

MINUTES OF BOARD OF DIRECTORS MEETING  
SEPTEMBER 19, 2023

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

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The Board of Directors (the “*Board*”) of Harris County Municipal Utility District No. 109 (the “*District*”) met in regular session, open to the public, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, on September 19, 2023, at 5:30 p.m.; whereupon the roll was called of the Board, to-wit:

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

All members of the Board were present. Also attending all or parts of the meeting were Corporal J. Shipley of Harris County Precinct 4 Constable’s Office; Mr. Matthew Malmquist, visitor (via phone); Mr. Chase Wolf of Robert W. Baird & Co. (“Baird”), financial advisor for the District; Mr. Josh Rambo of McCall Gibson Swedlund Barfoot PLLC (“McCall”), auditor for the District; Mr. Chris Davy of Ad Valorem Appraisals, tax assessor and collector for the District; Mr. Cory Burton of Municipal Accounts & Consulting, LP (“MAC”), bookkeeper for the District; Mr. Bill Kotlan of BGE, Inc. (“BGE”), engineers for the District; Mr. Clint Gehrke and Mr. Evan Gehrke of Water Waste Water Management Services, Inc. (“WWWMS”), operator for the District; and Mr. Dimitri Millas, Ms. Leslie Bacon and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

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

1. **Public Comments.** There were no public comments.
2. **Minutes.** The Board considered the proposed minutes of meeting held on August 15, 2023, previously distributed to the Board. Upon motion by Director Green, seconded by Director Sulpizio, full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting held on August 15, 2023, as presented.
3. **Approve and authorize filing of audit for fiscal year ended May 31, 2023.** President Parker recognized Mr. Rambo, who presented to and reviewed with the Board the audit management, material weakness, and board of directors representation letters, and a draft audit for fiscal year ended May 31, 2023, copies of which are attached hereto as *Exhibit B*. He reported that the audit needs to be filed with the Texas Commission on Environmental Quality (“TCEQ”) by mid-October. Discussion ensued.

Upon motion by Director Green, seconded by Director Frank, 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, 2023, and to authorize filing with appropriate agencies.

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

Upon motion by Director Sulpizio, seconded by Director Frank, after full discussion and the question being put to the Board the Board voted unanimously to authorize NRF to file the District's Annual Report of Financial Information and Operating Data for the fiscal year ended May 31, 2023.

5. **Review Operations Report, authorize repairs, approve termination of delinquent accounts in accordance with the District's Rate Order.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated September 19, 2023 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit D*. Mr. Gehrke reported that 95% of the water pumped was billed for the period August 1, 2023 through August 31, 2023.

Mr. Gehrke reported on various maintenance items. He requested that the consideration of the water smart resolution be placed on the October agenda. He reported that the existing ice machine is inoperable. He reviewed a quote for a replacement in the amount of \$3,198.

Mr. Gehrke reviewed a customer request for an overpayment of \$1,000. He stated that WWWMS was notified by Harris County Domestic Violence Coordinating Council that the overpayment was required to be released.

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 and to approve termination of the delinquent accounts in accordance with the terms of the District's Rate Order and to approve quote for the ice machine in the amount of \$3,198.

6. **Adopt Order Designating Officer to Calculate and Publish Tax Rate.** President Parker recognized Mr. Wolf, 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*. He recommended that the Board levy a total tax rate of \$0.455 per \$100 of assessed valuation, composed of an operations and maintenance tax of \$0.225 and a debt service tax of \$0.23. Discussion ensued.

The Board reviewed an Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions In Connection With the Levy of a Tax for 2023 (the "Tax Order"), a copy of which is attached hereto as *Exhibit F*.

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 adopt the Order, thereby authorizing the tax officer to publish the proposed tax rate of \$0.455 per \$100 assessed valuation (\$0.225 for debt service and \$0.23 for operations and maintenance).

7. **Review Amendment to Amended District Information Form.** President Parker recognized Ms. Bacon, who presented to and reviewed with the Board the Amendment to Amended and Restated District Information Form (the "District Information Form"), a copy of which is attached hereto as *Exhibit G*. She informed the Board that the form of the Notice to Purchasers

required by Section 49.452 of the Texas Water Code, was updated after the recent legislative session. She noted that the form is presented to people purchasing property within the District and will be posted on the District's website.

Upon motion by Director Green, seconded by Director Frank, after full discussion and the question being put to the Board, the Board voted unanimously to approve the District Information Form.

8. **Tax Collector's Report and authorize payment of certain bills.** President Parker recognized Mr. Davy, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of August 2023, a copy of which is attached hereto as *Exhibit H*.

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

9. **Security Report.** President Parker recognized Corporal Shipley, who presented to and reviewed with the Board the Security Report for the month of August 2023, a copy of which is attached hereto as *Exhibit I*.

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

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

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

11. **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 K*.

Mr. Kotlan reported on the utility relocations related to the FM 1960 widening and stated that BGE is waiting on the future phase to complete water system modifications which include the lowering of the water line crossing FM 1960 at Woodland Hills Dr.

Mr. Kotlan reported on the Water Plant No. 2 Expansion, and stated that the warranty period ends December 12, 2023.

Mr. Kotlan reported on the Barents Drive Lift Station. He stated that BGE is waiting on Houston for approval prior to advertisement.

Mr. Kotlan reported on the Wastewater Treatment Plant and stated that the construction at the treatment plant is ongoing.

Mr. Kotlan reviewed the Capital Improvement Plan, a copy of which is attached hereto as *Exhibit L*. He noted that the Board does not need to adopt it today.

Mr. Kotlan reported on the Lead and Copper Rule. He stated that the deadline for Phase 1 is October 16, 2024.

Mr. Kotlan reported on the Emergency Preparedness Plan (“EPP”). He stated that the EPP has been submitted to the TCEQ with comments addressed this month.

Mr. Kotlan reported on the Woodland Hills Tract. He stated that BGE is still reviewing the cost of providing service to this proposed apartment project. He reviewed the feasibility study, a copy of which is attached to the Engineer’s Report. Mr. Malmquist joined the meeting via phone. He discussed the development. Mr. Kotlan stated that Mr. Malmquist is proposing that the forcemain be sized big enough that someone else can tie into it in the future and that the District can reimburse him and the forcemain be a public utility, with the lift station being private. Mr. Millas stated that the Board can determine the items to reimburse. Mr. Kotlan asked the Board if they would like NRF to work with Mr. Malmquist on a developer reimbursement agreement. He also asked the Board what additional deposit would they like from Mr. Malmquist.

Mr. Kotlan reported on the Madden Tract. He stated that BGE submitted a final report to the engineer. He noted that before the tract is developed, the landowner will need to get the tract de-annexed by the City of Houston.

Mr. Kotlan reported on the Harris County Municipal Utility District No. 151 (“MUD No. 151”) tract and stated that BGE has not received anything new on the tracts.

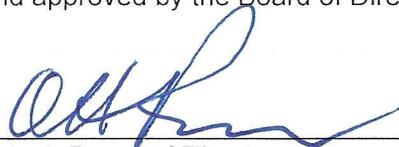
Upon motion by Director Frank, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Engineer’s Report, to authorize NRF to negotiate the developer reimbursement agreement with Mr. Malmquist and to request an additional deposit of \$5k from Mr. Malmquist.

12. **Discuss emergency text message notification system.** It was the consensus of the Board to table this item.

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 17, 2023.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

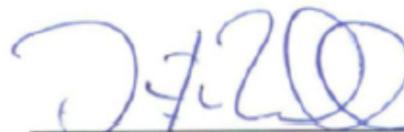
(DISTRICT SEAL)

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

### NOTICE

In accordance with chapter 551, Texas Government Code and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Directors of Harris County Municipal Utility District No. 109 will meet in regular session, open to the public, at **Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346**, at **5:30 p.m. on Tuesday, September 19, 2023**. At such meeting, the Board will consider and act on the following matters:

1. Public comments;
2. Approve minutes of the meeting held on August 15, 2023;
3. Report by Harris County Precinct Four Constable and take any necessary action;
4. Approve and authorize filing of audit for fiscal year ended May 31, 2023;
5. Approve and authorize filing of Continuing Disclosure Report;
6. Approve Operations Report, authorize repairs, approve termination of delinquent accounts in accordance with the District's Rate Order;
7. Adopt Order Designating Officer to Calculate and Publish Tax Rate;
8. Review Amendment to Amended District Information Form and take appropriate action;
9. Review Tax Collector's Report and authorize payment of certain bills;
10. Review Bookkeeper's Report, and authorize payment of certain bills, and approve quarterly investment report;
11. Review Engineer's Report, including approval of pay estimates, authorization of change orders to pending construction contracts, proposal for construction materials testing, annexation matters, capital improvement plan, variance request and authorize capacity commitments;
12. Discuss emergency text message notification system and take any necessary action; and such other matters as may properly come before the Board.



Norton Rose Fulbright US LLP  
Attorneys for District

Exhibit A

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

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

CERTIFICATE OF POSTING NOTICE  
OF MEETING OF BOARD OF DIRECTORS

THE STATE OF TEXAS

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COUNTY OF HARRIS

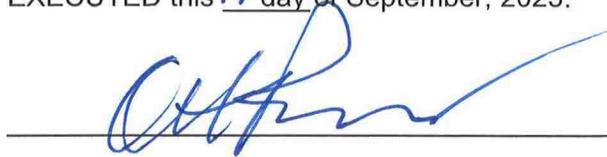
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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

§

I hereby certify that on SEPT. 14, 2023, I posted the Notice of Meeting of the Board of Directors of Harris County Municipal Utility District No. 109, a true copy of which is attached hereto, at a place convenient to the public in Plexiglas enclosed bulletin boards located on the grounds of the District's Water Plant No. 1 at 5722 Forest Timbers Drive, Water Plant No. 2 at 20322 Burle Oak, Lift Station No. 1 at 19419 Timber Forest Drive, and Lift Station No. 2 at 4630 Springlea, within said political subdivision, as required by law.

EXECUTED this 14<sup>th</sup> day of September, 2023.



**Jane Maher**

---

**From:** Russell Lambert <russ@texasnetwork.com>  
**Sent:** Thursday, September 14, 2023 8:14 PM  
**To:** Jane Maher  
**Cc:** The Texas Network; Solana Morton  
**Subject:** RE: 109 & AJOB September Postings

[External Email – Use Caution]

## CERTIFICATE OF POSTING OF NOTICE OF PUBLIC MEETING

THE STATE OF TEXAS       §  
  §  
COUNTY OF HARRIS       §

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

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

---

**From:** Jane Maher <jane.maher@nortonrosefulbright.com>  
**Sent:** Thursday, September 14, 2023 9:53 AM  
**To:** Russell Lambert <russ@texasnetwork.com>  
**Cc:** The Texas Network <support@texasnetwork.com>; Solana Morton <solana.morton@nortonrosefulbright.com>  
**Subject:** 109 & AJOB September Postings

Hi Russ,

Please post the attached agendas to 109's website and return the COPs at your earliest convenience.

Thanks,

**Jane Maher** | Senior 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

**NORTON ROSE FULBRIGHT**

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**MAY 31, 2023**

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

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 109 (the "District") as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of May 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors  
Harris County Municipal  
Utility District No. 109

### **Supplementary Information**

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

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

September 19, 2023

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2023**

Management's discussion and analysis of the financial performance of Harris County Municipal Utility District No. 109 (the "District") provides an overview of the District's financial activities for the year ended May 31, 2023. 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, 2023**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$7,223,765 as of May 31, 2023. 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).

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 11,230,929	\$ 11,089,101	\$ 141,828
Capital Assets (Net of Accumulated Depreciation)	16,724,318	18,038,152	(1,313,834)
Total Assets	<u>\$ 27,955,247</u>	<u>\$ 29,127,253</u>	<u>\$ (1,172,006)</u>
Deferred Outflows of Resources	\$ 350,880	\$ 398,862	\$ (47,982)
Bonds Payable	\$ 20,396,817	\$ 21,692,301	\$ 1,295,484
Other Liabilities	685,545	1,217,874	532,329
Total Liabilities	<u>\$ 21,082,362</u>	<u>\$ 22,910,175</u>	<u>\$ 1,827,813</u>
Net Position:			
Net Investment in Capital Assets	\$ (2,988,905)	\$ (2,527,012)	\$ (461,893)
Restricted	2,865,791	2,706,945	158,846
Unrestricted	<u>7,346,879</u>	<u>6,436,007</u>	<u>910,872</u>
Total Net Position	<u>\$ 7,223,765</u>	<u>\$ 6,615,940</u>	<u>\$ 607,825</u>

The following table provides a summary of the District's operations for the years ended May 31, 2023, and May 31, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 3,749,211	\$ 3,387,133	\$ 362,078
Charges for Services	2,892,616	2,529,989	362,627
Other Revenues	351,985	138,108	213,877
Total Revenues	<u>\$ 6,993,812</u>	<u>\$ 6,055,230</u>	<u>\$ 938,582</u>
Expenses for Services	<u>6,385,987</u>	<u>4,912,869</u>	<u>(1,473,118)</u>
Change in Net Position	\$ 607,825	\$ 1,142,361	\$ (534,536)
Net Position, Beginning of Year	<u>6,615,940</u>	<u>5,473,579</u>	<u>1,142,361</u>
Net Position, End of Year	<u>\$ 7,223,765</u>	<u>\$ 6,615,940</u>	<u>\$ 607,825</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of May 31, 2023, were \$9,119,377, an increase of \$689,083 from the prior year.

The General Fund fund balance increased by \$953,316, primarily due to property tax revenues and service revenues exceeding operating, capital, professional and administrative expenditures.

The Debt Service Fund fund balance increased by \$131,328, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance decreased by \$395,561, 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 \$666,971 more than budgeted revenues and actual expenditures were \$316,040 less than budgeted expenditures which resulted in a positive variance of \$983,011. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of May 31, 2023, total \$16,724,318 (net of accumulated depreciation) and include land and construction in progress as well as the water and wastewater facilities. Significant capital asset activity during the current fiscal year included the water plant no. 2 expansion.

Capital Assets At Year-End			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 230,634	\$ 230,634	\$
Construction in Progress	40,234	3,049,280	(3,009,046)
Capital Assets Subject To Depreciation:			
Water System	13,346,316	11,000,385	2,345,931
Wastewater System	18,989,129	18,929,675	59,454
Less Accumulated Depreciation	(15,881,995)	(15,171,822)	(710,173)
Total Net Capital Assets	\$ 16,724,318	\$ 18,038,152	\$ (1,313,834)

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2023**

**LONG-TERM DEBT ACTIVITY**

At year end, the District had total bond debt payable of \$20,400,000. The changes in the debt position of the District during the year ended May 31, 2023, are summarized as follows:

Bond Debt Payable, June 1, 2022	\$ 21,660,000
Less: Bond Principal Paid	<u>1,260,000</u>
Bond Debt Payable, May 31, 2023	<u>\$ 20,400,000</u>

The District carries an underlying rating of “A” by Standards and Poor’s Rating and “A2” from Moody’s. The Series 2021 Refunding Bonds carry insured ratings of “AA” by virtue of bond insurance issued by Assured Guaranty Municipal. Insured ratings are subject to change based on changes to the ratings of the insurer.

