulbright US LLP
Fulbright Tower
1301 McKinney
Houston, Texas 77010-3095
ATTN: Dimitri Millas

With copy to:

Inframark, LLC
220 Gibraltar Road, Suite 200
Horsham, Pennsylvania 19044
ATTN: Legal Department

- K. This Lease is made for the benefit of the Parties, and is not intended to be enforceable by any third party beneficiaries.
- L. Defined terms in this Lease are as described herein, capitalized or within quotation marks.
- M. Should any part of this Lease for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Lease, which will remain in full force and effect as if the Lease had been executed with the invalid portion eliminated.
- N. This Lease may be executed in more than one counterpart, each of which shall be deemed an original.
- O. Both Parties warrant and represent to the other that they have full power and authority to enter into and perform this Lease.

IN WITNESS WHEREOF, the District and Inframark have caused this Lease to be executed by their duly authorized officers.

ATASCOCITA JOINT OPERATIONS BOARD

INFRAMARK, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: Todd Burrer

Title: _____

Title: Vice President, Texas MUDs

Date: _____

Date: _____

EXHIBIT A
THE LEASED PROPERTY



ENGINEERING REPORT

Date: September 14, 2020
To: Harris County MUD No. 109 Board of Directors
From: Bill Kotlan, P.E.
District Engineer

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

- a. Stormwater Quality Permit Renewals:** Waiting on Harris County review.
- b. Water Plant No. 2 EST Rehabilitation:** Warranty Date 9/25/2020 – We have been in contact with Contractor and are working to schedule a warranty inspection.
- c. Water Plant No. 1 EST Rehabilitation:** Pay Estimate No. 5 for Nova Painting, LLC for \$75,465.00 is presented and recommended for approval. The project is substantially complete and back in service. We are holding the 10% retainage until the final punch list items are complete.

Change Order No. 1 in the amount of \$9,500 is presented for your consideration and approval. The change order is for repair of an overflow box and replacement of an existing vent that were identified during construction. We recommend approval of the change order.

Action Item: Approve Pay Estimate No. 5 for Nova Painting, LLC for \$75,465.00.

Action Item: Approve Change Order No. 1 for Nova Painting, LLC for \$9,500.00.

- d. Utility Relocations related to FM 1960 Widening: Update**

We have submitted revised agreements to TxDOT after their comments and are still waiting on final approval.

- e. Water Plant No. 2 Expansion**

We are reviewing agency comments and will submit final plans this month.

f. Barents Drive Lift Station

Lift station design has been kicked off and will begin in earnest this month.

g. Wastewater Treatment Plant

After testing the paint and finding lead, we had a contractor provide us with a detailed estimate for painting the piping. Attached are our estimate for 2020 Wastewater Treatment Plant Rehabilitation project as well as a copy of the CIP. Also attached is a fee schedule for our work for design and construction administration for the project in accordance with our professional services contract.

Action Item: Authorize BGE to begin design on 2020 WWTP Rehabilitation project in accordance with proposed fee schedule for a total of \$79,000.

h. Developer's Report: No Update

i. Capacity Commitments:

- i. Teo Lopez (Country Scramble):** No change this month.
- ii. Shawn Gilbert service request:** This service request is on hold pending Annexation 12.
- iii. You Sun Lee Service Request:** Please find enclosed an estimate of cost for extension of water line to serve 4410 FM 1960 East (Jon Lee). Also enclosed is a proposal from Robert Thomas with ROW Management to assist the District in obtaining a water line easement from Ashley's who own Dirt Cheap. We recommend that the District authorize consultants to prepare an escrow agreement for costs related to the utility extension between the District and Mr. Lee. Once the agreement is in place and funded, we will present the ROW Management proposal to the District for consideration.

Action Item: Authorize District attorney and engineer to prepare an escrow agreement for costs related to a water line extension to service 4410 FM 1960 E.



September 4, 2020

Municipal Accounts & Consulting, LP
1281 Britmoore Road
Houston, Texas 77043

Attention: Cory Burton

Re: **Pay Estimate No. 5**
Harris County MUD No. 109
Water Plant No. 1 Elevated Storage Tank Rehabilitation
BGE Job No. 5367-00

Dear Mr. Burton:

Enclosed herewith is Pay Estimate No. 5 from Nova Paintings, LLC for work performed on the referenced project for the period indicated. I have reviewed the quantities completed and submitted for payment, and recommend that this estimate be processed for payment. The enclosed estimate is for your further handling and processing.

Should you have any questions regarding this pay estimate, please contact me at 281-558-8700.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary L. Goessler".

Gary L. Goessler, PE
Project Manager, Construction Management

TBPE Registration No. F-1046

cc: Spiros Kollias – Nova Paintings, LLC
Dimitri Millas – Norton Rose Fulbright US LLP
Bill Kotlan, PE – BGE
Darrin Fentress, PE – BGE
Doug Baker, PE – BGE

**Water Plant No. 1 Elevated Storage Tank
Rehabilitation**

Owner: Harris County MUD No. 109
C/o Municipal Accounts & Consulting, LP
1281 Brittmoore Rd.
Houston, Texas 77043

Attention: Cory Burton

Contractor: Nova Paintings, LLC
4830 Wilson Road Ste. 300 PMB 115
Humble, Texas 77396

Attention: Spiros Kollias

Pay Estimate No.	5
Original Contract Amount:	\$ 803,500.00
Change Orders:	\$ 9,500.00
Current Contract Amount:	\$ 813,000.00
Completed to Date:	\$ 715,600.00
Retainage 10%	\$ 71,560.00
Balance:	\$ 644,040.00
Less Previous Payments:	\$ 568,575.00
Current Payment Due:	\$ 75,465.00

BGE Job No.	5367-00
Estimate Period:	08/01/20 - 08/31/20
Contract Date:	March 30, 2020
Notice to Proceed:	April 20, 2020
Contract Time:	120 Calendar Days
Time Charged:	134 Calendar Days
Approved Extensions:	0 Calendar Days
Requested Time Extensions:	5 Calendar Days
Time Remaining:	-14 Calendar Days

Recommended for Approval:

 9/4/20

Gary L. Goessler, PE
Project Manager, Construction Management
BGE
TBPE Registration No. F-1046

Harris County MUD No. 109
 Water Plant No. 1 Elevated Storage Tank Rehabilitation
 BGE Job No. 5367-00
 Pay Estimate No. 5