**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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**MAY 31, 2023**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 366,890	\$ 360,399
Investments	5,003,684	2,919,335
Receivables:		
Property Taxes	105,651	161,426
Penalty and Interest on Delinquent Taxes		
Service Accounts	299,249	
Accrued Interest and Other	5,684	
City of Houston	26,752	
Due from Other Funds	550,797	
Prepaid Costs	38,800	
Advance for WWTP Operations	350,913	
Capital Contribution Credits Receivable		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
	\$ 6,748,420	\$ 3,441,160
<b>TOTAL ASSETS</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Refunding Bonds	\$ - 0 -	\$ - 0 -
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,748,420</b>	<b>\$ 3,441,160</b>

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 160	\$ 727,449	\$	\$ 727,449
332,554	8,255,573		8,255,573
	267,077		267,077
		80,849	80,849
	299,249		299,249
	5,684		5,684
	26,752		26,752
	550,797	(550,797)	
	38,800		38,800
	350,913		350,913
		1,178,583	1,178,583
		230,634	230,634
		40,234	40,234
		16,453,450	16,453,450
<u>\$ 332,714</u>	<u>\$ 10,522,294</u>	<u>\$ 17,432,953</u>	<u>\$ 27,955,247</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 350,880</u>	<u>\$ 350,880</u>
<u>\$ 332,714</u>	<u>\$ 10,522,294</u>	<u>\$ 17,783,833</u>	<u>\$ 28,306,127</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, 2023**

	General Fund	Debt Service Fund
<b>LIABILITIES</b>		
Accounts Payable	\$ 279,003	\$ 4,919
Accrued Interest Payable		
Due to Other Funds		550,797
Security Deposits	301,121	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<b>\$ 580,124</b>	<b>\$ 555,716</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 105,651	\$ 161,426
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Costs	\$ 38,800	\$
Operating Advance	350,913	
Restricted for Authorized Construction		
Restricted for Debt Service		2,724,018
Unassigned	5,672,932	
<b>TOTAL FUND BALANCES</b>	<b>\$ 6,062,645</b>	<b>\$ 2,724,018</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,748,420</b>	<b>\$ 3,441,160</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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>
\$	\$ 283,922	\$	\$ 283,922
		100,502	100,502
	550,797	(550,797)	
	301,121		301,121
		1,455,000	1,455,000
		18,941,817	18,941,817
<u>\$ - 0 -</u>	<u>\$ 1,135,840</u>	<u>\$ 19,946,522</u>	<u>\$ 21,082,362</u>
<u>\$ - 0 -</u>	<u>\$ 267,077</u>	<u>\$ (267,077)</u>	<u>\$ - 0 -</u>
\$	\$ 38,800	\$ (38,800)	\$
	350,913	(350,913)	
332,714	332,714	(332,714)	
	2,724,018	(2,724,018)	
	5,672,932	(5,672,932)	
<u>\$ 332,714</u>	<u>\$ 9,119,377</u>	<u>\$ (9,119,377)</u>	<u>\$ - 0 -</u>
<u>\$ 332,714</u>	<u>\$ 10,522,294</u>		
		\$ (2,988,905)	\$ (2,988,905)
		2,865,791	2,865,791
		7,346,879	7,346,879
		<u>\$ 7,223,765</u>	<u>\$ 7,223,765</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, 2023**

Total Fund Balances - Governmental Funds \$ 9,119,377

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. 16,724,318

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. 1,178,583

Interest paid in advance as part of a refunding bond sale is recorded as deferred outflows of resources in the governmental activities and systematically charged to interest expense over the remaining life of the new debt or the old debt, whichever is shorter. 350,880

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District. 347,926

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	\$ (100,502)	
Bonds Payable	<u>(20,396,817)</u>	<u>(20,497,319)</u>

Total Net Position - Governmental Activities \$ 7,223,765

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, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>REVENUES</b>		
Property Taxes	\$ 1,716,071	\$ 1,961,484
Water Service	613,963	
Wastewater Service	651,000	
Water Authority Fees	1,365,774	
Penalty and Interest	92,580	53,768
Connection/Disconnect/Inspection Fees	61,507	
Sales Tax Revenues	97,715	
Water Authority Credits	147,135	
Investment and Miscellaneous Revenues	154,021	83,851
<b>TOTAL REVENUES</b>	<u>\$ 4,899,766</u>	<u>\$ 2,099,103</u>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 115,516	\$ 16,796
Contracted Services	468,361	62,288
Purchased Wastewater Service	445,175	
Utilities	143,454	
Repairs and Maintenance	667,150	
Water Authority Assessments	1,672,615	
Depreciation		
Other	308,466	6,093
Capital Outlay	125,713	
Debt Service:		
Bond Principal		1,260,000
Bond Interest		622,598
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 3,946,450</u>	<u>\$ 1,967,775</u>
<b>NET CHANGE IN FUND BALANCES</b>	\$ 953,316	\$ 131,328
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - JUNE 1, 2022</b>	<u>5,109,329</u>	<u>2,592,690</u>
<b>FUND BALANCES/NET POSITION - MAY 31, 2023</b>	<u>\$ 6,062,645</u>	<u>\$ 2,724,018</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 3,677,555	\$ 71,656	\$ 3,749,211
	613,963		613,963
	651,000		651,000
	1,365,774		1,365,774
	146,348	(7,934)	138,414
	61,507		61,507
	97,715		97,715
	147,135	(85,177)	61,958
<u>16,398</u>	<u>254,270</u>		<u>254,270</u>
\$ <u>16,398</u>	\$ <u>7,015,267</u>	\$ <u>(21,455)</u>	\$ <u>6,993,812</u>
\$	\$ 132,312	\$	\$ 132,312
792	531,441		531,441
	445,175		445,175
	143,454		143,454
	667,150	1,140,041	1,807,191
	1,672,615		1,672,615
		710,173	710,173
500	315,059		315,059
410,667	536,380	(536,380)	
	1,260,000	(1,260,000)	
	<u>622,598</u>	<u>5,969</u>	<u>628,567</u>
\$ <u>411,959</u>	\$ <u>6,326,184</u>	\$ <u>59,803</u>	\$ <u>6,385,987</u>
\$ (395,561)	\$ 689,083	\$ (689,083)	\$
		607,825	607,825
<u>728,275</u>	<u>8,430,294</u>	<u>(1,814,354)</u>	<u>6,615,940</u>
\$ <u>332,714</u>	\$ <u>9,119,377</u>	\$ <u>(1,895,612)</u>	\$ <u>7,223,765</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, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 689,083
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.	71,656
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.	(7,934)
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.	(85,177)
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.	(710,173)
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.	(603,661)
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.	1,260,000
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.	(5,969)
Change in Net Position - Governmental Activities	<u>\$ 607,825</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, 2023**

**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, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Governmental Funds

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**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, 2023, the Debt Service Fund owed the General Fund \$550,797 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued)

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

Budgeting

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 budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

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

Measurement Focus

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

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

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

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

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

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District did 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 and does not have any assigned fund balances.

*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, 2023**

**NOTE 3. LONG-TERM DEBT**

	Refunding Series 2015	Series 2017	Refunding Series 2021
Amount Outstanding – May 31, 2023	\$5,425,000	\$11,290,000	\$3,685,000
Interest Rates	2.592% - 3.24%	2.00% - 3.625%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2023/2030	October 1, 2023/2041	October 1, 2023/2029
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2023*	October 1, 2024*	October 1, 2026*

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

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. As of May 31, 2023, the District had authorized but unissued bonds in the amount of \$12,950,000 for utility facilities and \$31,671,200 for refunding purposes.

The following is a summary of transactions regarding bonds payable for the year ended May 31, 2023:

	June 1, 2022	Additions	Retirements	May 31, 2023
Bonds Payable	\$ 21,660,000	\$	\$ 1,260,000	\$ 20,400,000
Unamortized Discounts	(192,794)		(9,963)	(182,831)
Unamortized Premiums	225,095		45,447	179,648
Bonds Payable, Net	<u>\$ 21,692,301</u>	<u>\$ -0-</u>	<u>\$ 1,295,484</u>	<u>\$ 20,396,817</u>
		Amount Due Within One Year		\$ 1,455,000
		Amount Due After One Year		<u>18,941,817</u>
		Bonds Payable, Net		<u>\$ 20,396,817</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 3. LONG-TERM DEBT (Continued)**

As of May 31, 2023, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 1,455,000	\$ 583,844	\$ 2,038,844
2025	1,505,000	542,552	2,047,552
2026	1,550,000	506,337	2,056,337
2027	1,570,000	486,302	2,056,302
2028	1,620,000	432,881	2,052,881
2029-2033	6,365,000	1,480,842	7,845,842
2034-2038	3,260,000	837,806	4,097,806
2038-2042	3,075,000	227,649	3,302,649
	<u>\$ 20,400,000</u>	<u>\$ 5,098,213</u>	<u>\$ 25,498,213</u>

During the year ended May 31, 2023, the District levied an ad valorem debt service tax rate of \$0.29 per \$100 of assessed valuation, which resulted in a tax levy of \$2,002,502 on the adjusted taxable valuation of \$801,000,829 for the 2022 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

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

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**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 \$967,449 and the bank balance was \$1,001,898. 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, 2023, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 366,890	\$ 240,000	\$ 606,890
DEBT SERVICE FUND	360,399		360,399
CAPITAL PROJECTS FUND	160		160
<b>TOTAL DEPOSITS</b>	<b>\$ 727,449</b>	<b>\$ 240,000</b>	<b>\$ 967,449</b>

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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. 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. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District records its investments in certificates of deposits at acquisition cost. As of May 31, 2023, 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	\$ 4,763,684	\$ 4,763,684
Certificate of Deposit	240,000	240,000
<u>DEBT SERVICE FUND</u>		
Texas CLASS	2,919,335	2,919,335
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	332,554	332,554
<b>TOTAL INVESTMENTS</b>	<b>\$ 8,255,573</b>	<b>\$ 8,255,573</b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At May 31, 2023, 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.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have maturities of less than one year 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.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended May 31, 2023, is as follows:

	June 1, 2022	Increases	Decreases	May 31, 2023
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 230,634	\$	\$	\$ 230,634
Construction in Progress	3,049,280	537,171	3,546,217	40,234
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 3,279,914</b>	<b>\$ 537,171</b>	<b>\$ 3,546,217</b>	<b>\$ 270,868</b>
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 11,000,385	\$ 2,345,931	\$	\$ 13,346,316
Wastewater System	18,929,675	59,454	-	18,989,129
<b>Total Capital Assets Subject to Depreciation</b>	<b>\$ 29,930,060</b>	<b>\$ 2,405,385</b>	<b>\$ - 0 -</b>	<b>\$ 32,335,445</b>
<b>Accumulated Depreciation</b>				
Water System	\$ 5,532,454	\$ 275,333	\$	\$ 5,807,787
Wastewater System	9,639,368	434,840	-	10,074,208
<b>Total Accumulated Depreciation</b>	<b>\$ 15,171,822</b>	<b>\$ 710,173</b>	<b>\$ - 0 -</b>	<b>\$ 15,881,995</b>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 14,758,238</b>	<b>\$ 1,695,212</b>	<b>\$ - 0 -</b>	<b>\$ 16,453,450</b>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 18,038,152</b>	<b>\$ 2,232,383</b>	<b>\$ 3,546,217</b>	<b>\$ 16,724,318</b>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**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, 2023, the District levied an ad valorem maintenance tax of \$0.22 per \$100 of assessed valuation, which resulted in a tax levy of \$1,762,202 on the adjusted taxable valuation of \$801,000,829 for the 2022 tax year.

**NOTE 8. WATER AND WASTEWATER SERVICE AGREEMENT**

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

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

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

**NOTE 9. JOINT WASTE DISPOSAL CONTRACT**

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 9. JOINT WASTE DISPOSAL CONTRACT (Continued)**

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, 2023, the District's advance for operation and maintenance of the regional sewage treatment plant was \$350,913 and the District recorded a total of \$445,175 for its share of operating costs of the plant.

The following summary financial data of the Atascocita Central Plant is presented for the fiscal year ended May 31, 2023. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US LLP.

	Joint Venture
Total Assets	\$ 1,995,808
Total Liabilities	<u>219,558</u>
Total Fund Balance	<u>\$ 1,776,250</u>
Total Revenues	\$ 2,440,196
Total Expenditures	<u>2,440,196</u>
	\$ -0-
Other Financing Sources (Uses)	
Reserve Adjustment	<u>422,250</u>
Net Increase (Decrease) in Fund Balance	\$ 422,250
Fund Balance, Beginning of Year	<u>1,354,000</u>
Fund Balance, End of Year	<u>\$ 1,776,250</u>

**NOTE 10. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

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

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 \$4.10 per 1,000 gallons of water pumped from each well. The District recorded expenditures of \$1,672,615 for pumpage fees from the Authority during the current fiscal year.

In 2003, the District entered into a Capital Contribution Contract with the Authority and made a capital contribution of \$2,018,949 to the Authority. The District is receiving capital contribution credits to be applied to the pumpage fees which the Authority assesses. Interest accrues on the District's Capital Contribution at 5.0575% per annum. The following is a schedule of the remaining capital contribution credits (principal only) to be received under the terms of the agreement.

Fiscal Year	Principal
2024	\$ 89,586
2025	94,223
2026	99,101
2027	104,230
2028	109,626
2029-2033	639,356
2034	42,461
	\$ 1,178,583

**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,

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2023**

**NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT (Continued)**

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, 2023, the District received \$97,715 in sales tax revenues.

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**

**REQUIRED SUPPLEMENTARY INFORMATION**

**MAY 31, 2023**

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, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,446,483	\$ 1,716,071	\$ 269,588
Water Service	522,100	613,963	91,863
Wastewater Service	617,900	651,000	33,100
Water Authority Fees	1,239,600	1,365,774	126,174
Penalty and Interest	72,000	92,580	20,580
Connection/Disconnect/Inspection Fees	49,900	61,507	11,607
Sales Tax Revenues	94,200	97,715	3,515
Investment and Miscellaneous Revenues	43,477	154,021	110,544
<b>TOTAL REVENUES</b>	<b>\$ 4,085,660</b>	<b>\$ 4,752,631</b>	<b>\$ 666,971</b>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 162,200	\$ 115,516	\$ 46,684
Contracted Services	448,404	468,361	(19,957)
Purchased Wastewater Service	547,500	445,175	102,325
Utilities	125,200	143,454	(18,254)
Water Authority Assessment, Net of Credits	1,572,800	1,525,480	47,320
Repairs and Maintenance	481,100	667,150	(186,050)
Other	228,151	308,466	(80,315)
Capital Outlay	550,000	125,713	424,287
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,115,355</b>	<b>\$ 3,799,315</b>	<b>\$ 316,040</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (29,695)</b>	<b>\$ 953,316</b>	<b>\$ 983,011</b>
<b>FUND BALANCE - JUNE 1, 2022</b>	<b>5,109,329</b>	<b>5,109,329</b>	
<b>FUND BALANCE - MAY 31, 2023</b>	<b>\$ 5,079,634</b>	<b>\$ 6,062,645</b>	<b>\$ 983,011</b>

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, 2023**

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
SERVICES AND RATES  
FOR THE YEAR ENDED MAY 31, 2023**

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

<u>  X  </u>	Retail Water	_____	Wholesale Water	_____	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 December 20, 2022

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 10.00	10,000	N	\$ 1.25 \$ 1.50 \$ 1.80 \$ 2.50	10,001 to 20,000 20,001 to 30,000 30,001 to 40,000 40,001 and up
WASTEWATER:	\$ 16.00	30,000	N	\$ 1.00 \$ 2.00	30,001 to 40,000 40,001 and up
SURCHARGE: Water Authority Fees			N	\$ 3.85	0,001 and up
District employs winter averaging for wastewater usage?					_____ Yes <u>  X  </u> No

Total monthly charges per 10,000 gallons usage: Water: \$10.00    Wastewater: \$16.00    Surcharge: \$38.50    Total: \$64.50

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
SERVICES AND RATES  
FOR THE YEAR ENDED MAY 31, 2023**

**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"	2,886	2,857	x 1.0	2,857
1"	227	218	x 2.5	545
1½"	13	13	x 5.0	65
2"	32	31	x 8.0	248
3"	1	1	x 15.0	15
4"	3	3	x 25.0	25
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>3,162</u>	<u>3,123</u>		<u>3,805</u>
Total Wastewater Connections	<u>3,162</u>	<u>3,123</u>	x 1.0	<u>3,123</u>

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

Gallons pumped into system:	362,186,000	Water Accountability Ratio: 90.3% (Gallons billed and sold/Gallons pumped)
Gallons billed to customers:	282,297,000	
Gallons sold:	9,600,000	To: Harris County MUD No. 151
Gallons sold:	35,230,000	To: Harris County MUD No. 46

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED MAY 31, 2023**

**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)?

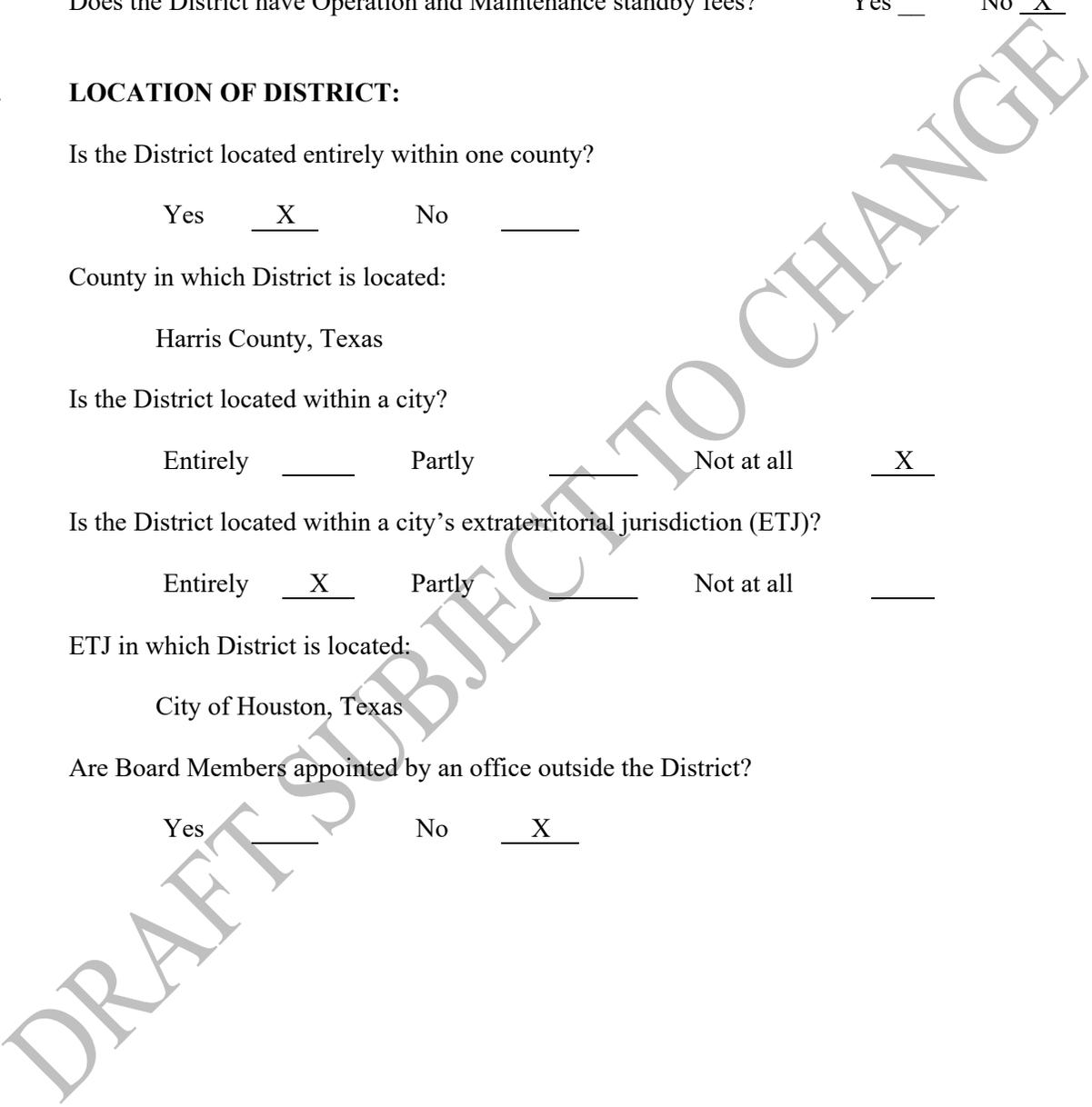
Entirely  Partly  Not at all

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, 2023**

PROFESSIONAL FEES:	
Auditing	\$ 17,500
Engineering	38,520
Legal	<u>59,496</u>
TOTAL PROFESSIONAL FEES	<u>\$ 115,516</u>
PURCHASED WASTEWATER SERVICE	<u>\$ 445,175</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 54,298
Operations and Billing	170,346
Arbitrage Compliance Costs	2,200
Security	<u>241,517</u>
TOTAL CONTRACTED SERVICES	<u>\$ 468,361</u>
UTILITIES:	
Electricity	\$ 132,530
Telephone	<u>10,924</u>
TOTAL UTILITIES	<u>\$ 143,454</u>
REPAIRS AND MAINTENANCE	<u>\$ 667,150</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 22,122
Insurance	38,742
Office Supplies and Postage	32,302
Travel and Meetings	13,023
Other	<u>44,198</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 150,387</u>
CAPITAL OUTLAY	<u>\$ 125,713</u>
OTHER EXPENDITURES:	
Chemicals	\$ 74,651
Laboratory Fees	10,182
Permit Fees	7,666
Connection, Inspection and Reconnection Fees	59,704
Water Authority Assessments	1,672,615
Regulatory Assessment	<u>5,876</u>
TOTAL OTHER EXPENDITURES	<u>\$ 1,830,694</u>
TOTAL EXPENDITURES	<u><u>\$ 3,946,450</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**INVESTMENTS**  
**MAY 31, 2023**

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	\$ 4,763,684	\$
Certificate of Deposit	XXXX7948	3.50%	09/26/23	<u>240,000</u>	<u>5,684</u>
TOTAL GENERAL FUND				<u>\$ 5,003,684</u>	<u>\$ 5,684</u>
<u>DEBT SERVICE FUND</u>					
Texas CLASS	XXXX0003	Varies	Daily	\$ 2,919,335	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
Texas CLASS	XXXX0002	Varies	Daily	<u>\$ 332,554</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 8,255,573</u>	<u>\$ 5,684</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MAY 31, 2023**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JUNE 1, 2022	\$	62,918	\$	132,503
Adjustments to Beginning				
Balance		<u>(3,735)</u>	\$	<u>59,183</u>
			<u>(6,557)</u>	\$
				125,946
Original 2022 Tax Levy	\$	1,560,630	\$	1,773,443
Adjustment to 2022 Tax Levy		<u>201,572</u>	<u>1,762,202</u>	<u>229,059</u>
				<u>2,002,502</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	1,821,385	\$
				2,128,448
TAX COLLECTIONS:				
Prior Years	\$	29,426	\$	50,763
Current Year		<u>1,686,308</u>	<u>1,715,734</u>	<u>1,916,259</u>
				<u>1,967,022</u>
TAXES RECEIVABLE -				
MAY 31, 2023		<u>\$</u>	<u>105,651</u>	<u>\$</u>
				<u>161,426</u>
TAXES RECEIVABLE BY				
YEAR:				
2022	\$	75,894	\$	86,243
2021		7,725		11,791
2020		4,704		8,980
2019		4,422		8,844
2018		2,145		5,939
2017		2,296		5,904
2016		1,310		4,884
2015		1,079		3,238
2014		1,068		3,203
2013		653		2,743
2012 and prior		<u>4,355</u>		<u>19,657</u>
TOTAL	\$	<u>105,651</u>	\$	<u>161,426</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MAY 31, 2023**

	2022	2021	2020	2019
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 142,637,253	\$ 140,375,832	\$ 133,252,678	\$ 107,559,057
Improvements	738,645,624	598,789,875	553,841,831	564,463,334
Personal Property	19,503,427	15,754,775	15,450,487	13,751,917
Exemptions	<u>(99,785,475)</u>	<u>(49,300,507)</u>	<u>(41,928,820)</u>	<u>(44,154,281)</u>
<b>TOTAL PROPERTY VALUATIONS</b>	<u>\$ 801,000,829</u>	<u>\$ 705,619,975</u>	<u>\$ 660,616,176</u>	<u>\$ 641,620,027</u>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.25	\$ 0.29	\$ 0.315	\$ 0.32
Maintenance	<u>0.22</u>	<u>0.19</u>	<u>0.165</u>	<u>0.16</u>
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<u>\$ 0.470</u>	<u>\$ 0.48</u>	<u>\$ 0.480</u>	<u>\$ 0.48</u>
<b>ADJUSTED TAX LEVY*</b>	<u>\$ 3,764,704</u>	<u>\$ 3,386,976</u>	<u>\$ 3,170,958</u>	<u>\$ 3,079,763</u>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>	<u>95.69 %</u>	<u>99.42 %</u>	<u>99.57 %</u>	<u>99.57 %</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, 2023**

SERIES - 2015 REFUNDING			
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total
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			
	\$ 5,425,000	\$ 796,684	\$ 6,221,684

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MAY 31, 2023**

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
2024	\$ 440,000	\$ 359,744	\$ 799,744
2025	460,000	348,444	808,444
2026	445,000	334,869	779,869
2027	460,000	321,294	781,294
2028	475,000	307,269	782,269
2029	490,000	292,794	782,794
2030	515,000	277,719	792,719
2031	525,000	262,119	787,119
2032	560,000	245,844	805,844
2033	585,000	228,303	813,303
2034	605,000	209,709	814,709
2035	630,000	190,019	820,019
2036	650,000	168,813	818,813
2037	675,000	146,453	821,453
2038	700,000	122,812	822,812
2039	725,000	97,875	822,875
2040	755,000	71,503	826,503
2041	785,000	43,590	828,590
2042	810,000	14,681	824,681
	\$ 11,290,000	\$ 4,043,854	\$ 15,333,854

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MAY 31, 2023**

SERIES - 2021 REFUNDING				
Due During Fiscal Years Ending May 31	Principal Due October 1	Interest Due October 1/ April 1	Total	
2024	\$ 790,000	\$ 86,400	\$	876,400
2025	825,000	62,175		887,175
2026	410,000	43,650		453,650
2027	430,000	31,050		461,050
2028	445,000	20,150		465,150
2029	465,000	11,050		476,050
2030	320,000	3,200		323,200
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
	\$ 3,685,000	\$ 257,675	\$	3,942,675

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MAY 31, 2023**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending May 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 1,455,000	\$ 583,844	\$ 2,038,844
2025	1,505,000	542,552	2,047,552
2026	1,550,000	506,337	2,056,337
2027	1,570,000	486,302	2,056,302
2028	1,620,000	432,881	2,052,881
2029	1,675,000	386,302	2,061,302
2030	1,725,000	337,295	2,062,295
2031	1,820,000	283,098	2,103,098
2032	560,000	245,844	805,844
2033	585,000	228,303	813,303
2034	605,000	209,709	814,709
2035	630,000	190,019	820,019
2036	650,000	168,813	818,813
2037	675,000	146,453	821,453
2038	700,000	122,812	822,812
2039	725,000	97,875	822,875
2040	755,000	71,503	826,503
2041	785,000	43,590	828,590
2042	810,000	14,681	824,681
	<u>\$ 20,400,000</u>	<u>\$ 5,098,213</u>	<u>\$ 25,498,213</u>

See accompanying independent auditor's report.

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED MAY 31, 2023**

Description	Original Bonds Issued	Bonds Outstanding June 1, 2022
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2011	\$ 5,640,000	\$ 625,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2013	3,745,000	115,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2015	5,920,000	5,495,000
Harris County Municipal Utility District No. 109 Unlimited Tax Bonds - Series 2017	12,100,000	11,720,000
Harris County Municipal Utility District No. 109 Unlimited Tax Refunding Bonds - Series 2021	<u>3,705,000</u>	<u>3,705,000</u>
<b>TOTAL</b>	<u><u>\$ 31,110,000</u></u>	<u><u>\$ 21,660,000</u></u>
<b>Bond Authority:</b>	<u><b>Tax Bonds</b></u>	<u><b>Refunding Bonds</b></u>
Amount Authorized by Voters	\$ 61,830,000	\$ 32,730,000
Amount Issued	<u>48,880,000</u>	<u>1,058,800</u>
Remaining to be Issued	<u><u>\$ 12,950,000</u></u>	<u><u>\$ 31,671,200</u></u>

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding May 31, 2023	Paying Agent
	Principal	Interest		
\$	\$ 625,000	\$ 12,500	\$ - 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	115,000	1,581	- 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	70,000	141,523	5,425,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	430,000	368,444	11,290,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	<u>20,000</u>	<u>98,550</u>	<u>3,685,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 1,260,000</u>	<u>\$ 622,598</u>	<u>\$ 20,400,000</u>	

Debt Service Fund cash and investment balances as of May 31, 2023: \$ 3,279,734

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,342,011

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		
	2023	2022	2021
<b>REVENUES</b>			
Property Taxes	\$ 1,716,071	\$ 1,352,957	\$ 1,074,163
Water Service	613,963	515,471	537,428
Wastewater Service	651,000	613,652	633,397
Water Authority Fees	1,365,774	1,163,402	1,152,986
Penalty and Interest	92,580	69,599	1,244
Connection/Disconnect/Inspection Fees	61,507	37,402	22,197
Sales Tax Revenues	97,715	94,395	86,463
Sale of Capacity			
Water Authority Credits	147,135	147,135	147,135
Investment and Miscellaneous Revenues	154,021	11,447	44,703
<b>TOTAL REVENUES</b>	\$ 4,899,766	\$ 4,005,460	\$ 3,699,716
<b>EXPENDITURES</b>			
Professional Fees	\$ 115,516	\$ 140,891	\$ 145,524
Contracted Services	468,361	389,329	326,575
Purchased Wastewater Service	445,175	501,126	381,875
Utilities	143,454	123,854	119,733
Repairs and Maintenance	667,150	510,459	713,042
Water Authority Assessments	1,672,615	1,482,690	1,444,817
Other	308,466	204,613	203,674
Capital Outlay	125,713	109,992	1,027,958
<b>TOTAL EXPENDITURES</b>	\$ 3,946,450	\$ 3,462,954	\$ 4,363,198
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ 953,316	\$ 542,506	\$ (663,482)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	\$ - 0 -	\$ - 0 -	\$ 97,450
<b>NET CHANGE IN FUND BALANCE</b>	\$ 953,316	\$ 542,506	\$ (566,032)
<b>BEGINNING FUND BALANCE</b>	5,109,329	4,566,823	5,132,855
<b>ENDING FUND BALANCE</b>	\$ 6,062,645	\$ 5,109,329	\$ 4,566,823