Item	Description	Contract Quantity	Unit	Unit Price	Amount	Completed This Period	Amount This Period	Previous Period	Previous Amount	Total Completed	Total
UNIT A: BASE BID ITEMS											
1.	Mobilization; Demobilization; Bonds; Insurance										
1.1	Mobilization	1.00	LS	\$ 2,000.00	\$ 2,000.00	0.00	\$ -	1.00	\$ 2,000.00	1.00	\$ 2,000.00
1.2	Demobilization	1.00	LS	\$ 2,000.00	\$ 2,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
1.3	Bonds; Insurance; Permits	1.00	LS	\$ 16,000.00	\$ 16,000.00	0.00	\$ -	1.00	\$ 16,000.00	1.00	\$ 16,000.00
2.	Remove and replace existing sacrificial anode cathodic protection system with horizontal system for Elevated Storage Tank No. 1 at Water Plant No. 1; cap and seal weld all existing handholds for existing cathodic protection. Complete in Place.										
2.1	Remove existing sacrificial anode cathodic protection system	1.00	LS	\$ 5,000.00	\$ 5,000.00	0.00	\$ -	1.00	\$ 5,000.00	1.00	\$ 5,000.00
2.2	Install horizontal cathodic protection system	1.00	LS	\$ 20,000.00	\$ 20,000.00	1.00	\$ 20,000.00	0.00	\$ -	1.00	\$ 20,000.00
2.3	Cap and seal weld all handholds for cathodic protection	1.00	LS	\$ 5,000.00	\$ 5,000.00	0.00	\$ -	1.00	\$ 5,000.00	1.00	\$ 5,000.00
3.	Furnish all materials, labor, equipment, and appurtenances to seal weld interior roof rafters and roof plates, abrasive blast, and recoat the interior and exterior of the 1,000,000 gallon Elevated Storage Tank at Water Plant No.1; blast, clean, and recoat existing doors of the Elevated Storage Tank No. 1; replace bird and insect screen on gooseneck vent and mushroom vents; provide new hatch screens; provide new ladder and safety rail for interior wet area; provide splash box. Complete in Place.										
3.1	Abrasive blast interior	1.00	LS	\$ 331,012.00	\$ 331,012.00	0.00	\$ -	1.00	\$ 331,012.00	1.00	\$ 331,012.00
3.2	Coat interior of EST	1.00	LS	\$ 84,819.00	\$ 84,819.00	0.00	\$ -	1.00	\$ 84,819.00	1.00	\$ 84,819.00
3.3	Pressure wash exterior	1.00	LS	\$ 5,000.00	\$ 5,000.00	0.00	\$ -	1.00	\$ 5,000.00	1.00	\$ 5,000.00
3.4	Install containment	1.00	LS	\$ 40,000.00	\$ 40,000.00	0.00	\$ -	1.00	\$ 40,000.00	1.00	\$ 40,000.00
3.5	Abrasive blast and prime exterior of EST	1.00	LS	\$ 84,819.00	\$ 84,819.00	0.00	\$ -	1.00	\$ 84,819.00	1.00	\$ 84,819.00

Harris County MUD No. 109
 Water Plant No. 1 Elevated Storage Tank Rehabilitation
 BGE Job No. 5367-00
 Pay Estimate No. 5

Item	Description	Contract Quantity	Unit	Unit Price	Amount	Completed This Period	Amount This Period	Previous Period	Previous Amount	Total Completed	Total
3.6	Second coat exterior of EST	1.00	LS	\$ 21,175.00	\$ 21,175.00	1.00	\$ 21,175.00	0.00	\$ -	1.00	\$ 21,175.00
3.7	Finish coat exterior of EST	1.00	LS	\$ 21,175.00	\$ 21,175.00	1.00	\$ 21,175.00	0.00	\$ -	1.00	\$ 21,175.00
3.8	Remove containment	1.00	LS	\$ 10,000.00	\$ 10,000.00	1.00	\$ 10,000.00	0.00	\$ -	1.00	\$ 10,000.00
3.9	Blast, clean and recoat existing doors of EST No. 1	1.00	LS	\$ 3,000.00	\$ 3,000.00	1.00	\$ 3,000.00	0.00	\$ -	1.00	\$ 3,000.00
3.10	Replace screens on gooseneck vent	1.00	LS	\$ 500.00	\$ 500.00	1.00	\$ 500.00	0.00	\$ -	1.00	\$ 500.00
3.11	Replace screen of mushroom vent	1.00	LS	\$ 500.00	\$ 500.00	1.00	\$ 500.00	0.00	\$ -	1.00	\$ 500.00
3.12	Provide new hatch screens	1.00	LS	\$ 500.00	\$ 500.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
3.13	Provide new ladder and safety rail for interior wet area	1.00	LS	\$ 10,000.00	\$ 10,000.00	0.00	\$ -	0.42	\$ 4,200.00	0.42	\$ 4,200.00
3.14	Install obstruction light	1.00	LS	\$ 5,000.00	\$ 5,000.00	1.00	\$ 5,000.00	0.00	\$ -	1.00	\$ 5,000.00
3.15	Install photo cell	1.00	LS	\$ 2,500.00	\$ 2,500.00	1.00	\$ 2,500.00	0.00	\$ -	1.00	\$ 2,500.00
3.16	Provide splash box	1.00	LS	\$ 8,000.00	\$ 8,000.00	0.00	\$ -	1.00	\$ 8,000.00	1.00	\$ 8,000.00
4.	Furnish all materials, labor, equipment, and appurtenances for the installation of fourteen (14) peripheral shell circulation vents on Elevation Storage Tank; Provide in accordance with the contract plans and specifications. Complete in Place.	14.00	EA	\$ 2,600.00	\$ 36,400.00	0.00	\$ -	14.00	\$ 36,400.00	14.00	\$ 36,400.00
5.	Trench Safety System, Complete in Place	1.00	LS	\$ 5,000.00	\$ 5,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
Unit A: Base Bid Items - Subtotal					\$ 719,400.00		\$ 83,850.00		\$ 622,250.00		\$ 706,100.00
<u>UNIT B: SUPPLEMENTAL BID ITEMS</u>											
1.	"Extra" as directed, Reinforcing Steel, Complete in Place (\$1,000 per TON minimum)	1.00	TON	\$ 1,000.00	\$ 1,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -

Harris County MUD No. 109
 Water Plant No. 1 Elevated Storage Tank Rehabilitation
 BGE Job No. 5367-00
 Pay Estimate No. 5

Item	Description	Contract Quantity	Unit	Unit Price	Amount	Completed This Period	Amount This Period	Previous Period	Previous Amount	Total Completed	Total
2.	"Extra" as directed, Site Improvements, Complete In Place (\$2000.00 minimum)	1.00	LS	\$ 2,000.00	\$ 2,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
3.	Furnish all labor, equipment, and appurtenances for "extra welding repair, all weld sizes", Complete In Place.	100.00	LF	\$ 35.00	\$ 3,500.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
4.	Furnish Certified Welder to perform miscellaneous welding for "extra welding man hours", all weld sizes, Complete In Place.	40.00	HRS	\$ 125.00	\$ 5,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
5.	Furnish Welder Apprentice to perform miscellaneous welding for "extra welding man-hours", all weld sizes, complete in place.	40.00	HRS	\$ 55.00	\$ 2,200.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
6.	Furnish all materials, labor, equipment, and appurtenances for "extra 6-inch diameter roof patches including certified welding in place and grind smooth, Complete In Place	1,000.00	LBS	\$ 24.00	\$ 24,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
7.	Furnish all materials, labor, equipment, and appurtenances for "extra steel fittings, structural members, pipe supports, roof rafters, reinforcing plates, and all structures, all shapes, all sizes including removal disposal of existing members" with certified welders, including apprentice labor, as directed by the Engineer, complete in place.	1,000.00	HRS	\$ 45.00	\$ 45,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
8.	Furnish all materials, labor, equipment, and appurtenances for installation of extra epoxy coatings at badly pitted surfaces, Complete In Place for interior coatings, abrasive blast per internal coating specification.	10.00	GAL	\$ 20.00	\$ 200.00	0.00	\$ -	0.00	\$ -	0.00	\$ -

Harris County MUD No. 109
 Water Plant No. 1 Elevated Storage Tank Rehabilitation
 BGE Job No. 5367-00
 Pay Estimate No. 5