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 1,007,887	\$ 770,589	35.0 %	33.8 %	29.1 %	27.7 %	21.9 %
556,268	534,561	12.5	12.9	14.5	15.2	15.3
638,922	622,052	13.3	15.3	17.1	17.5	17.8
994,208	845,456	27.9	29.0	31.2	27.2	24.2
73,753	98,286	1.9	1.7		2.0	2.8
67,594	120,857	1.3	0.9	0.6	1.9	3.5
74,517	70,841	2.0	2.4	2.3	2.0	2.0
	173,901					5.0
147,135	147,135	3.0	3.7	4.0	4.0	4.2
90,389	115,555	3.1	0.3	1.2	2.5	3.3
<u>\$ 3,650,673</u>	<u>\$ 3,499,233</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 142,558	\$ 138,872	2.4 %	3.5 %	3.9 %	3.9 %	4.0 %
263,123	229,998	9.6	9.7	8.8	7.2	6.6
361,729	379,479	9.1	12.5	10.3	9.9	10.8
109,725	110,603	2.9	3.1	3.2	3.0	3.2
731,660	601,088	13.6	12.7	19.3	20.0	17.2
1,260,028	1,066,968	34.1	37.0	39.1	34.5	30.5
227,638	252,710	6.3	5.1	5.5	6.2	7.2
392,846	253,138	2.6	2.7	27.8	10.8	7.2
<u>\$ 3,489,307</u>	<u>\$ 3,032,856</u>	<u>80.6 %</u>	<u>86.3 %</u>	<u>117.9 %</u>	<u>95.5 %</u>	<u>86.7 %</u>
<u>\$ 161,366</u>	<u>\$ 466,377</u>	<u>19.4 %</u>	<u>13.7 %</u>	<u>(17.9) %</u>	<u>4.5 %</u>	<u>13.3 %</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 161,366	\$ 466,377					
4,971,489	4,505,112					
<u>\$ 5,132,855</u>	<u>\$ 4,971,489</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		
	2023	2022	2021
<b>REVENUES</b>			
Property Taxes	\$ 1,961,484	\$ 2,085,542	\$ 2,061,439
Penalty and Interest	53,768	55,626	56,962
Investment and Miscellaneous Revenues	83,851	29,127	13,393
<b>TOTAL REVENUES</b>	<b>\$ 2,099,103</b>	<b>\$ 2,170,295</b>	<b>\$ 2,131,794</b>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 83,377	\$ 94,125	\$ 83,089
Debt Service Principal	1,260,000	1,135,000	1,390,000
Debt Service Interest and Fees	624,398	677,078	758,577
Bond Issuance Costs		149,710	
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,967,775</b>	<b>\$ 2,055,913</b>	<b>\$ 2,231,666</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 131,328</b>	<b>\$ 114,382</b>	<b>\$ (99,872)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from the Sale of Refunding Bonds	\$	\$ 3,705,000	\$
Transfer to Refunded Bond Escrow Agent		(3,768,567)	
Bond Premium		223,726	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ - 0 -</b>	<b>\$ 160,159</b>	<b>\$ - 0 -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 131,328</b>	<b>\$ 274,541</b>	<b>\$ (99,872)</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,592,690</b>	<b>3,214,003</b>	<b>3,313,875</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 2,724,018</b>	<b>\$ 3,488,544</b>	<b>\$ 3,214,003</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>3,123</b>	<b>3,124</b>	<b>3,114</b>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>3,123</b>	<b>3,124</b>	<b>3,113</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2020</u>	<u>2019</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
\$ 2,031,834	\$ 2,131,528	93.4 %	96.1 %	96.7 %	96.8 %	96.3 %
20,626	33,106	2.6	2.6	2.7	1.0	1.5
45,353	48,475	4.0	1.3	0.6	2.2	2.2
<u>\$ 2,097,813</u>	<u>\$ 2,213,109</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 64,595	\$ 74,514	4.0 %	4.3 %	3.9 %	3.1 %	3.4 %
1,325,000	830,000	60.0	52.3	65.2	63.2	37.5
809,533	852,514	29.7	31.2	35.6	38.6	38.5
			6.9			
<u>\$ 2,199,128</u>	<u>\$ 1,757,028</u>	<u>93.7 %</u>	<u>94.7 %</u>	<u>104.7 %</u>	<u>104.9 %</u>	<u>79.4 %</u>
\$ (101,315)	\$ 456,081	6.3 %	5.3 %	(4.7) %	(4.9) %	20.6 %
\$	\$					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ (101,315)	\$ 456,081					
3,415,190	2,959,109					
<u>\$ 3,313,875</u>	<u>\$ 3,415,190</u>					
3,114	3,085					
<u>3,080</u>	<u>3,084</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**MAY 31, 2023**

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

<b>Board Members</b>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended May 31, 2023</u>	<u>Expense Reimbursements for the year ended May 31, 2023</u>	<u>Title</u>
Owen H. Parker	05/20 – 05/24 (Elected)	\$ 7,200	\$ 1,917	President
Chris Green	05/20 – 05/24 (Elected)	\$ 5,250	\$ 4,611	Vice President
Cheryl Moore	05/22 – 05/26 (Elected)	\$ 2,550	\$ 1,053	Secretary
Robin Sulpizio	05/22 – 05/26 (Elected)	\$ 2,850	\$ 3,457	Assistant Secretary
Nancy Frank	05/22 – 05/26 (Elected)	\$ 2,700	\$ 2,124	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: September 14, 2022

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, 2023**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended May 31, 2023</u>	<u>Title</u>
Norton Rose Fulbright US LLP	07/29/74	\$ 59,854	General Counsel
McCall Gibson Swedlund Barfoot PLLC	05/24/16	\$ 17,500	Auditor
Municipal Accounts & Consulting, L.P.	02/27/17	\$ 57,900	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/19/96	\$ 16,796	Delinquent Tax Attorney
Brown & Gay Engineers, Inc.	09/19/84	\$ 126,049	Engineer
Robert W. Baird & Co.	02/17/15	\$ -0-	Financial Advisor
Water Wastewater Management Services, Inc.	03/20/01	\$ 740,560	Operator
Bill Spencer	08/15/95	\$ 38,309	Tax Assessor/ Collector

See accompanying independent auditor's report.

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

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September 19, 2023

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, 2022. 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 evergreen audit engagement letter to you dated May 16, 2017, and subsequent audit continuance letters. Professional standards also require that we communicate to you the following information related to our audit. For the purposes of this letter, the term "management" refers to the Board of Directors and/or District consultants.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 19, 2023.

*Disagreements with Management*

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

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

Other Matters

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

We applied certain limited procedures to the Management's Discussion and Analysis and the budgetary comparison schedule for the General Fund, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Sincerely,

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

# **McCALL GIBSON SWEDLUND BARFOOT PLLC**

*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
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September 19, 2023

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, 2023, 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 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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**  
**HARRIS COUNTY, TEXAS**  
**SEPTEMBER 19, 2023**

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, 2023, 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 19, 2023, 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, and audit continuance letter including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 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 (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves -
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning such litigation, claims, or assessments.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

### **Government-specific**

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

- 20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us, if any.
- 21) We have a process to track the status of audit findings and recommendations, if any.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report as needed.
- 25) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 27) There were no disclosures required related to conduit debt obligations in accordance with GASB Statement No. 91.
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and disclosures and depreciation schedule. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and depreciation schedule.
- 31) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

- 34) There are no fiduciary activities required to be disclosed in the financial statements in accordance with GASB Statement No. 84, as amended.
- 35) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 36) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 39) Provisions for uncollectible receivables have been properly identified and recorded.
- 40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Special and extraordinary items are appropriately classified and reported, if any.
- 44) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 46) The District did not meet the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 47) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 48) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

50) With respect to the supplementary information required by the Water District Financial Management Guide,

- a) We acknowledge our responsibility for presenting this information in accordance with the Commission's requirements, and we believe this information, including its form and content, is fairly presented in accordance with the Commission's requirements. The methods of measurement and presentation of this information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b) If this information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

**HARRIS COUNTY MUNICIPAL UTILITY  
DISTRICT NO. 109**

Signatures of the Board of Directors

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

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

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109**

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

**Related to:**

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

**Base CUSIP No. 414910**

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

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

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

Harris County Municipal Utility District No. 109  
c/o Norton Rose Fulbright US LLP  
1301 McKinney, Suite 5100  
Houston, Texas 77010-3095  
713/651-5259  
Contact Person: Dimitri Millas

## DISTRICT DEBT

### District Debt

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

## TAX DATA

### Historical Tax Collections

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

### Analysis of Tax Base

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

### Principal Taxpayers

The following list of principal taxpayers was provided by the District's Tax Assessor/Collector based upon the 2023 tax roll:

Property Owner	Description	Taxable Value
PEET HOTELS INC.	Land & Improvements	\$4,646,220
CONCOBAR IV LLC	Land & Improvements	\$4,545,341
ML3 PROPERTIES HOUSTON LLC	Land & Improvements	\$3,912,915
HDP 1960 LLC	Land & Improvements	\$3,902,191
FKH SFR PROPCO B HLD LP	Land & Improvements	\$3,776,895
CENTERPOINT ENERGY HOU ELE	Utilities	\$3,591,130
RICE TREE INC	Land & Improvements	\$3,363,475
5311 ATAS LLC	Land & Improvements	\$3,179,349
ALEXANDER ARTHUR	Land & Improvements	\$2,814,892
RIDEAUX WILDA J	Land & Improvements	\$2,767,640

## **THE SYSTEM**

### **Water**

The District is served with potable water by two groundwater supply plants. According to the engineer for the District, the total capacity is sufficient to serve 4,167 equivalent single-family connections. The Historical Operations of the System are included in the audited financial statements of the District attached hereto.

### **Wastewater**

Permanent wastewater treatment for Atascocita (Harris County MUD Nos. 46, 106, 132, 151, 152, 153, and 494) and the District is being provided by a regional sewage treatment plant (the "Regional Plant"). The Regional Plant has a total capacity of nine million gallons per day ("gpd"), of which the District owns 2.01 million gpd capacity. According to the engineer, this capacity is sufficient to serve approximately 6,285 equivalent single-family connections within the District.

## **AUDITED FINANCIAL STATEMENTS**

Audited financial statements of the District for its fiscal year ending May 31, 2023 are attached hereto.

## **MISCELLANEOUS**

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

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

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

**WWWMS, INC.**  
**HARRIS COUNTY MUD # 109**  
**OPERATIONS REPORT**  
**Tuesday, September 19, 2023**

**BILLING AND COLLECTION RECAP:**

**DEPOSITED IN YOUR ACCOUNT LAST MONTH:**

Period Ending:	Aug-23
Deposit:	\$ 10,450.00
Penalty:	\$ 4,193.99
Water:	\$ 65,292.74
Sewer:	\$ 53,024.44
Inspection:	\$ 761.00
Voluntary Fire & EMS:	\$ -
Misc:	\$ 7,153.73
NHCRWA:	\$ 113,157.48
Reconnect:	\$ -
NSF Fee:	\$ 245.00
<b>Total Collections:</b>	<b>\$ 254,278.38</b>

**CURRENT BILLING:**

Period Ending:	Sep-23
Deposit:	\$ 150.00
Penalty:	\$ 4,980.06
Water:	\$ 73,441.67
Sewer:	\$ 61,550.42
Inspection:	\$ 801.00
Voluntary Fire & EMS:	\$ -
Misc:	\$ 2,930.00
NHCRWA:	\$ 164,973.79
<b>Total Billing:</b>	<b>\$ 308,826.94</b>

**CUSTOMER AGED RECEIVABLES:**

30 Day	17%	\$ 51,314.12
60 Day	4%	\$ 11,289.33
90 Day	0%	\$ 1,157.47
120 Day	5%	\$ 15,877.98
Overpayments		\$ (11,359.13)
<b>Total Receivables:</b>		<b>\$ 68,279.77</b>

**HGCSO PERIOD: 8/1/23 THRU 8/31/23**

**Period 6/1/23 thru 5/31/24**

**MONTHLY TOTAL**

Gallons Authorized:	450.000	MG
Current Month Produced:	50.476	MG
Cum. Gallons Produced:	119.179	MG
Auth. Gallons Remaining:	330.821	MG
Avg. Gallons Per Month:	16.825	MG
Permit Months Remaining:	9	

**WATER PLANT OPERATIONS:**

**Period: 8/1/2023 thru 8/31/2023**

**MONTHLY TOTAL**

Production:	48.966	MG
Amount Purchased:	0.000	MG
Total Amount:	48.966	MG
Consumption: (Billed)	42.859	MG
46 I/C & Main breaks	0.000	MG
Maint. / Leaks / Flushing	2.900	MG
Est. Amt. Sold to HC MUD 151	0.800	MG
Total:	46.559	MG
Daily Average Production:	1.579	MG
Percent Accounted For:	95.08%	

**Mainline Breaks**

**NEW METER INSTALLATIONS:**

Residential:	0
Commercial:	0
<b>Total:</b>	<b>0</b>

**CONNECTION COUNT:**

Residential:	3001
Commercial:	114
Clubs/Schools:	1
Irrigation:	19
Vacant:	36
Builders:	24
Vacation:	0
No Bill:	6
	3201
<b>New Finals and Transfers</b>	<b>-39</b>
	<b>3162</b>

**ACCOUNTS SENT TO COLLECTIONS:**

Total of (0)

## HARRIS COUNTY MUD #109

### ACTIVITY REPORT

September 19, 2023

Item 1: Attached Reports are listed as follows:

- A.) Accounts turned over to collections (0).
- B.) Historical data on water production report.
- C.) NHCRWA Pumpage and Billing report for August 2023
- D.) Billing / Recap Summary Report

Item 2: Water Plant # 2 (Warranty)

- A.) Booster pump 3 - mechanical has been replaced.

Item 3: Water Main Line Break

- A.) 19938 Burle Oak
- B.) 19923 Faye Oaks
- C.) 5543 Fawn Trail
- D.) 19906 Big Timbers
- E.) 20102 Bambiwoods
- F.) 19318 Spruce Bough

Item 4: Customer Appeal Letter

19926 River Brook Dr. - Customer overpaid.

Item 5: Water Smart Resolution

Item 6: Existing Ice Machine inoperable

- A.) Ice Machine Estimate Cost      \$3,198.00 (Does not include freight or installation)  
See attachment.

Item 7: Cut off Report / Status on Arrears Account

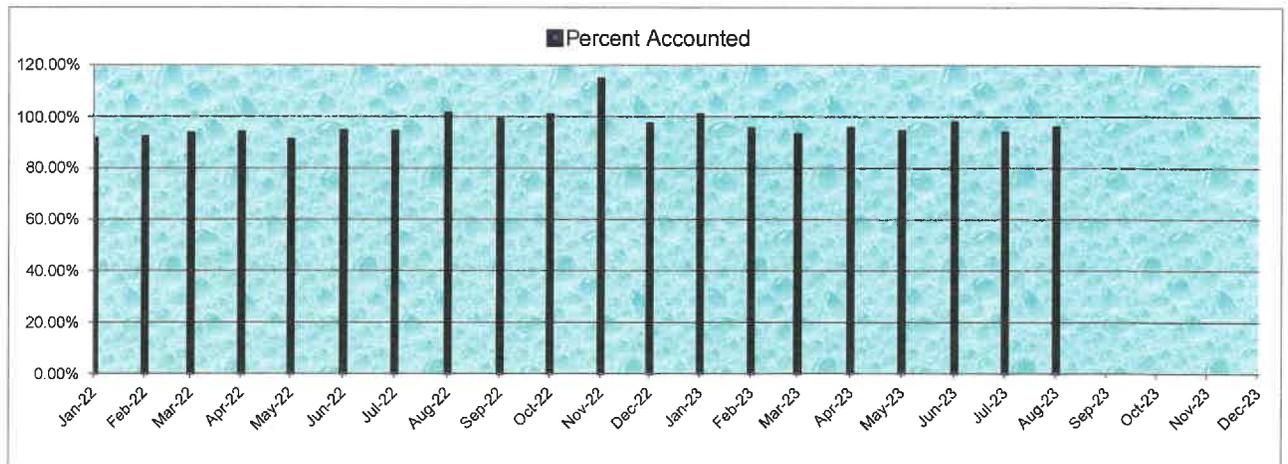
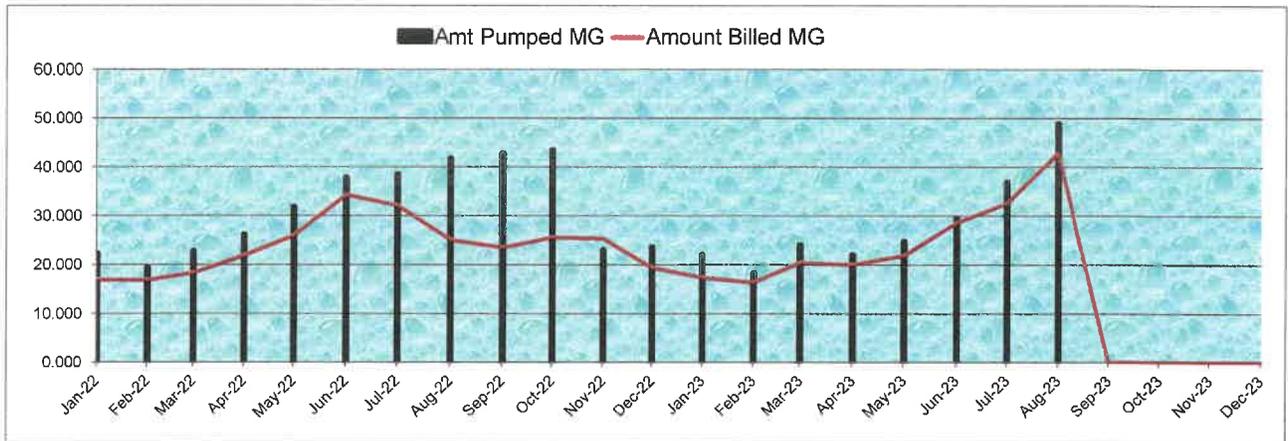
- A.) Door hangers:      9/18/2023
- Due date:              9/6/2023
- Cut offs:                9/21/2023

# HARRIS COUNTY MUD #109

## WATER PRODUCTION REPORT

September 19, 2023

Month /Year	Amt Pumped MG	Amt Billed MG	Maint. MG	Amt. Sold I/C MG	Amount HC 151	Total Amount	Percent Accounted
Jan-22	22.266	16.936	2.500	0.000	0.800	20.236	90.88%
Feb-22	19.401	16.923	0.000	0.000	0.800	17.723	91.35%
Mar-22	22.811	18.373	2.000	0.000	0.800	21.173	92.82%
Apr-22	26.228	21.959	1.700	0.000	0.800	24.459	93.26%
May-22	31.864	26.073	1.900	0.000	0.800	28.773	90.30%
Jun-22	37.878	34.370	0.300	0.000	0.850	35.520	93.77%
Jul-22	38.503	32.204	3.000	0.000	0.800	36.004	93.51%
Aug-22	41.787	25.172	1.500	16.075	0.800	42.047	100.62%
Sep-22	42.716	23.564	1.500	17.652	0.800	42.016	98.36%
Oct-22	43.532	25.661	1.500	17.071	0.800	43.532	100.00%
Nov-22	23.051	25.473	0.000	0.000	0.800	26.273	113.98%
Dec-22	23.603	19.516	2.500	0.000	0.800	22.816	96.67%
Jan-23	21.913	17.401	3.712	0.000	0.800	21.913	100.00%
Feb-23	18.295	16.441	0.100	0.000	0.800	17.341	94.79%
Mar-23	24.079	20.448	1.000	0.000	0.800	22.248	92.40%
Apr-23	22.020	20.106	0.000	0.000	0.800	20.906	94.94%
May-23	24.809	21.941	0.500	0.000	0.800	23.241	93.68%
Jun-23	29.463	28.631	0.000	0.000	0.000	28.631	97.18%
Jul-23	36.951	32.580	1.000	0.000	0.800	34.380	93.04%
Aug-23	48.966	42.859	2.900	0.000	0.800	46.559	95.08%
Sep-23							
Oct-23							
Nov-23							
Dec-23							
<b>Total</b>	<b>600.136</b>	<b>486.631</b>	<b>27.612</b>	<b>50.798</b>	<b>15.250</b>	<b>575.791</b>	<b>1916.62%</b>
<b>Average</b>	<b>30.007</b>	<b>24.332</b>	<b>1.381</b>	<b>2.540</b>	<b>0.763</b>	<b>28.790</b>	<b>95.83%</b>



**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**  
**Groundwater and/or Surface Water Reporting and Billing Form - 2023**  
*\*\*\*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*

<i>Billing Period</i>	<i>Rate per 1,000 gallons</i>	<i>Due Date</i>
August 01-31, 2023	\$4.10 groundwater \$4.55 surface water	October 18, 2023

*Gallons of Groundwater Pumped for Billing Period*

	<i>Start Meter Reading</i>	<i>End Meter Reading</i>	<i>Total</i>
Well #2083	505,723 x1000	538,753 x1000	33,030,000
Well #4448	403,542 x1000	420,657 x1000	17,115,000
Adjustment			0

*Water imported from outside NHCRWA*

Imported water Meter reading:	Source:		
	x	x	0

*Miscellaneous water (not billed)*

<i>Other entity</i>	<i>Water Type</i>	<i>Direction</i>	<i>Amount</i>
	Groundwater	Out	

1	Enter total gallons of groundwater pumped and/or imported	50,145,000
2	Divide by 1000	50,145
3	Total groundwater fee due (multiply line 2 x \$4.10)	\$205,594.50
4	Enter total gallons of surface water received	0
5	Divide by 1000	0
6	Total surface water fee due (multiply line 5 x \$4.55)	\$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	\$193,333.25

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 05, 2023

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.

HARRIS COUNTY MUD 109

JANUARY 2023 THROUGH DECEMBER 2024 ANNUAL RECAP COLLECTIONS REPORT

	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023
<b>COLLECTIONS:</b>												
WATER PAYMENTS	\$ 59,385.45	\$ 45,559.71	\$ 48,112.65	\$ 52,674.35	\$ 51,094.74	\$ 48,230.11	\$ 58,561.42	\$ 65,292.74				\$ 428,911.17
SEWER PAYMENTS	\$ 59,253.16	\$ 49,459.58	\$ 48,830.08	\$ 53,560.12	\$ 49,782.06	\$ 48,614.67	\$ 52,436.14	\$ 55,024.44				\$ 408,960.25
PENALTY PAYMENTS	\$ 4,965.83	\$ 4,151.56	\$ 3,860.21	\$ 3,783.86	\$ 3,452.04	\$ 3,394.58	\$ 4,128.74	\$ 4,193.99				\$ 31,930.81
CHCRWA	\$ 84,820.00	\$ 72,967.73	\$ 62,372.38	\$ 73,219.27	\$ 72,332.48	\$ 77,252.00	\$ 99,343.89	\$ 113,157.48				\$ 655,465.23
RECONNECT FEES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
MISCELLANEOUS	\$ 6,525.69	\$ 5,383.45	\$ 7,905.23	\$ 7,686.78	\$ 6,972.97	\$ 5,703.61	\$ 5,485.36	\$ 7,153.73				\$ 52,816.82
DEPOSIT	\$ 4,100.00	\$ 4,675.00	\$ 9,150.00	\$ 6,325.00	\$ 6,350.00	\$ 5,800.00	\$ 5,750.00	\$ 10,450.00				\$ 52,600.00
NSF FEES	\$ 161.76	\$ 201.00	\$ 44.00	\$ 140.00	\$ 140.00	\$ 72.00	\$ 105.00	\$ 245.00				\$ 1,108.76
INSPECTION FEES	\$ 937.32	\$ 705.68	\$ 841.00	\$ 801.00	\$ 799.07	\$ 641.00	\$ 1,041.00	\$ 761.00				\$ 6,527.07
TOTAL DEPOSIT	\$ 214,149.21	\$ 183,103.71	\$ 181,115.55	\$ 198,190.38	\$ 190,923.36	\$ 189,707.97	\$ 226,851.55	\$ 254,278.38	\$ -	\$ -	\$ -	\$ 1,638,320.11
<b>ARREARS BREAKDOWN</b>												
30 DAYS	\$ 43,864.87	\$ 48,034.91	\$ 41,727.21	\$ 37,814.33	\$ 39,098.38	\$ 47,038.86	\$ 44,705.23	\$ 51,314.12				\$ 353,595.91
60 DAYS	\$ 14,846.00	\$ 14,300.87	\$ 15,487.51	\$ 12,228.73	\$ 11,198.43	\$ 11,396.37	\$ 13,022.36	\$ 11,289.33				\$ 103,788.60
90 DAYS	\$ 1,988.10	\$ 2,214.94	\$ 3,019.85	\$ 2,273.05	\$ 1,461.49	\$ 1,687.07	\$ 1,462.26	\$ 1,157.47				\$ 15,284.23
120 DAYS	\$ 12,604.81	\$ 11,278.37	\$ 13,752.48	\$ 15,028.39	\$ 15,646.09	\$ 15,544.16	\$ 16,553.57	\$ 15,877.98				\$ 116,285.85
OVER PAYMENTS	\$ (10,941.88)	\$ (10,770.53)	\$ (9,617.98)	\$ (8,732.95)	\$ (8,741.41)	\$ (10,739.88)	\$ (11,943.62)	\$ (11,359.13)				\$ (62,847.38)
TOTAL ARREARS	\$ 62,360.90	\$ 65,058.56	\$ 64,369.07	\$ 58,611.55	\$ 58,660.98	\$ 64,926.58	\$ 63,799.80	\$ 68,279.77	\$ -	\$ -	\$ -	\$ 506,067.21

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 2024 Water Smart Application for the period of 1 January 2023 – 31 December 2023 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



**\$3,198.00**

UNDERCOUNTER  
ICE MACHINE

**IU-0170-AC/AH**  
**IU-0220-AC/AH**

**AIR COOLED**

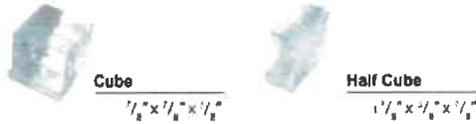
**STANDARD WARRANTY:**

- Ice Maker: 3-Year Parts & Labor
- Evaporator: 5-Year Parts & Labor
- Compressor: 5-Year Parts & 3-Year Labor

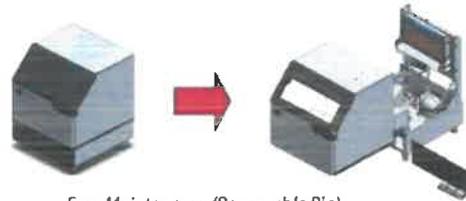
**CERTIFICATIONS**



**ICE SHAPE:** Cube & Half Cube



*\* Design and specifications are subject to change without prior notice*



**Easy Maintenance (Removable Bin)**  
*\*need to remove both sides' screws first*

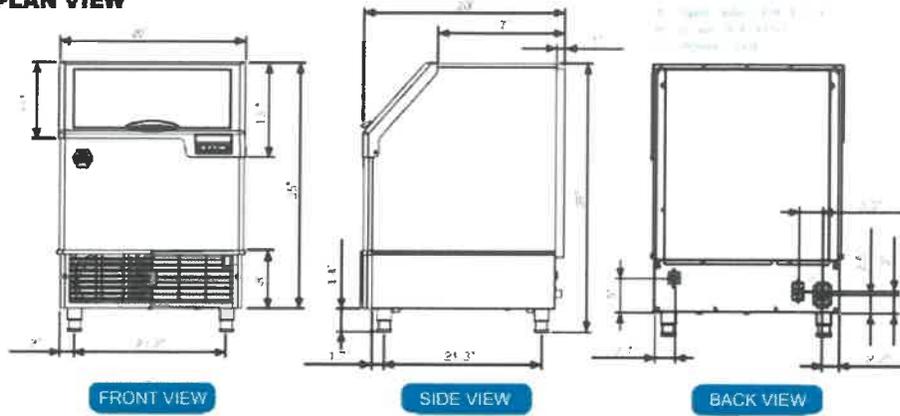
**Features:**

- High Quality construction and components to insure reliability, longevity and product durability
- Improved Evaporator Freezing Surface for increased production, lower operating cost and longer life
- Forward sliding removable bin cover allows for easy access to inner components
- High density Urethane insulation reduce ice melting in bin
- Simple control system with Self Diagnostics
- Durable & Rust resistant Stainless Steel exterior
- Up to 175lbs (IU-0170) & 202lbs (IU-0220) of ice production per 24 hrs
- 77 lbs ice storage capacity

**Specification:**

- Dimensions: 26" x 28" x 44"
- Ice Storage Capacity: 77 lbs
- Condenser: Air Cooled
- Ice shape: Cube & Half Cube
- Electrical: 115V/60Hz/1 Ph

**PLAN VIEW**



MODEL	DIMENSIONS	WIDTH	DEPTH	HEIGHT	WEIGHT	
IU-0170/0220-AC/AH	Inch	25"	28"	39"	154 lbs (Net)	183 lbs (Shipping)

SPECIFICATIONS							
Model	Ice Type	Ice Production 24 hrs		Water usage Gal / 100 lbs ice	Power kWh / 100 lbs ice	Electrical (V/Hz/ph)	Minimum Circuit Breaker (A)
		Air/Water 70°F / 50°F	Air/Water 90°F / 70°F				
IU-0170	AC: Cube AH: Half Cube	175 lbs	150 lbs	19	8.62	115/ 60/ 1	15
IU-0220	AC: Cube AH: Half Cube	202 lbs	150 lbs				

OPERATING LIMITS	MIN	MAX
AMBIENT TEMP RANGE	50 °F	100 °F
WATER TEMP RANGE	50 °F	90 °F
WATER PRESSURE	20 psi (1.38 bar)	80 psi (5.52 bar)

**ICE SHAPE:** Cube & Half Cube



**Cube**  
 $7/8" \times 7/8" \times 7/8"$



**Half Cube**  
 $1 1/8" \times 3/8" \times 7/8"$



**Payment & Security**



Your payment information is processed securely. We do not store credit card details nor have access to your credit card information.

**Videos**



September 19, 2023

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

Re: Levy of 2023 Tax Rate

Dear Board Members:

The Harris County Appraisal District has recently certified the 2023 value for your district at \$819,078,141 and an additional \$76,784,000 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 2023 tax year, we anticipate the District will be classified as a Developing District for the purposes of determining the rollback tax rate. Last year, the District's value was certified at \$878,543,347 and the Board of Directors levied a total tax rate of \$0.47 per \$100 of assessed valuation. The tax rate was composed of a maintenance tax rate of \$0.22 per \$100 of assessed valuation and a debt service tax rate of \$0.25 per \$100 of assessed valuation. For illustration purposes, we have enclosed the cash flow analysis based upon our 2023 recommended debt service tax rate. This analysis is based upon the following assumptions:

- 1) A 2023 net taxable value of \$895,862,141 (an increase of approximately 1.97%);
- 2) 98% tax collections;
- 3) No growth beyond January 1, 2023;
- 4) Debt Service Fund balance of \$2,945,287 as of August 15, 2023;
- 5) Interest earnings of 2.50% 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 2023 total tax rate of \$0.455 per \$100 of assessed valuation composed of a maintenance tax rate of \$0.225 per \$100 of assessed valuation and a debt service tax rate of \$0.23 per \$100 of assessed valuation.

Sincerely,  
Robert W. Baird & Co. Incorporated

A handwritten signature in black ink, appearing to read "S.M.E.", with a long horizontal flourish extending to the right.

Stephen M. Eustis  
Managing Director

Enclosure(s)

## Harris County Municipal Utility District No. 109

### 2023 Debt Service Tax Rate Analysis

No Growth Beyond January 1, 2023

Year Ending 12/31	Beginning Fund Balance as of 08/15/2023	Fund Interest Earnings @ 2.500%	Other Income	Other Income	Prior Year AV	AV Growth Percentage	Tax Rate / \$100 of AV	Tax Collections @ 98.00%	Total Funds Available	Current Debt Service	Total Debt Service	Ending Balance	Debt Service Coverage %
2023	2,945,287	27,839	-	-	878,543,347		-	-	2,973,126	1,756,505	1,756,505	1,216,621	58.783%
2024	1,216,621	30,416	-	-	895,862,141	1.971%	0.230000	2,019,273	3,266,310	2,069,678	2,069,678	1,196,632	57.796%
2025	1,196,632	29,916	-	-	895,862,141		0.230000	2,019,273	3,245,821	2,070,425	2,070,425	1,175,396	56.658%
2026	1,175,396	29,385	-	-	895,862,141		0.230000	2,019,273	3,224,054	2,074,528	2,074,528	1,149,526	55.378%
2027	1,149,526	28,738	-	-	895,862,141		0.230000	2,019,273	3,197,538	2,075,796	2,075,796	1,121,742	53.801%
2028	1,121,742	28,044	-	-	895,862,141		0.230000	2,019,273	3,169,059	2,084,966	2,084,966	1,084,093	51.929%
2029	1,084,093	27,102	-	-	895,862,141		0.230000	2,019,273	3,130,469	2,087,638	2,087,638	1,042,831	48.914%
2030	1,042,831	26,071	-	-	895,862,141		0.230000	2,019,273	3,088,175	2,131,952	2,131,952	956,223	117.437%
2031	956,223	23,906	-	-	895,862,141		0.230000	2,019,273	2,999,402	814,244	814,244	2,185,158	265.691%
2032	2,185,158	54,629	-	-	895,862,141		0.230000	2,019,273	4,259,061	822,444	822,444	3,436,617	416.983%
2033	3,436,617	85,915	-	-	895,862,141		0.230000	2,019,273	5,541,805	824,163	824,163	4,717,643	568.215%
2034	4,717,643	117,941	-	-	895,862,141		0.230000	2,019,273	6,854,857	830,256	830,256	6,024,601	726.047%
2035	6,024,601	150,615	-	-	895,862,141		0.230000	2,019,273	8,194,489	829,781	829,781	7,364,708	884.284%
2036	7,364,708	184,118	-	-	895,862,141		0.230000	2,019,273	9,568,099	832,844	832,844	8,735,255	1046.060%
2037	8,735,255	218,381	-	-	895,862,141		0.230000	2,019,273	10,972,910	835,063	835,063	10,137,847	1213.296%
2038	10,137,847	253,446	-	-	895,862,141		0.230000	2,019,273	12,410,567	835,563	835,563	11,575,004	1377.669%
2039	11,575,004	289,375	-	-	895,862,141		0.230000	2,019,273	13,883,653	840,188	840,188	13,043,465	1547.600%
2040	13,043,465	326,087	-	-	895,862,141		0.230000	2,019,273	15,388,825	842,819	842,819	14,546,006	1732.983%
2041	14,546,006	363,650	-	-	895,862,141		0.230000	2,019,273	16,928,930	839,363	839,363	16,089,567	
<b>Totals</b>		<b>2,295,573</b>	<b>-</b>	<b>-</b>			<b>Average Tax Rate:</b>	<b>0.217895</b>	<b>36,346,919</b>	<b>25,498,212</b>	<b>25,498,212</b>		

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:

<b>2022 M&amp;O Tax Rate</b>	\$	0.22000	@ a 98.00% collections rate generated \$1,894,139.
<b>Proposed 2023 M&amp;O Tax Rate</b>	\$	0.22500	@ a 98.00% collections rate generates \$1,975,376.
<b>Parity M&amp;O Tax Rate</b>	\$	0.21570	@ a 98.00% collections rate generates \$1,893,727.
<b>M&amp;O Tax Rate to Balance Budget</b>	\$	0.06500	@ a 98.00% collections rate generates \$570,664.
<b>Maximum Authorized M&amp;O Tax Rate</b>	\$	1.00000	
<b>Value of One Penny</b>	\$	87,794	@ a 98.00% collections rate.