Item	Description	Contract Quantity	Unit	Unit Price	Amount	Completed This Period	Amount This Period	Previous Period	Previous Amount	Total Completed	Total
9.	Furnish all materials, labor, equipment, and appurtenances for installation of extra epoxy coatings at badly pitted surfaces, Complete In Place for external nonskid surfaces, abrasive blast per external nonskid coating specification.	10.00	GAL	\$ 20.00	\$ 200.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
10.	Furnish all labor, equipment, and appurtenances for "extra 6-inch diameter, 1/4-inch thick, floor patches including certified welding in place and grind smooth welding repair, all weld sizes" per the direction of the engineer. Complete In Place.	10.00	GAL	\$ 100.00	\$ 1,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
Unit B: Supplemental Bid Items - Subtotal					\$ 84,100.00		\$ -		\$ -	\$ -	\$ -
Total Contract Amount:					\$ 803,500.00						
Change Order No. 1											
<u>ADD:</u>											
	Welding Overflow Box	1.00	LS	\$ 3,500.00	\$ 3,500.00	0.00	\$ -	1.00	\$ 3,500.00	1.00	\$ 3,500.00
	Replace Existing 16" Tee Vent	1.00	LS	\$ 6,000.00	\$ 6,000.00	0.00	\$ -	1.00	\$ 6,000.00	1.00	\$ 6,000.00
Change Order No. 1 - Subtotal					\$ 9,500.00		\$ -		\$ 9,500.00	\$ 9,500.00	\$ 9,500.00
Change Order No. 2											
					\$ -		0.00	\$ -	0.00	\$ -	\$ -
Totals:					\$ 813,000.00		\$ 83,850.00		\$ 631,750.00	\$ 715,600.00	\$ 715,600.00

CONTRACTOR AFFIDAVIT FOR PARTIAL PAYMENT

STATE OF **TEXAS** §

COUNTY OF **HARRIS** §

BEFORE ME, the undersigned authority, on this day personally appeared **SPIROS KOLLIAS** the **MANAGER of NOVA PAINTINGS, LLC**. ("CONTRACTOR"). CONTRACTOR has performed labor and furnished materials pursuant to that certain Contract entered into on the **20ST** day of **APRIL, 2020**, by and between CONTRACTOR and **HARRIS COUNTY MUD 109**, for the erection, construction, and completion of certain improvements and/or additions upon the following described premises, to wit:

"WATER PLANT NO. 2 EST RECOATING"

The undersigned, being by me duly sworn, states upon oath that the materials supplied in connection with CONTRACTOR's Application for Partial Payment No. 5, dated 9/2/20 (the "Application Date"), represents the actual cost of sound materials that have been or will be fabricated into the Work in compliance with the agreed to plans and specifications (and all authorized changes thereto).

The undersigned further states that as of the Application Date, CONTRACTOR has paid all bills and claims for materials supplied in connection with the aforesaid Partial Payment.

This affidavit is being made by the undersigned realizing that it is in reliance upon the truthfulness of the statements contained herein that a partial payment under said Contract is being made, and in consideration of the disbursement of said partial payment by **HARRIS COUNTY MUD 109**.



Spiros Kollias, Manager

PARTIAL/FINAL WAIVER OF LIEN

THE STATE OF TEXAS

COUNTY OF HARRIS

The undersigned contract with Nova Paintings, LLC, to furnish labor and materials in connection with certain improvements to real property located in Harris County, Texas and owned by Harris County MUD 109 which improvements are described as follows:

"Water plant No. 1 EST Rehab"

In consideration of Pay Estimate No. 5 in the amount of seventy five thousand four hundred sixty five dollars zero cents

DOLLARS (\$75,465) an other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned does hereby waive and release and mechanics' lien or materialmen's lien or claims of lien that the undersigned had or hereafter has on the above-mentioned real property on account of any labor preformed or materials furnished or to be furnished or labor preformed and materials furnished by the undersigned pursuant to the above-mentioned contract or any constitutional lien that the undersigned may have.

Undersigned hereby guarantees that all bids for labor preformed and/or materials furnished in the erection and construction of such improvements on the Property have been fully paid and satisfied and Undersigned does further guarantee that if for any reason a lien or liens are filed for material or labor against said property arising out of any bill for materials or labor in connection with the erection or construction of said improvements thereon, Undersigned will obtain a settlement of such lien or liens and a proper release there of shall be obtained.

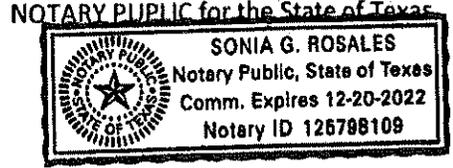
Nova Paintings, LLC
Contractor
[Signature]
Signature

Spiros Kollias
Name
Manager
Title

SWORN TO AND SUBSCIBED BEFORE ME, on this the 2 day of September 20 20, to certify which witness my hand and seal of office.

My commission Expires:
12-20-22

[Signature]



Harris County MUD No. 109

CHANGE ORDER

Number One

PROJECT:	WATER PLANT NO. 1 ELEVATED STORAGE TANK REHABILITATION	DATE:	AUGUST 4, 2020
OWNER:	HARRIS COUNTY MUD No. 109 C/O NORTON ROSE FULBRIGHT US LLP 1301 MCKINNEY, SUITE 5100 HOUSTON, TEXAS 77010 ATTENTION: OWEN H. PARKER		
CONTRACTOR:	NOVA PAINTINGS, LLC ATTENTION: SPIROS KOLLIAS	ENGINEER:	BGE, INC. JOB No. 5367-01

Contractor is directed to make the following changes in the Contract Documents:

Description of Change in Scope of Work: See attached summary

Reason for Change Order: Due to the existing condition of the vent that was exposed with abrasive blasting, the vent had to be replaced.

Change in Contract Price: Original Contract Price \$ 803,500.00	Change in Contract Time: Original Contract Time 120 Calendar Days
Net Changes from Previous Change Orders \$ 00.00	Net Changes from Previous Change Orders 0 Calendar Days
Contract Price Prior to This CO \$ 803,500.00	Contract Time Prior to This CO 120 Calendar Days
Net Increase (Decrease) of This CO \$ 9,500.00	Net Increase (Decrease) of This CO 0 Calendar Days
Contract Price With All Approved Change Orders \$ 813,000.00	Contract Time With All Approved Change Orders 120 Calendar Days

RECOMMENDED:

By: _____

Engineer

Date: _____

8/4/20

APPROVED:

By: _____

Owner

Date: _____

ACCEPTED:

By: _____

Contractor

Date: _____

8/4/2020

Harris County MUD No. 109
Water Plant No. 1 Elevated Storage Tank Rehabilitation
BGE Job No. 5367-01
CO1-Summary

<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Total</u>
<u>ADD:</u>				
Welding Overflow Box	1.00	LS	\$ 3,500.00	\$ 3,500.00
Replace Existing 16" Tee Vent	1.00	LS	\$ 6,000.00	\$ 6,000.00
<hr/>				
GRAND TOTAL:				\$ 9,500.00

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Nova Paintings LLC
Humble, TX United States

Certificate Number:
2020-653109

Date Filed:
08/04/2020

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Harris County MUD 109

Date Acknowledged:

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

5367-01
Water Plant No. 1 EST Rehab and Change order No. 1

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.

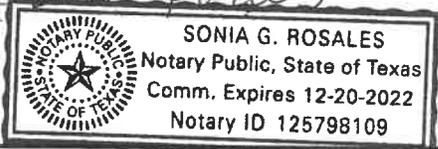
6 UNSWORN DECLARATION

My name is SPIROS KOLLIAS, and my date of birth is 1/10/51.