<b>Last Year's Average Homestead Value</b>	\$	256,776
<b>Last Year's Average Tax Bill</b>	\$	1,207
<b>This Year's Average Homestead Value</b>	\$	284,121
<b>This Year's Proposed Average Tax Bill</b>	\$	1,293
<b>Percentage Change</b>		7.12%
<b>Value of One Penny on This Year's Average Tax Bill</b>	\$	28

<b>Proposed 2023 Total Tax Rate</b>	\$	0.45500
<b>Parity Tax Rate</b>	\$	0.42480
<b>Type of District</b>		Developing District
<b>Total Rate to Avoid a Rollback Election</b>	\$	0.45870
<b>2023 M&amp;O Rollback Rate</b>	\$	0.21470 @ a 98.00% collections rate generates \$1,884,948.

CERTIFICATE FOR ORDER DESIGNATING OFFICER TO CALCULATE  
AND PUBLISH TAX RATES AND TAKING OTHER  
ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2023

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 19, 2023, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, and the roll was called of the members of the Board, to-wit:

Owen H. Parker, President  
Chris Green, Vice President  
Cheryl Moore, Secretary  
Robin Sulpizio, Assistant Secretary  
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 2023

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

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_

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

SIGNED AND SEALED this September 17, 2023

HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109



\_\_\_\_\_  
President, Board of Directors

ATTEST:

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

(DISTRICT SEAL)

SIGNED AND SEALED this \_\_\_\_\_, 2023

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 2023

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 2023;

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 2023 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 2023 at the rate of \$[0. \_\_ per \$100 assessed valuation (\$0. \_\_ per \$100 assessed valuation to pay principal and interest to service the District’s debts in the next year and \$0. \_\_ per \$100 assessed valuation to fund maintenance and operating expenditures)].

The Board hereby calls a public hearing on the proposed tax rate at 5:30 p.m. on October 17, 2023, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, and authorizes and instructs the Tax Assessor and Collector for the District to publish notice of such hearing in accordance with section 49.236 of the Texas Water Code.

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

\* \* \*

AMENDMENT TO AMENDED AND RESTATED  
DISTRICT INFORMATION FORM

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

The District Information Form for Harris County Municipal Utility District No. 109 is hereby amended as follows:

“9. The form of Notice to Purchasers required by Section 49.452 of the Texas Water Code as furnished by a seller to a purchaser of real property in the District is as follows:

# NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

The real property which you are about to purchase is located in Harris County Municipal Utility District No. 109 and may be subject to district taxes. The district may, subject to voter approval, impose taxes and issue bonds. The district may impose an unlimited rate of tax in payment of such bonds. The current rate of the district property tax is \$0.47 on each \$100 of assessed valuation.

The total amount of bonds payable wholly or partly from property taxes, excluding refunding bonds that are separately approved by voters, approved by the voters are:

- (i) \$61,830,000 for water, sewer, and drainage facilities;

The aggregate initial principal amounts of all such bonds issued are:

- (i) \$48,880,000 for water, sewer, and drainage facilities.

The district is located wholly or partly in the extraterritorial jurisdiction of the City of Houston, Texas. Texas law governs the ability of a municipality to annex property in the municipality's extraterritorial jurisdiction and whether a district that is annexed by the municipality is dissolved. The district has entered into a strategic partnership agreement with the City of Houston, Texas. This agreement may address the timeframe, process, and procedures for the municipal annexation of the area of the district located in the municipality's extraterritorial jurisdiction.

The purpose of this district is to provide water, sewer, drainage, parks and recreational facilities and services. The cost of district facilities is not included in the purchase price of your property.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ANNUALLY ESTABLISHES TAX RATES. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property.

---

Date

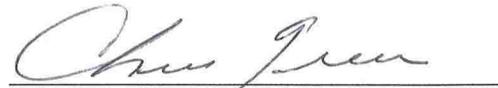
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Signature of Purchaser

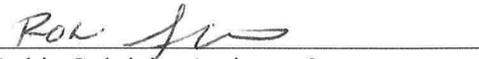
This Amendment is dated this September 19, 2023.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

  
\_\_\_\_\_  
Owen H. Parker, President

  
\_\_\_\_\_  
Chris Green, Vice President

  
\_\_\_\_\_  
Cheryl Moore, Secretary

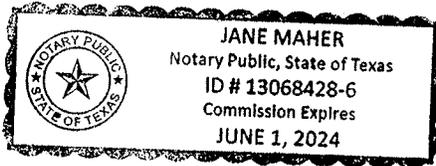
  
\_\_\_\_\_  
Robin Sulpizio, Assistant Secretary

  
\_\_\_\_\_  
Nancy Frank, Assistant Secretary

THE STATE OF TEXAS     §  
COUNTY OF HARRIS     §

BEFORE ME, the undersigned authority on this day personally appeared OWEN H. PARKER, CHRIS GREEN, NANCY FRANK, CHERYL MOORE and ROBIN SUPLIZIO, the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 19<sup>th</sup> day September, 2023.



  
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Notary Public in and for the State of T E X A S

My Commission Expires: 06/01/2024

# Harris County Municipal Utility District Number 109

## Tax Collector's Report

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August 31, 2023

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#### Disbursements for September 19, 2023:

#2334: Ad Valorem Appraisals Inc; Tax A/C Fee-9/2023	\$2,855.76
#2335: Perdue Brandon Fielder Collins & Mott; Tax Atty Fee: 8/2023	3,792.02
#2336: Harris Central Appraisal District; Quarterly Assessment	<u>6,968.00</u>
<b>Total Disbursements for August 15, 2023</b>	<b><u>\$13,615.78</u></b>

Exhibit H

# Harris County Municipal Utility District Number 109

## Tax Collector's Report

Current Period Covered: August 1, 2023 to August 31, 2023

Fiscal Year Beginning: June 1, 2023

<u>Cash Receipts and Disbursements</u>	<u>Current Period</u>	<u>Year to Date</u>
Cash Balance at Beginning of Period	\$457,874.76	\$360,135.78
Collections:		
2022 Tax Collections	17,153.94	113,512.21
2021 Tax Collections	791.15	2,000.67
2020 Tax Collections	0.00	76.53
2019 Tax Collections	0.00	81.25
Penalty and Interest	3,115.09	16,697.54
Tax Attorney Fees	3,792.02	8,844.20
Overpayments	0.00	1,357.33
Returned Checks	-1,802.60	-2,608.06
Interest Earned	<u>330.70</u>	<u>1,073.89</u>
Total Collections	23,380.30	141,035.56
Disbursements:		
Tax Assessor-Collector Fee	2,855.76	8,567.28
Tax Attorney Fee	4,159.55	6,064.29
Appraisal District Quarterly Fee	0.00	6,869.00
Transfer to Bond Fund	196,808.51	196,808.51
Transfer to Maintenance Fund	173,191.49	173,191.49
Refund Overpayments	209.13	5,627.42
Bank Charges	<u>205.02</u>	<u>217.75</u>
Total Disbursements	<u>377,429.46</u>	<u>397,345.74</u>
Cash Balance at End of Period	<u>\$103,825.60</u>	<u>\$103,825.60</u>

# Harris County Municipal Utility District Number 109

## Tax Collector's Report Taxes Receivable Summary as of August 31, 2023

### Taxes Receivable by Year

<u>Year</u>	<u>Adjusted Tax Levy</u>	<u>Collections To Date</u>	<u>Taxes Receivable</u>	<u>Percent Collected</u>
2022	\$3,763,638.45	\$3,716,079.43	\$47,559.02	98.74%
2021	3,382,868.57	3,365,041.29	17,827.28	99.47%
2020	3,164,439.11	3,150,832.29	13,606.82	99.57%
2019	3,081,419.47	3,068,235.41	13,184.06	99.57%
2018	2,906,820.36	2,898,736.30	8,084.06	99.72%
2017	2,895,613.63	2,887,413.78	8,199.85	99.72%
2016	2,808,690.61	2,802,495.88	6,194.73	99.78%
2015	2,573,712.76	2,569,395.25	4,317.51	99.83%
2014	2,301,769.82	2,297,499.32	4,270.50	99.81%
2013	2,097,527.32	2,094,131.49	3,395.83	99.84%
2012	2,071,519.13	2,068,555.04	2,964.09	99.86%
2011	2,121,714.06	2,119,204.35	2,509.71	99.88%
2010	2,138,895.52	2,136,357.45	2,538.07	99.88%
2009	2,160,628.25	2,158,236.79	2,391.46	99.89%
2008	2,142,045.24	2,140,362.08	1,683.16	99.92%
2007	2,084,977.70	2,082,925.07	2,052.63	99.90%
2006	2,108,720.67	2,106,761.21	1,959.46	99.91%
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	1,860,553.66	2,457.42	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	1,156,021.00	32.10	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>
<b>Totals</b>	<b><u>\$72,101,385.02</u></b>	<b><u>\$71,950,733.54</u></b>	<b><u>\$150,651.48</u></b>	<b><u>99.79%</u></b>

# Harris County Municipal Utility District Number 109

## Tax Collector's Report Taxes Receivable Summary as of August 31, 2023

### Tax Roll Information

<u>Year</u>	<u>Taxable Value</u>	<u>Annual Change</u>	<u>Debt Maintenance Tax Rate</u>		<u>Total Tax Rate</u>	<u>Exemptions</u>
2022	800,774,298	13.68%	0.25000	0.22000	0.47000	25,000 O/D
2021	704,424,978	6.85%	0.29000	0.19000	0.48000	25,000 O/D
2020	659,267,550	2.70%	0.31500	0.16500	0.48000	25,000 O/D
2019	641,962,199	8.21%	0.32000	0.16000	0.48000	25,000 O/D
2018	593,228,582	2.44%	0.36000	0.13000	0.49000	10,000 O/D
2017	579,121,338	7.22%	0.36000	0.14000	0.50000	10,000 O/D
2016	540,136,676	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 Tax Collections for August, 2023

<u>Property Owner</u>	<u>Account No</u>	<u>Tax Amount</u>	<u>Pen &amp; Int</u>	<u>Atty/Cost</u>	<u>Overpaid</u>	<u>Total Pmt</u>
2022 Tax Collections:						
Various Accounts	28 Accounts	<u>\$17,153.94</u>	<u>\$2,869.29</u>	<u>\$3,584.76</u>	<u>\$0.00</u>	<u>\$23,607.99</u>
Total 2022 Tax Collections		<u>\$17,153.94</u>	<u>\$2,869.29</u>	<u>\$3,584.76</u>	<u>\$0.00</u>	<u>\$23,607.99</u>
2021 Tax Collections:						
Butta Blends Celebrity Grooming	2344057	\$7.43	\$2.84	\$1.92	\$0.00	\$12.19
Wilson Rita J	108-494-000-0037	<u>783.72</u>	<u>242.96</u>	<u>205.34</u>	<u>0.00</u>	<u>1,232.02</u>
Total 2021 Tax Collections		<u>\$791.15</u>	<u>\$245.80</u>	<u>\$207.26</u>	<u>\$0.00</u>	<u>\$1,244.21</u>

Summary of Other Collections	<u>\$3,115.09</u>	<u>\$3,792.02</u>	<u>\$0.00</u>	<u>\$24,852.20</u>
Returned Checks				-1,802.60
Interest Earnings				<u>330.70</u>
Total Collected during Month				<u>\$23,380.30</u>

# Harris County Municipal Utility District Number 109

## Tax Collector's Report Taxes Receivable Detail as of August 31, 2023

<u>Property Owner</u>	<u>Account No.</u>	<u>2021 Tax</u>	<u>2020 Tax</u>	<u>2019 Tax</u>	<u>2018 Tax</u>	<u>Prior Yrs</u>
Exchange Church Houston	043-206-000-0195	\$0.00	\$816.49	\$0.00	\$0.00	\$0.00
Wu & Chen Investment LLC	102-063-000-0008	0.00	0.00	248.01	0.00	0.00
D:Vineyard Travis & Danell	102-065-000-0007	627.44	559.49	552.96	581.84	3,310.66
D:Gaddis John M	102-068-000-0021	725.87	648.97	758.83	0.00	0.00
D:Catlin Steven L	102-069-000-0004	107.77	97.98	89.07	77.52	0.00
P:Hodge Jerry David	108-488-000-0003	780.19	0.00	0.00	0.00	0.00
Q:Flores Marilu H	108-488-000-0008	214.20	0.00	0.00	0.00	0.00
D:Tolliver Cletis F & Glenda	108-489-000-0011	795.29	728.43	0.00	0.00	0.00
Wilson Rita J	108-494-000-0037	0.00	654.37	0.00	0.00	0.00
Felchak Kenneth W & Ruby	108-496-000-0031	708.44	0.00	0.00	0.00	0.00
Wilson Dewey M	108-497-000-0032	678.39	620.57	603.40	708.16	2,045.11
D:Key Sherry R	109-142-000-0001	599.32	539.39	484.90	360.88	123.40
D:Cartwright Ed & Diane	109-142-000-0034	591.96	591.09	526.44	550.92	4,109.80
D:Brokaw Sharon	109-144-000-0002	544.19	0.00	444.96	475.30	1,010.49
S:Riley Michael E & Tamar	110-750-000-0050	687.13	700.92	0.00	0.00	0.00
James Herbert Jr	111-527-000-0004	865.56	0.00	0.00	0.00	0.00
S:Deyle Kurt	111-527-000-0010	740.13	672.85	611.68	234.17	0.00
Barbosa Jose A Jr & Claudia	111-766-000-0024	0.00	194.59	892.05	0.00	0.00
D:Curry Arthur W & Sharon	113-133-000-0008	406.50	0.00	0.00	0.00	0.00
D:Sanchez Olga	113-142-000-0043	245.73	0.00	0.00	0.00	0.00
S:Jackson Keshell	114-139-009-0015	758.96	717.52	652.30	612.80	1,245.34
Chicosky Gregory P	114-139-010-0017	0.00	0.00	563.41	0.00	0.00
Heng Jonathan	114-139-010-0027	681.48	0.00	0.00	0.00	0.00
D:Paxton Roy C & Debbie M	114-139-010-0036	465.25	429.28	379.35	0.00	188.48
Lacour Carey L & Vanita	114-139-013-0053	739.39	688.33	0.00	0.00	0.00
D:Gonzalez Virginia	114-139-015-0003	596.54	547.43	487.49	527.53	488.00
Geibe Virginia	114-139-015-0004	0.00	0.00	477.24	0.00	0.00
D:Cook Julia S	114-139-015-0036	545.68	609.82	432.25	468.45	3,258.19
Walton Gregory L	114-350-014-0012	561.99	0.00	0.00	0.00	0.00
Blow Frederick E & Cheryl	114-350-015-0118	0.00	0.00	0.00	1,036.24	1,057.39
D:Harris Virginia B	114-350-016-0083	955.49	869.22	855.21	868.88	4,941.84
D:Knight Chris & Terry	115-511-019-0012	1,147.98	1,032.72	0.00	0.00	0.00
S:Mitchem Anna M	115-511-021-0036	0.00	0.00	0.00	258.74	0.00
Rosques Sandra P	116-276-000-0580	0.00	0.00	2,976.58	0.00	0.00
Marendes David K & Joyce	119-848-002-0024	121.99	0.00	0.00	0.00	0.00
Holley Guniganti Kings	120-416-002-0007	26.84	0.00	0.00	0.00	0.00
Rivergrove HOA	18 Accounts	242.21	0.00	0.00	0.00	0.00
Digital Professionals Compt	2064780	21.63	21.63	21.63	21.89	135.32
B & L Capital Inc	2154083	19.99	20.08	15.90	24.08	206.42
Kevin R Culp	2157330	41.58	43.58	43.58	46.42	411.16
S:Dupree Express Trucking	2172915	86.07	86.07	86.07	99.37	842.14
ARC Insurance Agency	2209050	43.75	43.75	43.75	44.66	140.35
S:James Lewis	2213148	16.57	24.50	31.25	39.75	298.50
Phones-R-Us Inc	2289501	54.29	54.29	54.29	54.59	0.00
Tomas A Arden Landaverde	2313791	85.23	0.00	0.00	0.00	0.00
Serenty Health Services LL	2337347	30.91	40.32	0.00	0.00	0.00
Gabriel Martinez	2338191	96.76	0.00	0.00	0.00	0.00
Amfah Investments LLC	2343023	210.67	175.29	0.00	0.00	0.00
Spoiled Mutts	2343180	90.26	90.26	0.00	0.00	0.00
Di Maria Fresh Food	2343249	121.47	0.00	0.00	0.00	0.00
Fresh Ink Media Group	2344047	54.92	54.92	0.00	0.00	0.00
Adorn Tattoo	2344404	18.40	18.40	0.00	0.00	0.00
Cobos BBQ LLC	2352871	146.40	146.40	0.00	0.00	0.00

# Harris County Municipal Utility District Number 109

## Tax Collector's Report Taxes Receivable Detail as of August 31, 2023

<u>Property Owner</u>	<u>Account No.</u>	<u>2021 Tax</u>	<u>2020 Tax</u>	<u>2019 Tax</u>	<u>2018 Tax</u>	<u>0.00</u>
All Me Hotshot Logistics	2353748	87.38	0.00	0.00	0.00	0.00
Ismeal Anaya	2363334	226.80	287.85	0.00	0.00	0.00
Prior Years Personal Property		<u>212.29</u>	<u>780.02</u>	<u>851.50</u>	<u>991.06</u>	<u>26,087.56</u>
Total Receivable		<u>\$17,827.28</u>	<u>\$13,606.82</u>	<u>\$13,184.10</u>	<u>\$8,083.25</u>	<u>49,900.15</u>



# 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 2023

#### Categories

Burglary Habitation: 0	Burglary Vehicle: 1	Theft Habitation: 0
Theft Vehicle: 0	Theft Other: 1	Robbery: 0
Assault: 1	Sexual Assault: 0	Criminal Mischief: 1
Disturbance Family: 12	Disturbance Juvenile: 0	Disturbance Other: 2
Alarms: 13	Suspicious Vehicles: 13	Suspicious Persons: 9
Runaways: 1	Phone Harrassment: 3	Other Calls: 619

#### 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
H67	22	2	2	0	0	15	0	0	825	15
H68	43	34	28	0	0	25	0	2	658	15
H69	38	4	10	0	0	52	0	1	624	18
<b>TOTAL</b>	<b>103</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>0</b>	<b>3</b>	<b>2107</b>	<b>48</b>

#### Summary of Events

##### Alarms:

Deputies responded to 13 alarm calls that were cleared as false.

##### Checks:

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

19600 Timber Forest Dr. - Deputy conducted a traffic stop. Investigation revealed that the driver of said vehicle was operating it without a driver license nor financial responsibility. Vehicle was towed.

19600 Timber Forest Dr – Deputy conducted a traffic stop on a vehicle. During the investigation, a small amount of marijuana was located. A report was completed.

5300 Enchanted Timbers Dr – Deputy conducted a traffic stop on a vehicle for running a stop sign. The driver was found to be in possession of marijuana and entered into the diversion program.

#### Burglar Motor Vehicle:

5900 River Timber Trl- Deputy responded to a burglary motor vehicle. Investigation revealed unknown suspect unlawfully entered the complainant's vehicle, taken valuables and fled undetected.

#### Theft Other:

19400 Climbing Oaks Dr.- Deputies were dispatched to a theft other type call. Investigation revealed that unknown suspect stole a license plate from a vehicle. Report was completed.

#### Assault:

19800 Oak Briar Dr.- Deputies were dispatched to an assault type call. Investigation revealed that victim had been pushed by a known suspect over some money. Charges were declined and a report was completed.

#### Criminal Mischief:

5600 FM 1960 RD E- Deputy responded to a call for service. Investigations revealed that unknown suspect(s) damage complainant property and fled undetected.

#### Family Disturbance:

18200 Tree Moss Ct.- Deputies were dispatched to a family disturbance type call. Investigation revealed that intoxicated male was causing a disturbance with family. Report was completed.

19700 Burle Oaks Ct.- Deputies were dispatched to a family disturbance type call. Investigation revealed that known subjects were involved in a verbal altercation which resulted in mutual combat. No charges filed.

19700 Swiftbrook Dr – Deputy was dispatched to a family disturbance. Investigation revealed family members engaged in a disturbance. No charges filed.

19700 Swiftbrook Dr – Deputy responded to a family disturbance. Investigation revealed family members engaged in a physical altercation. Charges were filed.

5500 Coon Tree Ct.- Deputies were dispatched to a family disturbance type call. Investigation revealed that a couple were involved in a verbal altercation only. Report was completed.

19800 Misty Pines Dr- Deputies responded to a family disturbance type call. Investigation revealed family engage in a verbal altercation that turned physical. No charges filed.

20000 Faye Oaks Dr. - Deputies responded to a family disturbance type call. Investigation revealed family engage in an altercation that turned physical and the suspect pulled a knife. Charges filed and suspect was transported to Harris County Jail.

19800 Swiftbook Dr. - Deputy responded to a family disturbance. Investigation revealed family members engaged in a verbal altercation. No charges filed.

5400 Dove Forest Ln- Deputy responded to a family disturbance. Investigation revealed family members engaged in a verbal altercation. No charges filed.

20300 Dawn Mist Dr. - Deputy responded to a family disturbance. Investigation revealed family members engaged in a verbal altercation complainant claimed suspect threatening him. No charges filed.

5600 FM 1960 Rd E- Deputy responded to a family disturbance. Investigation revealed family members engaged in a verbal altercation. No charges filed.

5400 Fawn Trail Ln- Deputies responded to a family disturbance type call. Investigation revealed family engage in a verbal altercation that turned physical. No charges filed.

#### Suspicious Vehicles:

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

#### Suspicious Persons:

Contract Patrol deputies responded to 9 suspicious person calls within the community. All these scenes were utilized to gather intelligence and were all cleared without incident after thorough investigations.

#### Runaway:

5400 Heronwood Dr. - Deputy responded to a runaway type of call. Investigation revealed a juvenile refused to come home.

#### Phone Harassment:

5200 Treewood Dr. - Deputies responded to a call for service. Investigation revealed that known suspect was harassing complainant.

5600 Deer Timbers Trl- Deputies responded to a call for service. Investigation revealed that known suspect was harassing complainant.

5200 Treewood Dr. - Deputy responded to a Harassment type call. Investigation revealed known suspect was harassing her via social media.

#### Other:

19900 Big Timber Dr. - Deputy responded to a Terroristic Threat type call. Investigation revealed an unknown male sent complainant threatening messages.

20600 W. Lake Houston Pkwy- Deputies responded to a Burglary call. Investigation revealed unknown suspect(s) unlawfully entered business, taken valuables and fled undetected.

20100 Bambiwoods Dr. – Deputy responded to a call for service. Investigation revealed that child fell and injured himself.

5600 FM 1960 RD E- Deputy responded to a call for service. Investigation revealed that unknown male exposed himself to complainant, unknown male left prior to arrival.

5900 Ancient Oaks Dr.- Deputies were dispatched to welfare check type call. A reporter located a lost elderly woman walking in the street. She was transported to a hospital for evaluation.

5900 Ancient Oaks Dr.- Deputies were dispatched to a meet the citizen call. Investigation revealed the homeowner left items in a box at the curb and an unknown person collected the items. The reporter wanted a report not knowing what the wife put in the boxes.

19500 Merrillwood Dr – Deputies responded to a meet the citizen call. Investigation revealed the reporter paid for a tuxedo and the business went bankrupt not refunding the payment. Person wanted a police report.

19600 Forest Fern Dr – Deputies responded to a welfare check. A family member was inside the residence, nonresponsive, and missed a flight which caused family to be alarmed. Forced entry was requested by the family. Entry was made to check on the subject who was found asleep due to taking too many sleeping pills.

19400 Atasca Oaks Dr – Deputies responded to a meet the citizen call. The reporter wanted a report documenting that his lady friend gave him an STD.

19300 Leewood Ct – Deputy responded to a fraudulent use of ID call. Investigation revealed unknown suspect withdrew money from the complainant's account.



MUNICIPAL ACCOUNTS  
& CONSULTING, L.P.

**Bookkeeper's Report | September 19, 2023**

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

Exhibit J



**WEBSITE**

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



**ADDRESS**

1281 Brittmoore Road  
Houston, Texas 77043



**CONTACT**

Phone: 713.623.4539  
Fax: 713.629.6859

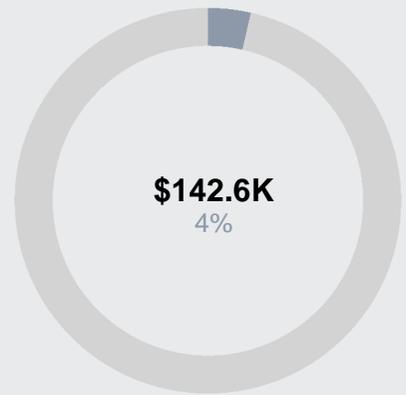
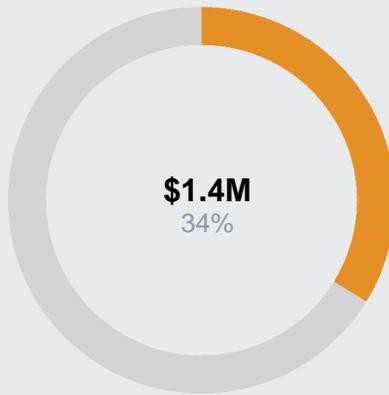
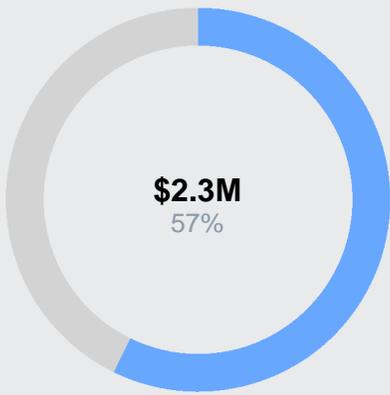
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## Spotlight On Long Term Planning & Balancing Revenues

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

● WATER/WASTEWATER      ● MAINTENANCE TAX      ● SALES TAX/INVESTMENTS/TAP CONNECTIONS

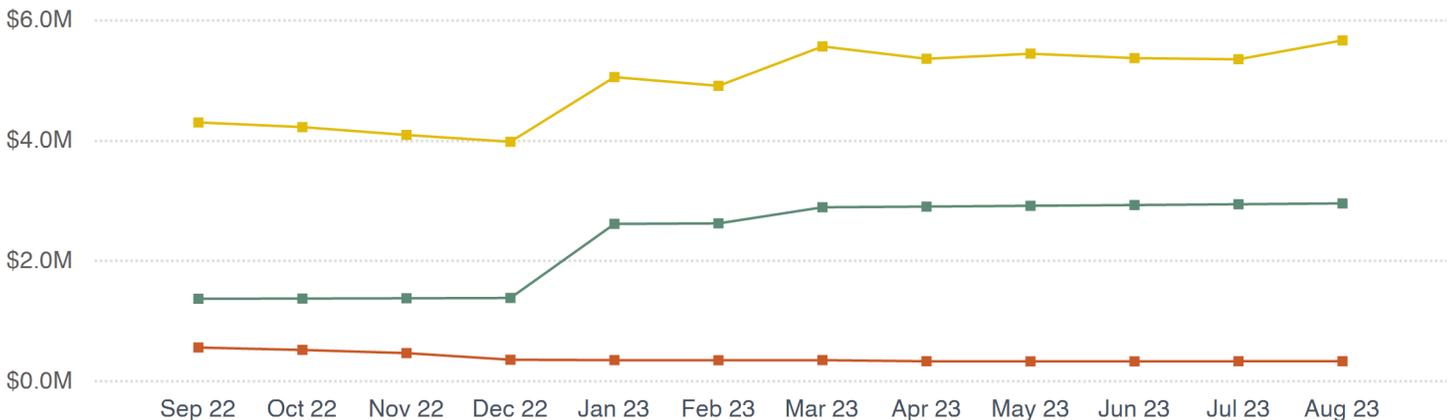


### Account Balance | As of 09/19/2023

General Operating	Capital Projects	Debt Service
\$5,104,699	\$337,184	\$3,155,821

**Total For All Accounts: \$8,597,704**

### Account Balance By Month | September 2022 - August 2023



# Monthly Financial Summary - General Operating Fund

Harris County MUD No. 109 - GOF



## Account Balance Summary

Balance as of 08/16/2023 **\$5,009,464**

Receipts 1,037,782

Disbursements (942,548)

Balance as of 09/19/2023 **\$5,104,699**

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

—■ Current Year Revenues      - - -◆ Prior Year Revenues  
—▲ Current Year Expenditures      - - -▲ Prior Year Expenditures



## August 2023

### Revenues

Actual	Budget	Over/(Under)
\$518,517	\$443,802	\$74,716

### Expenditures

Actual	Budget	Over/(Under)
\$382,039	\$364,168	\$17,870

## June 2023 - August 2023 (Year to Date)

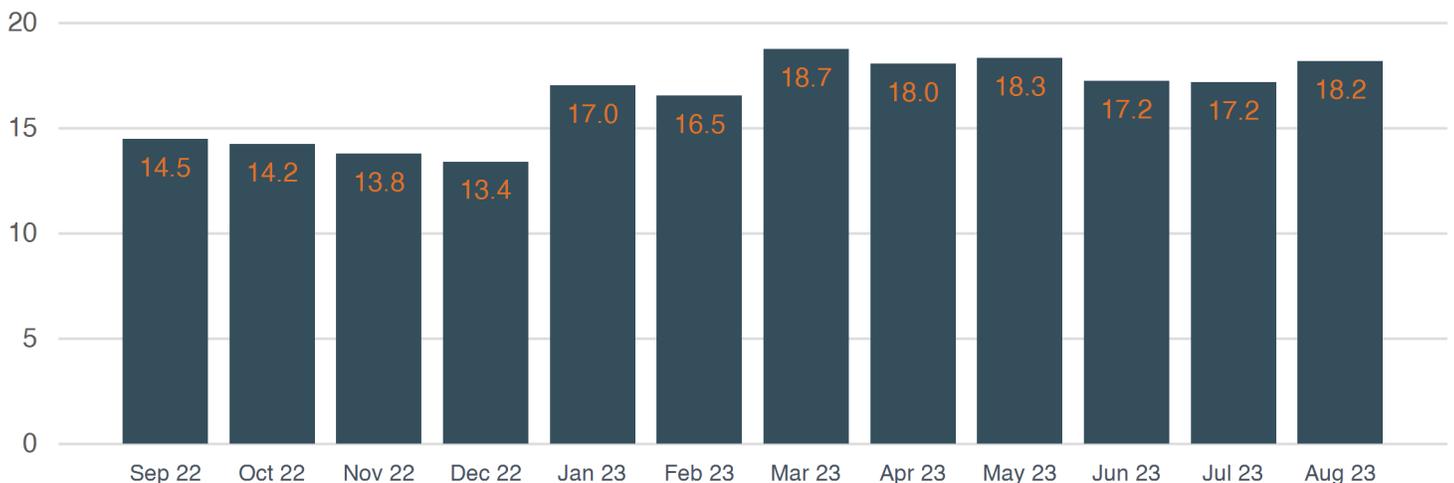
### Revenues

Actual	Budget	Over/(Under)
\$1,065,221	\$1,119,930	(\$54,708)