My address is 4830 Wilson Rd Ste 300 PMB 115, Humble, TX, 77396.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of TX, on the 4th day of August 2020.
(month) (year)



[Signature]
Signature of authorized agent of contracting business entity (Declarant)

**Atascocita Joint Operations Board
Summary of Capital Improvement Plan
2021 to 2029**

Project No.	Improvement	Code	Priority	1 Year 2021	2 Years 2022	3 Years 2023	4-5 Years 2024-2025	6-7 Years 2026-2027
100	WASTEWATER TREATMENT PLANT							
101	Site Rehabilitation Including Access Bridges, New Light Fixtures, Recoat Piping and Buildings	O	2	\$439,000				
102	Digester Improvement Including Knife Gates and Diffusers	A	3	\$107,000				
103	Thickener Sludge Pump Addition	A	3	\$38,000				
104	Aeration Basin Improvements Including Gate Lifts	O	2	\$36,000				
105	Replacement of Small Belt Press with Larger Belt Press	A	2		\$950,000			
106	Chlorine Contact Basin Wall Addition	O	3			\$570,000		
107	Addition of VFD to Blower No. 1 and 4	A	3				\$479,000	
108	Headworks Improvements and Fine Screens Addition	A	2				\$1,662,000	
109	SCADA Installation	A	3					\$1,361,000
200	LIFT STATION							
201	Lift Station Coating Rehab	A	2					\$531,000
TOTALS				\$ 620,000	\$ 950,000	\$ 570,000	\$ 2,141,000	\$ 1,892,000

Notes: All costs include the following fees and contingencies:

20%	Surveying and Engineering Fee
20%	Contingency

All costs are stated in 2020 dollars, no escalation is taken into account.

This cost estimate is preliminary in nature and is intended for planning purposes only.

Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

Code Key	
Asset Renewal, Age Related	A
Environmental, Regulatory or Safety Related	E
Operator Request or Improvement	O
Planned Project for Expanded Capacity	P

Priority Key	
High - Currently or potentially critical; address immediately	1
Medium - Routine work or anticipated upgrade; schedule for completion within 2 to 3 years	2
Low - Discretionary work, to protect, preserve, or restore facilities; address within 4 to 7 years	3
No priority - Deferred work; not required for basic function; to address potential growth, regulatory	4



Attachment A - Amended
Compensation for 2020 WWTP Rehabilitation

Professional Services will be invoiced monthly based on the percentage of work complete or the actual time, materials and expenses utilized to complete the work in accordance with the following schedule.

Task No.	Description	Basis of Fee	Fee/ Budget
1	Basic Services: Design Engineering	Lump Sum	\$38,000
2	Basic Services: Construction Phase	Lump Sum	\$15,000
5	Project Representation	Hourly	\$26,000
	TOTAL		\$79,000

Reimbursable expenses such as deliveries, printing, out-of-town travel, are invoiced at cost plus 10%. Applicable sales tax will be added to fees subject to sales tax. Invoices will be mailed monthly and payable upon receipt. Failure to make payment within 30 days will result in an interest charge equal to 18 percent per annum. Hourly fees will be 2.5 times the direct personnel expense. Survey crews are charged at \$160 per hour including salaries and all expenses.

Revisions due to changes by the client or changes in the Scope of Services will be considered additional services. Any additional services will be covered under a separate written proposal prior to proceeding.

District	Atascocita Joint Operations Board	Project No.	101
Facility	Wastewater Treatment Plant	Start Year	2021
Justification	Asset Renewal, Age Related	Frequency	
Priority	2	Est. Cost	\$439,000
Title	Site Rehabilitation Including Access Bridges, New Light Fixtures, Recoat Piping and Buildings		

PROJECT DESCRIPTION

PHOTOS

Dechlorine Building



Chlorine Building



Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

Atascocita Joint Operations Board
Wastewater Treatment Plant
Project No. 101: Site Rehabilitation Including Access Bridges, New Light Fixtures, Recoat Piping and Buildings

ESTIMATE OF PROBABLE COST

Description	Quantity	Unit	Unit Price	Total Cost
1. Mobilization	1	LS	\$ 30,965.00	\$ 31,000.00
2. Addition of Access Bridge with Grip	10	EA	\$ 2,000.00	\$ 20,000.00
3. Remove and Replace Light Fixtures with New light Fixtures and LED Bulbs	60	EA	\$ 1,250.00	\$ 75,000.00
4. Clean, Blast, and Recoat All above Ground Piping and valves	1	LS	\$ 175,000.00	\$ 175,000.00
5. Cleaning Interior and Exterior of Buildings	1	LS	\$ 20,000.00	\$ 20,000.00
6. Recoat Interior and Exterior of Buildings				
Blower and Control Building	4,128	SF	\$ 2.50	\$ 10,300.00
Dechlorine Building	2,288	SF	\$ 2.50	\$ 5,700.00
Chlorine Building	2,288	SF	\$ 2.50	\$ 5,700.00
7. Change Lights and Fans of Chlorine and Dechlorine buildings	2	LS	\$ 500.00	\$ 1,000.00
8. Remove Corroded Old Chemical Feed System	1	LS	\$ 1,000.00	\$ 1,000.00
9. Add AC in Blower Building	1	LS	\$ 2,000.00	\$ 2,000.00
Subtotal				\$ 346,700.00
10% Contingency				\$ 34,700.00
15% Survey & Eng				\$ 57,300.00
Total				\$ 439,000.00

Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

District	Atascocita Joint Operations Board	Project No.	102
Facility	Wastewater Treatment Plant	Start Year	2021
Justification	Operator Request or Improvement	Frequency	
Priority	2	Est. Cost	\$107,000
Title	Digester Improvement Including Knife Gates and Diffusers		

PROJECT DESCRIPTION

- Current knife gates too high on wall between basins, operator has to pump over and up the wall to flow through the kife gate
- Damaged aeratores Basin No. 1

PHOTOS



Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

**Atascocita Joint Operations Board
Wastewater Treatment Plant
Project No. 102: Digester Improvement Including Knife Gates and Diffusers**

ESTIMATE OF PROBABLE COST

Description	Quantity	Unit	Unit Price	Total Cost
1. Mobilization	1	LS	\$ 9,350.00	\$ 9,400.00
2. Knife Gates				
Install new Knife Gates Deeper Between Each Basin	4	EA	\$ 15,000.00	\$ 60,000.00
3. Aerators repaired for Digester Basin No. 1	1	LS	\$ 15,000.00	\$ 15,000.00

Subtotal	\$	84,400.00
10% Contingency	\$	8,500.00
15% Survey & Eng	\$	14,000.00
Total	\$	107,000.00

Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

District	Atascocita Joint Operations Board	Project No.	103
Facility	Wastewater Treatment Plant	Start Year	2021
Justification	Asset Renewal, Age Related	Frequency	
Priority	2	Est. Cost	\$38,000
Title	Thickener Sludge Pump Addition		

PROJECT DESCRIPTION

- Thickener online and thickener sludge pump No. 1 online
- 2nd Thickener pump not installed, addition needed
- Add same as Pump No . 1 (photo below)

PHOTOS



Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

**Atascocita Joint Operations Board
Wastewater Treatment Plant
Project No. 103: Thickener Sludge Pump Addition**

ESTIMATE OF PROBABLE COST

Description	Quantity	Unit	Unit Price	Total Cost
1. Mobilization	1	LS	\$ 1,440.00	\$ 1,400.00
2. Thickener Sludge Pump including Cast Iron Housing, Suction Piping, Motor, and other Appurtenances	1	LS	\$ 20,000.00	\$ 20,000.00
3. Removal of Necessary Equipment and Installation of New Pump	1	LS	\$ 5,000.00	\$ 5,000.00
4. Sludge Pump Piping Recoat	40	LF	\$ 95.00	\$ 3,800.00

Subtotal	\$	30,200.00
10% Contingency	\$	3,100.00
15% Survey & Eng	\$	5,000.00
Total	\$	38,000.00

Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

District	Atascocita Joint Operations Board	Project No.	104
Facility	Wastewater Treatment Plant	Start Year	2021
Justification	Operator Request or Improvement	Frequency	
Priority	2	Est. Cost	\$36,000
Title	Aeration Basin Improvements Including Gate Lifts		

PROJECT DESCRIPTION

- Gate lifts along south end of aeration basins.
- Material cost deom Newman Regency

PHOTOS



Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

**Atascocita Joint Operations Board
Wastewater Treatment Plant
Project No. 104: Aeration Basin Improvements Including Gate Lifts**

ESTIMATE OF PROBABLE COST

Description	Quantity	Unit	Unit Price	Total Cost
1. Mobilization	1	LS	\$ 975.00	\$ 1,000.00
2. Replace Lift Gates	5	EA	\$ 4,500.00	\$ 22,500.00
3. Freight and Installation	5	EA	\$ 1,000.00	\$ 5,000.00

	Subtotal	\$ 28,500.00
10%	Contingency	\$ 2,900.00
15%	Survey & Eng	\$ 4,800.00
	Total	\$ 36,000.00

Note: This cost estimate is preliminary in nature and is intended for planning purposes only. Prior to authorization of work, a detailed cost estimate will be needed to specify the exact scope of work for each project.

ROW Management, LLC

4855 Magnolia Cove Rd.
Suite 228
Kingwood, TX 77345
318-331-3812
bthomas@rowmgnt.com

MUD 109 Water Service Request Project

Date: September 4, 2020
Contact: Bill Kotlan
Company: Harris County Municipal Utility District # 109
County: Harris

Scope of Work

- Initial Title Preparation-tax roll take-off for preliminary ownership
- Permission to survey
- Prepare mailings, landowner line list and permanent files
- Ongoing project and landowner updates
- Initial Offer Letters/Final Offer Letters
- Title curative and research
- Staffing costs pertaining to the negotiation and acquisition of easements
- Condemnation consultation

Proposal

\$5,200.00 per tract (Note: this is an all-inclusive proposal. All costs associated with the services listed above within the "Scope of Work" are the responsibility of ROW Management EXCEPT for the actual cost of the easements paid to the landowners. (ROW Management will not be responsible for any permitting of the project unless requested by MUD 109. Price to be negotiated between both parties.)

Invoices to be sent on the last day of each month, payable on receipt on a per tract basis listed below.

30% : Payable after Initial Title Preparation-tax roll take-off for preliminary ownership is complete; survey permission letters are mailed/delivered to landowners; preparation of tract files and Initial Offer Letters have been mailed/delivered.

20% : Payable after Title packets have been completed and Final Offer Letters are mailed/delivered.

50% : Payable after each individual tract has been acquired and recorded.



Any other services that may be requested by the client that doesn't fall under the "Scope of Work" will be fairly negotiated on a case by case basis.

Although we will not be charging a "per day" rate, the proposal is largely based on what we charge for a Senior Right of Way Agent which is \$500 per day.

"ROW Management, LLC ("ROW") represents and warrants that it and its agents and anyone assigned to the provision of services is properly licensed and otherwise qualified to perform such services and that the services will be performed in a good, professional manner, consistent with industry standards."

#ROW represents and warrants that at the time of this agreement neither ROW, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the ROW (i) engage in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority owned subsidiary, parent company, or affiliate of those entities or business associations that exist to make profit."

"As a condition of this agreement, ROW shall deliver a Certificate of Interested Parties Form 1295 and certification of filing generated by the Texas Ethics Commission's electronic portal, signed by an authorized agent."

If you have any questions, please let me know and thank you for the opportunity.

Bob Thomas 318-331-3812.

bthomas@rowmgnt.com



ROW Management, LLC

_____ Date Signed: _____

Name: Robert Thomas

Title: Owner/Authorized Agent

Harris County Municipal Utility District 109

_____ Date Signed: _____

Name: _____

Title : _____





- HCMUD 109
- Subdivision Section
- Water Feature**
- Fire Hydrant
- Main Valve
- Blowoff Valve
- Check Valve
- F Meter
- Reducer Valve
- Tapping Sleeve
- Isolation Valve
- Water Line
- Sanitary Feature**
- Air Valve
- Cleanout
- Manhole
- Stack
- Sanitary Line
- Storm Feature**
- Inlet
- Manhole
- Inlet (Golf Course)
- Manhole (Golf Course)
- Storm Line



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, N GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong OpenStreetMap contributors, and the GIS User Community

1 inch = 376 feet
 Disclaimer:
 Every effort has been made to ensure the accuracy of the basemap data. BGE, Inc. assumes no liability or damages due to errors or omissions.

Harris County MUD 109

**6-Inch Water Line Extension
Water, Sanitary Sewer, and Storm Sewer Facilities
to Serve 4410 FM 1960 E**

Conceptual Construction Cost Estimate - September 14, 2020

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ITEM	QUANTITY & UNIT	UNIT COST	ITEM TOTAL
<u>UNIT A: SITE PREPARATION</u>			
1. Site Preparation: to remove trees, stumps, logs, vegetation, fences, rubbish, debris, organic matter and other objectionable material per the specifications (includes stripping existing topsoil; stockpiling topsoil; replacing topsoil over all disturbed areas unless otherwise instructed; and positive drainage for the entire site)	0.2 AC	\$ 7,000.00	\$ 1,386.02
TOTAL, UNIT A			\$ 1,390.00
<u>UNIT B: WATER DISTRIBUTION SYSTEM</u>			
1. C900-DR18 (class 235) P.V.C. Water Line (all depths) (including bends, wyes, crosses, plugs and clamps, a. 6" Pipe	585 LF	\$ 18.00	\$ 10,530.00
2. Gate Valve and Box: a. 6" Pipe	2 EA	\$ 900.00	\$ 1,800.00
3. Fire Hydrants (including leads; all depths):	1 EA	\$ 3,000.00	\$ 3,000.00
4. Miscellaneous Items: a. 6-inch Wet Connection	1 EA	\$ 600.00	\$ 600.00
b. Bore and Jack Water Line (not including pipe)	60 LF	\$ 75.00	\$ 4,500.00
c. 1" Near side connection	1 Ea	\$ 500.00	\$ 500.00
c. Trench Safety System	585 LF	\$ 1.00	\$ 585.00
TOTAL, UNIT B			\$ 21,520.00
<u>UNIT C: STORM WATER POLLUTION CONTROL</u>			
1. Enforcement and Maintenance of TPDES Requirements for Duration of Contract	1 LS	\$ 1,500.00	\$ 1,500.00
2. Reinforced Filter Fabric Fence	1200 LF	\$ 1.00	\$ 1,200.00
3. Hydro-Mulch Seeding	0.2 AC	\$ 4,000.00	\$ 792.01
TOTAL, UNIT C			\$ 3,490.00

Harris County MUD 109

6-Inch Water Line Extension
Water, Sanitary Sewer, and Storm Sewer Facilities
to Serve 4410 FM 1960 E

Conceptual Construction Cost Estimate - September 14, 2020

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ITEM	QUANTITY & UNIT	UNIT COST	ITEM TOTAL
SUMMARY			
Unit A: Site Preparation			\$ 1,390.00
Unit B: Water Distribution System			\$ 21,520.00
Unit C: Storm Water Pollution Control			\$ 3,490.00
SUBTOTAL			\$ 26,400.00
Contingency			\$ 2,640.00
Engineering			\$ 9,500.00
Easement Acquisition (not including cost of easement, if any)			\$ 6,200.00
TOTAL ESTIMATE			\$ 38,540.00

WWWMS, INC.
HARRIS COUNTY MUD # 109
OPERATIONS REPORT
Tuesday, September 15, 2020

BILLING AND COLLECTION RECAP:

DEPOSITED IN YOUR ACCOUNT LAST MONTH:

Period Ending:	Aug-20
Deposit:	\$ 5,500.00
Penalty:	\$ 11.10
Water:	\$ 58,228.41
Sewer:	\$ 51,349.34
Inspection:	\$ 746.20
Voluntary Fire & EMS:	\$ -
Misc:	\$ 1,911.07
NHCRWA:	\$ 113,423.14
Reconnect:	\$ -
NSF Fee:	\$ -
Total Collections:	\$ 231,169.26

CURRENT BILLING:

Period Ending:	Sep-20
Deposit:	\$ 100.00
Penalty:	\$ -
Water:	\$ 50,403.25
Sewer:	\$ 54,371.54
Inspection:	\$ 761.00
Voluntary Fire & EMS:	\$ -
Misc:	\$ -
NHCRWA:	\$ 117,893.60
Total Billing:	\$ 223,529.39

CUSTOMER AGED RECEIVABLES:

30 Day	18%	\$ 41,266.97
60 Day	4%	\$ 8,595.85
90 Day	0%	\$ 820.87
120 Day	1%	\$ 2,346.34
Overpayments		\$ (8,316.68)
Total Receivables:		\$ 44,713.35

HGCSD PERIOD: 8/1/20 THUR 8/31/20

Period 6/1/20 thru 5/31/21

MONTHLY TOTAL

Gallons Authorized:	450.000	MG
Current Month Produced:	38.021	MG
Cum. Gallons Produced:	107.979	MG
Auth. Gallons Remaining:	342.020	MG
Avg. Gallons Per Month:	35.993	MG
Permit Months Remaining:	9	

WATER PLANT OPERATIONS:

Period: 8/1/2020 thru 8/31/2020

MONTHLY TOTAL

Production:	37.007	MG
Amount Purchased:	0.000	MG
Total Amount:	37.007	MG
Consumption: (Billed)	29.477	MG
Accounted for Maint.	4.500	MG
Est. Amt. Sold to HC MUD 151	0.600	MG
Total:	34.577	MG
Daily Average Production:	1.131	MG
Percent Accounted For:	93%	(Flush & Fill EST, Flush F/H's)

NEW METER INSTALLATIONS:

Residential:	0
Commercial:	0
Total:	0

CONNECTION COUNT:

Residential:	2992
Commercial:	104
Clubs/Schools:	1
Irrigation:	19
Vacant:	31
Builders:	30
Vacation:	0
No Bill:	7
	3184
New Finals and Transfers	-37
	3147

ACCOUNTS SENT TO COLLECTIONS:

Total of (0)

HARRIS COUNTY MUD #109

ACTIVITY REPORT

September 15, 2020

Item 1: Attached Reports are listed as follows:

- a.) Accounts turned over to collections.
- b.) Historical data on water production report.
- c.) NHCRWA Pumpage and Billing report for AUGUST 2020
- d.) Billing / Recap Summary Report

Item 2: Water Well #1

- a.) Elevated Storage Tank, is back in operation.
- b.) Napco Chemical will be replacing polyphosphate tank at no cost to a small leak on tank fittings.
- c.) Order a Echo Span level indicator for new tank, for accurate measurements of daily usage.

Item 3: GM Services completed well pump performance testing for well pump 1 & 2.

See attached reports.

Item 4: District:

- a.) Completed fire hydrant flushing and inspections.
- b.) 19902 Burel Oak - repaired water main line break.

Item 5: Cut off report

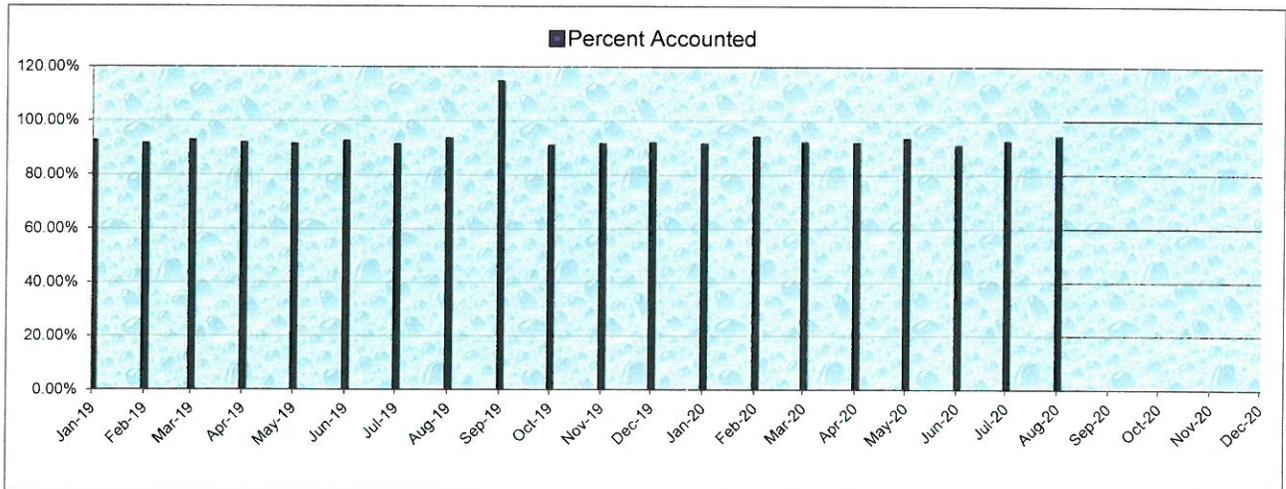
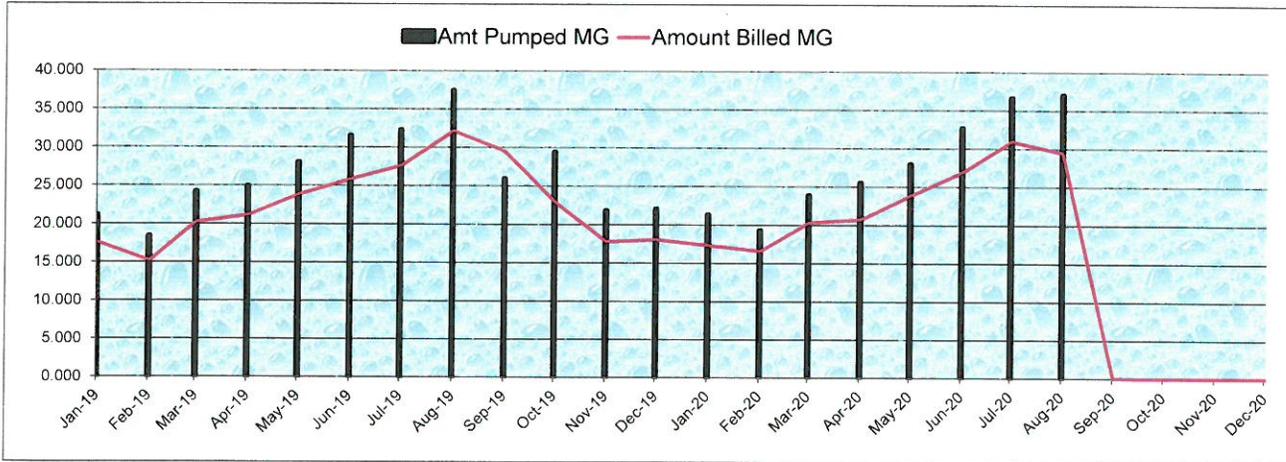
- a.) Request for direction to suspend termination, penalties, and door tags.
Approve cut off list and date

HARRIS COUNTY MUD #109

WATER PRODUCTION REPORT

September 15, 2020

Month /Year	Amt Pumped MG	Amt Billed MG	Maint. MG	Purchased MG	Amount Sold	Total Amount	Percent Accounted
Jan-19	21.082	17.543	1.800	0.000	0.000	19.343	91.75%
Feb-19	18.389	15.176	1.500	0.000	0.000	16.676	90.68%
Mar-19	24.193	20.233	2.000	0.000	0.000	22.233	91.90%
Apr-19	24.905	21.147	1.500	0.000	0.000	22.647	90.93%
May-19	28.037	23.858	1.500	0.000	0.000	25.358	90.44%
Jun-19	31.497	25.834	3.000	0.000	0.000	28.834	91.55%
Jul-19	32.258	27.635	1.500	0.000	0.000	29.135	90.32%
Aug-19	37.472	32.163	2.500	0.000	0.000	34.663	92.50%
Sep-19	25.915	29.525	0.000	0.000	0.000	29.525	113.93%
Oct-19	29.403	22.972	0.000	0.000	3.500	26.472	90.03%
Nov-19	21.801	17.775	2.000	0.000	0.000	19.775	90.71%
Dec-19	22.036	18.047	2.000	0.000	0.000	20.047	90.97%
Jan-20	21.299	17.314	2.000	0.000	0.000	19.314	90.68%
Feb-20	19.261	16.555	1.400	0.000	0.000	17.955	93.22%
Mar-20	23.874	20.258	1.500	0.000	0.000	21.758	91.14%
Apr-20	25.520	20.707	2.500	0.000	0.000	23.207	90.94%
May-20	27.986	23.889	2.000	0.000	0.000	25.889	92.51%
Jun-20	32.674	26.918	2.000	0.000	0.500	29.418	90.03%
Jul-20	36.621	30.975	1.850	0.000	0.650	33.475	91.41%
Aug-20	37.007	29.477	4.500	0.000	0.600	34.557	93.38%
Sep-20							
Oct-20							
Nov-20							
Dec-20							
Total	541.230	458.001	37.050	0.000	5.250	500.281	1849.03%
Average	27.062	22.900	1.853	0.000	0.263	25.014	92.45%



NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
Groundwater and/or Surface Water Reporting and Billing Form - 2020
 Report filed online <http://oprs.nhcrwa.com>

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

Billing period for which the report is being filed

Billing Period	Rate per 1,000 gallons	Due Date
August 01-31, 2020	\$4.25 groundwater \$4.70 surface water	October 18, 2020

Gallons of Groundwater Pumped for Billing Period

	Start Meter Reading	End Meter Reading	Total
Well #2083	221,897 x1000	222,901 x1000	1,004,000
Well #4448	654,135 x1000	691,157 x1000	37,022,000
Adjustment			0

Water imported from outside NHCRA

Imported water Meter reading:	Source:
	x x 0

Miscellaneous water (not billed)

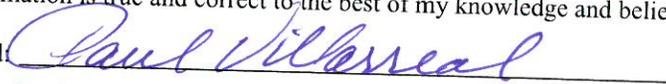
Other entity	Water Type	Direction	Amount
	Groundwater	Out	

1	Enter total gallons of groundwater pumped and/or imported	38,026,000
2	Divide by 1000	38,026
3	Total groundwater fee due (multiply line 2 x \$4.25)	\$161,610.50
4	Enter total gallons of surface water received	0
5	Divide by 1000	0
6	Total surface water fee due (multiply line 5 x \$4.70)	\$0.00
7	Deduct 2003 Capital Contribution Credit amount, if applicable	(\$12,261.25)
8	Deduct 2005 Capital Contribution Credit amount, if applicable	(\$0.00)
9	Deduct 2008 Capital Contribution Credit amount, if applicable	(\$0.00)
10	Deduct Chloramination System Credit or other asset credit, if applicable	(\$0.00)
11	Other Credits:	(\$0.00)
12	Total due	\$149,349.25

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

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

Date: September 02, 2020

Signed: 

Name: Paul Villarreal

Title: Operator

Make check payable to:

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

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

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

RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART
APPLICATION FOR INCLUSION IN THE ASSOCIATION OF
WATER BOARD DIRECTORS
WATER SMART PARTNERS PROGRAM

WHEREAS, the Board of Directors (the "Board") of _____ (the "District") has reviewed all the requirements for participation in the Association of Water Board Directors Water Smart Partners Program and has taken concrete steps to help their customers learn to value the water they use and to conserve water year-round; and

WHEREAS, the Board has discussed and reviewed the District's application in its entirety and has confirmed the inclusion of all necessary documentation required for submission to the Association of Water Board Directors Water Smart Partners Program; and

WHEREAS, the District has fulfilled all the necessary requirements for inclusion in the Association of Water Board Directors Water Smart Partners Program;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF -
_____ THAT:

Section 1. The Board does hereby approve the submittal of the 2021 Water Smart Application for the period of 1 January 2020 – 31 December 2020 for participation in the Association of Water Board Directors Water Smart Partners Program.

Section 2. The President or any Vice President is authorized to execute and the Secretary or any Assistant Secretary is authorized to attest this Resolution on behalf of the Board of the District and to do any and all things necessary to carry out the intent hereof.

ADOPTED, APPROVED, AND EFFECTIVE this ____ day of _____, 202_.

President, Board of Directors

ATTEST:

Secretary, Board of Directors



August 20, 2020

Harris County M.U.D. #109
P. O. Box 680529
Houston, Texas 77268-0529

Attn: Mr. Paul Villarreal

Reference: Water Well #1

Dear Mr. Villarreal,

In accordance with your request, an abbreviated test was performed on the District's No. 1 water well determine the current operating condition. The test was performed on August 19th with the results outlined below:

<u>WELL #1</u>	
STATIC LEVEL	237 feet
OPERATING PRESSURE	10 PSI
PUMPING LEVEL	302 feet
FLOW RATE	2069 GPM
PUMP SETTING	460 feet
PUMP SUBMERGENCE	158 feet
SAND START UP	11 ppm
SAND (45 MIN)	3 ppm

The test indicated that the well is operating in satisfactory condition.

Attached, please find the water level graph.

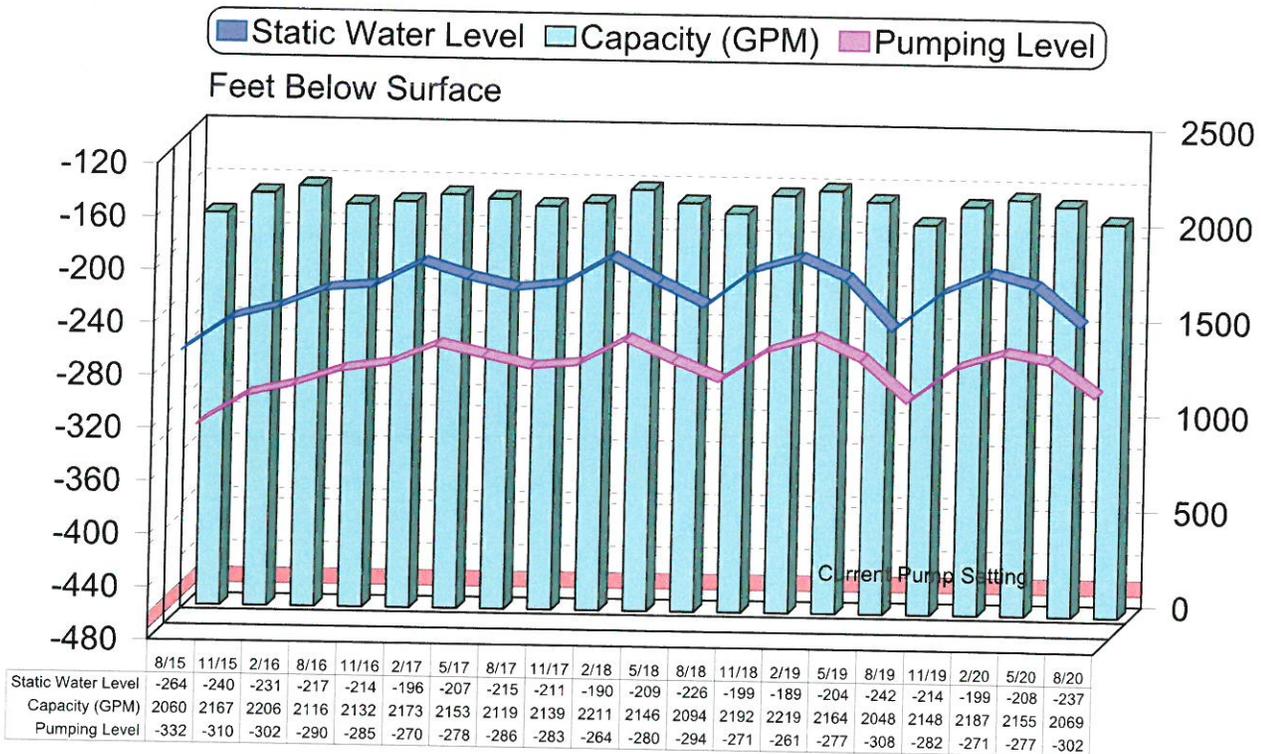
We appreciate this opportunity to be of service. If you have any questions or comments, please call.

Sincerely,

Gary McMurrey
G-M Services

Harris County M.U.D. #109

Well #1 - Screened 780' thru 1150'





August 20, 2020

Harris County M.U.D. #109
P. O. Box 680529
Houston, Texas 77268-0529

Attn: Mr. Paul Villarreal

Reference: Water Well #2

Dear Mr. Villarreal,

In accordance with your request, an abbreviated test was performed on the District's No. 2 water well to determine the current operating condition. The test was performed on August 19th with the results outlined below:

<u>WELL #2</u>	
STATIC LEVEL	186 feet
OPERATING PRESSURE	59 PSI
PUMPING LEVEL	272 feet
FLOW RATE	1861 GPM
PUMP SETTING	400 feet
PUMP SUBMERGENCE	128 feet
SAND START UP	2 ppm
SAND (45 MIN)	1 ppm

The test indicated the well is operating in satisfactory condition.

Attached, please find the water level graph for well #2.

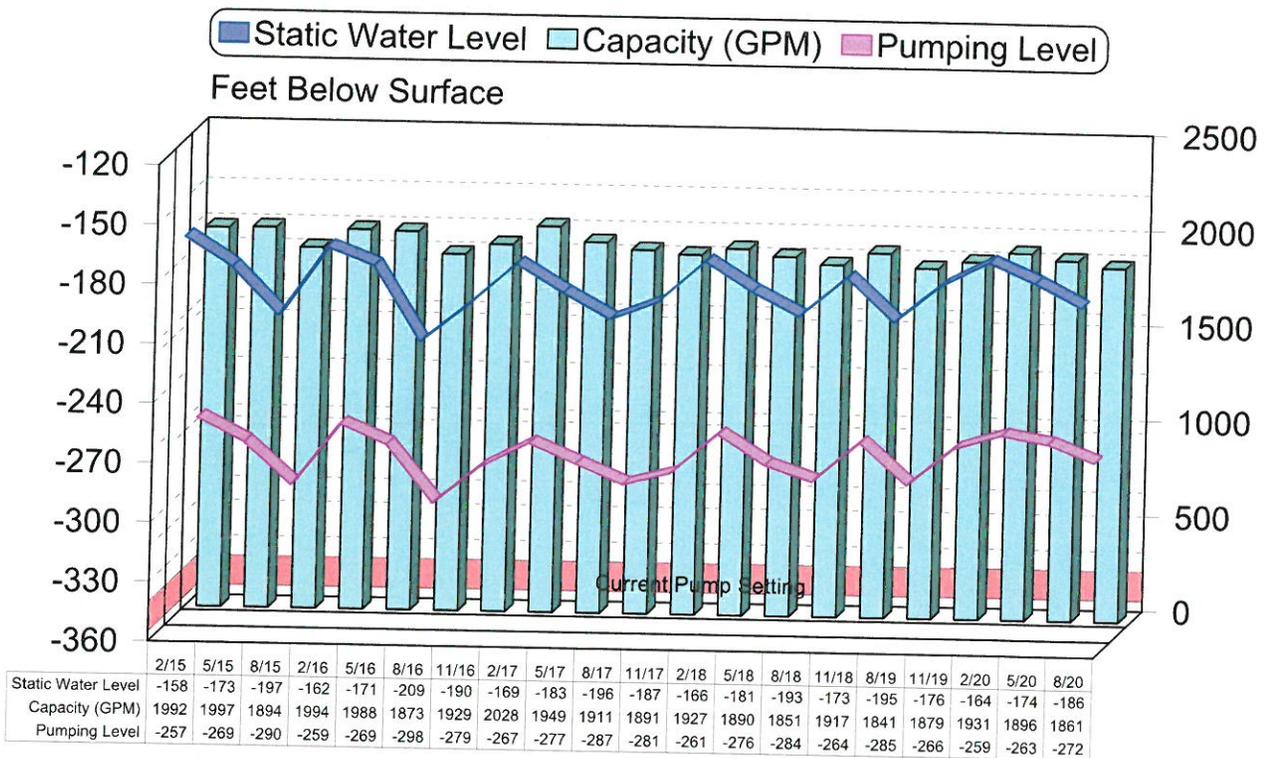
We appreciate this opportunity to be of service. If you have any questions or comments, please call.

Sincerely,

Gary McMurrey
G-M Services

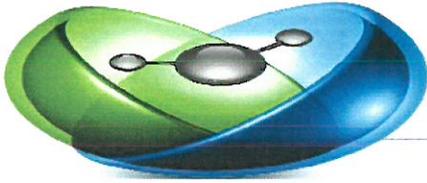
Harris County M.U.D. #109

Well #2 - Screened 780' thru 1150'



Prepared by G-M Services

Quotation for Services



NAPCO
 CHEMICAL COMPANY
 Customized Water Treatment Solutions

Company: WWWWMS Date: 8/31/20
 Address: HCMUD 109
 City, State: _____ Telephone: _____
 Zip Code: _____ Fax: _____
 Contact: Paul Villereal

	QTY.	STOCK NUMBER / DESCRIPTION	PRICE	PER	AMOUNT
1	1	300 Gallon Double wall Tank (Natural)	\$1,235.00		\$0.00
2	1	EchoSpan level indicator	\$700.00		\$700.00
3	1	Service Fee	\$125.00		\$125.00
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
				TOTAL	\$825.00

8/31/2020 Jud Rodriguez