### Expenditures

Actual	Budget	Over/(Under)
\$1,024,251	\$1,108,716	(\$84,465)

## Operating Fund Reserve Coverage Ratio (In Months)



# Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF



Number	Name	Memo	Amount	Balance
<b>Balance as of 08/16/2023</b>				<b>\$24,758.47</b>
<b>Receipts</b>				
	HC 151 Water Supply		5,615.10	
	City of Houston - Sales Tax Rebate		8,327.03	
	Dividend Texas Mutual		93.00	
	Sweep from Lockbox Account		266,731.93	
	Interest Earned on Checking		155.86	
	City of Houston - Sales Tax Rebate		10,237.76	
	Wire Transfer from Money Market		100,000.00	
<b>Total Receipts</b>				<b>\$391,160.68</b>

## Disbursements

16161	Angel Lopez	VOID: Customer Refund - Check 16161	0.00
16206	Robin Sulpizio	VOID: Fees of Office - 08/15/2023	0.00
16264	Brightspeed	Telephone Expense	(893.64)
16266	Cheryl C. Moore	Fees of Office - 09/19/2023	(204.10)
16267	Chris Green	Fees of Office - 09/19/2023	(204.09)
16268	Nancy Frank	Fees of Office - 09/19/2023	(204.09)
16269	Owen H. Parker	Fees of Office - 09/19/2023	(204.08)
16270	Robin Sulpizio	Fees of Office - 09/19/2023	(204.10)
16271	Cheryl C. Moore	Expense	(29.95)
16272	Chris Green	Fees of Office - 08/24,09/11/23	(472.49)
16273	Nancy Frank	Expense	(86.26)
16274	Owen H. Parker	Fees of Office - 08/24,09/11/23	(448.19)
16275	Robin Sulpizio	Expense	(65.00)
16276	Alicia Chapman	Customer Refund	(49.14)
16277	Buckeye Rentals, L.P.	Customer Refund	(39.57)
16278	Christina Salgado	Customer Refund	(5.63)
16279	Corinna Hutchinson	Customer Refund	(184.40)
16280	Daluc Corporation	Customer Refund	(14.46)
16281	Daniel Pogue	Customer Refund	(7.61)
16282	Deva Fields	Customer Refund	(2.15)
16283	DHI Holdings, LP.	Customer Refund	(161.42)
16284	Eduardo Lopez	Customer Refund	(82.28)
16285	Erica Garza	Customer Refund	(75.00)
16286	Erika N Backhus	Customer Refund	(56.17)
16287	Home SFR Borrower, LLC	Customer Refund	(176.70)
16288	Ian Judi Adler	Customer Refund	(17.10)
16289	Jennifer Lynn Saxton	Customer Refund	(77.76)
16290	Jose Martinez	Customer Refund	(116.49)
16291	Key Realtors	Customer Refund	(202.21)
16292	Kristofer Morales	Customer Refund	(93.34)
16293	Lepp Capital, LLC	Customer Refund	(61.46)

# Cash Flow Report - Checking Account

Harris County MUD No. 109 - GOF



Number	Name	Memo	Amount	Balance
<b>Disbursements</b>				
16294	Loan Kim Vo	Customer Refund	(23.66)	
16295	Mike Fletcher	Customer Refund	(177.38)	
16296	Opendoor Labs, Inc	Customer Refund	(64.16)	
16297	Ray Sandquist	Customer Refund	(0.60)	
16298	Real Property Management..	Customer Refund	(74.36)	
16299	Sagufa Sultana	Customer Refund	(56.98)	
16300	Sarah Vasquez	Customer Refund	(37.86)	
16301	Scott Barlow	Customer Refund	(49.14)	
16302	Stephen & Ashley Clark	Customer Refund	(102.56)	
16303	Stephen Hipp	Customer Refund	(65.79)	
16304	Tobiah Ray Faulkner	Customer Refund	(50.04)	
16305	Shaneah Thompson	Customer Refund	(1,001.37)	
16306	Angel Lopez and Edgla R Jimenez	Customer Refund - Reissue Chk16161	(42.20)	
16307	Atascocita Joint Operations Board	Schedule B & C Costs	(55,661.18)	
16308	BGE, Inc.	Engineering Fees	(11,026.40)	
16309	CDC Unlimited, LLC	Mowing Expense	(2,929.00)	
16310	Chlorinator Maint. Co., Inc.	Repairs & Maintenance	(1,378.10)	
16311	DXI Industries	Chemical Expenses	(2,712.41)	
16312	G-M Inspection Services, Inc.	Well Performance Test	(800.00)	
16313	Generator Service	Maintenance & Repairs	(2,062.80)	
16314	GFL Environmental	Garbage Expense	(1,136.57)	
16315	Hawkins, Inc	Chemicals Expense	(16,524.00)	
16316	Hudson Energy	Utilities	(11,814.48)	
16317	Municipal Accounts & Consulting, L.P.	Bookkeeping Fees	(5,641.71)	
16318	NHCRWA	Water Authority Fees	(193,333.25)	
16319	Source Point Solutions	Repairs & Maintenance	(5,427.51)	
16320	Water Utility Services, Inc.	Laboratory Fees	(340.00)	
16321	WWWMS	Maintenance and Operations	(54,715.36)	
16322	Norton Rose Fulbright US LLP	Legal Fees	(6,480.74)	
16323	Brightspeed	Telephone Expense	0.00	
16324	Centerpoint Energy	Utilities Expense	0.00	
Svc Chrg	Central Bank	Service Charge	(25.00)	
<b>Total Disbursements</b>			<b>(\$378,193.49)</b>	
<b>Balance as of 09/19/2023</b>				<b>\$37,725.66</b>

# Cash Flow Report - Operator Account

Harris County MUD No. 109 - GOF



Number	Name	Memo	Amount	Balance
<b>Balance as of 08/16/2023</b>				<b>\$178,760.43</b>
<b>Receipts</b>				
	Accounts Receivable		96,320.18	
	Accounts Receivable		157,958.20	
	Inspection Fees		150.00	
<b>Total Receipts</b>				<b>\$254,428.38</b>
<b>Disbursements</b>				
Ret Ck	Central Bank	Customer Returned Checks (3)	(808.75)	
Svc Chrg	Central Bank	Service Charge	(5.00)	
Sweep	Harris County MUD 109	Transfer to Checking Account	(266,731.93)	
<b>Total Disbursements</b>				<b>(\$267,545.68)</b>
<b>Balance as of 09/19/2023</b>				<b>\$165,643.13</b>

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



	August 2023			June 2023 - August 2023			Annual Budget
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	
<b>Revenues</b>							
<b>Water Revenue</b>							
14101 Water- Customer Service Revenue	72,341	68,760	3,581	182,100	206,280	(24,180)	573,000
14102 Surface Water - Reserve	168,438	170,244	(1,806)	407,986	510,732	(102,746)	1,418,700
14105 Connection Fees	3,425	2,583	842	7,750	7,750	0	31,000
14108 Water Sales to HC 151	1,447	1,795	(348)	3,637	4,149	(512)	13,500
<b>Total Water Revenue</b>	<b>245,651</b>	<b>243,382</b>	<b>2,269</b>	<b>601,474</b>	<b>728,911</b>	<b>(127,437)</b>	<b>2,036,200</b>
<b>Wastewater Revenue</b>							
14201 Wastewater-Customer Service Rev	60,045	54,950	5,095	171,624	164,850	6,774	659,400
<b>Total Wastewater Revenue</b>	<b>60,045</b>	<b>54,950</b>	<b>5,095</b>	<b>171,624</b>	<b>164,850</b>	<b>6,774</b>	<b>659,400</b>
<b>Property Tax Revenue</b>							
14301 Maintenance Tax Collections	173,191	105,120	68,071	173,191	105,120	68,071	1,722,365
<b>Total Property Tax Revenue</b>	<b>173,191</b>	<b>105,120</b>	<b>68,071</b>	<b>173,191</b>	<b>105,120</b>	<b>68,071</b>	<b>1,722,365</b>
<b>Sales Tax Revenue</b>							
14401 COH Rebate	8,327	8,108	219	25,879	24,325	1,554	97,300
<b>Total Sales Tax Revenue</b>	<b>8,327</b>	<b>8,108</b>	<b>219</b>	<b>25,879</b>	<b>24,325</b>	<b>1,554</b>	<b>97,300</b>
<b>Tap Connection Revenue</b>							
14501 Tap Connections	0	1,250	(1,250)	0	3,750	(3,750)	15,000
14502 Inspection Fees	951	817	134	2,703	2,450	253	9,800
<b>Total Tap Connection Revenue</b>	<b>951</b>	<b>2,067</b>	<b>(1,116)</b>	<b>2,703</b>	<b>6,200</b>	<b>(3,497)</b>	<b>24,800</b>
<b>Administrative Revenue</b>							
14702 Penalties & Interest	7,910	7,908	2	23,133	23,725	(592)	94,900
<b>Total Administrative Revenue</b>	<b>7,910</b>	<b>7,908</b>	<b>2</b>	<b>23,133</b>	<b>23,725</b>	<b>(592)</b>	<b>94,900</b>
<b>Interest Revenue</b>							
14801 Interest Earned on Checking	156	200	(44)	451	600	(149)	2,400
14802 Interest Earned on Temp. Invest	22,193	22,008	185	64,455	66,024	(1,569)	264,094
<b>Total Interest Revenue</b>	<b>22,349</b>	<b>22,208</b>	<b>141</b>	<b>64,905</b>	<b>66,624</b>	<b>(1,718)</b>	<b>266,494</b>
<b>Other Revenue</b>							
15801 Miscellaneous Income	93	58	35	2,312	175	2,137	700
<b>Total Other Revenue</b>	<b>93</b>	<b>58</b>	<b>35</b>	<b>2,312</b>	<b>175</b>	<b>2,137</b>	<b>700</b>
<b>Total Revenues</b>	<b>518,517</b>	<b>443,802</b>	<b>74,716</b>	<b>1,065,221</b>	<b>1,119,930</b>	<b>(54,708)</b>	<b>4,902,159</b>

## Expenditures

### Water Service

16102 Operations - Water	9,605	9,650	(45)	28,684	28,950	(266)	115,800
16105 Maintenance & Repairs - Water	25,217	33,333	(8,117)	72,104	100,000	(27,896)	400,000

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



		August 2023			June 2023 - August 2023			Annual Budget
		Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	
<b>Expenditures</b>								
<b>Water Service</b>								
16107	Chemicals - Water	15,870	6,333	9,537	33,661	19,000	14,661	76,000
16108	Laboratory Expense - Water	650	658	(8)	1,950	1,975	(25)	7,900
16109	Mowing - Water	1,543	1,125	418	5,399	3,375	2,024	13,500
16110	Utilities - Water	10,545	9,083	1,461	30,660	27,250	3,410	109,000
16111	Reconnections	1,290	925	365	3,135	2,775	360	11,100
16112	Disconnection Expense	420	425	(5)	1,020	1,275	(255)	5,100
16113	Service Account Collection	2,286	2,617	(331)	6,565	7,850	(1,285)	31,400
16114	Telephone Expense - Water	557	483	73	1,470	1,450	20	5,800
16116	Permit Expense - Water	0	658	(658)	0	1,975	(1,975)	7,900
16117	TCEQ Regulatory Expense - Water	0	0	0	0	0	0	3,081
16118	Surface Water Fee	193,333	187,464	5,869	449,821	562,392	(112,571)	1,562,200
<b>Total Water Service</b>		<b>261,315</b>	<b>252,756</b>	<b>8,559</b>	<b>634,468</b>	<b>758,267</b>	<b>(123,799)</b>	<b>2,348,781</b>
<b>Wastewater Service</b>								
16202	Operations - Wastewater	2,385	2,400	(15)	7,127	7,200	(73)	28,800
16204	Purchase Wastewater Service	55,667	41,800	13,867	166,830	125,400	41,430	501,600
16205	Maint & Repairs - Wastewater	11,652	15,717	(4,064)	46,807	47,150	(343)	188,600
16207	Chemicals - Wastewater	0	392	(392)	331	1,175	(843)	4,700
16208	Laboratory Fees - Wastewater	0	233	(233)	212	700	(488)	2,800
16209	Mowing - Wastewater	1,387	967	420	4,853	2,900	1,953	11,600
16210	Utilities - Lift Station	1,270	2,225	(955)	6,690	6,675	15	26,700
16214	Telephone Expense - Wastewater	337	458	(121)	1,217	1,375	(158)	5,500
16217	TCEQ Regulatory Exp-Wastewater	0	0	0	0	0	0	3,081
<b>Total Wastewater Service</b>		<b>72,697</b>	<b>64,192</b>	<b>8,505</b>	<b>234,066</b>	<b>192,575</b>	<b>41,491</b>	<b>773,381</b>
<b>Garbage Service</b>								
16301	Garbage Expense	1,137	1,147	(10)	2,565	3,441	(876)	13,764
<b>Total Garbage Service</b>		<b>1,137</b>	<b>1,147</b>	<b>(10)</b>	<b>2,565</b>	<b>3,441</b>	<b>(876)</b>	<b>13,764</b>
<b>Tap Connection</b>								
16501	Tap Connection Expense	0	583	(583)	0	1,750	(1,750)	7,000
16502	Inspection Expense	1,407	1,158	249	4,027	3,475	551	13,900
<b>Total Tap Connection</b>		<b>1,407</b>	<b>1,742</b>	<b>(334)</b>	<b>4,027</b>	<b>5,225</b>	<b>(1,199)</b>	<b>20,900</b>
<b>Administrative Service</b>								
16703	Legal Fees	6,465	5,283	1,182	17,195	15,850	1,345	63,400
16705	Auditing Fees	0	0	0	14,500	14,500	0	18,000
16706	Engineering Fees	9,552	6,667	2,886	28,283	20,000	8,283	80,000
16709	Election Expense	0	833	(833)	0	2,500	(2,500)	10,000
16710	Website Expense	0	75	(75)	188	225	(38)	900
16712	Bookkeeping Fees	5,329	6,160	(831)	15,348	18,480	(3,132)	56,000

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



	August 2023			June 2023 - August 2023			Annual Budget
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	
<b>Expenditures</b>							
<b>Administrative Service</b>							
16714 Printing & Office Supplies	2,472	2,525	(53)	7,125	7,575	(450)	30,300
16716 Delivery Expense	54	25	29	149	75	74	300
16717 Postage	49	58	(9)	155	175	(20)	700
16718 Insurance & Surety Bond	0	0	0	0	0	0	39,900
16719 AWBD Expense	0	0	0	1,900	500	1,400	13,200
16722 Bank Service Charges	30	92	(62)	135	275	(140)	1,100
16723 Travel Expense	48	117	(68)	99	350	(251)	1,400
16727 Arbitrage Expense	0	0	0	0	1,500	(1,500)	3,250
16728 Record Storage Fees	26	33	(7)	78	100	(22)	400
<b>Total Administrative Service</b>	<b>24,026</b>	<b>21,868</b>	<b>2,158</b>	<b>85,155</b>	<b>82,105</b>	<b>3,050</b>	<b>318,850</b>
<b>Security Service</b>							
16801 Security Patrol Expense	19,400	19,708	(308)	58,200	59,125	(925)	236,500
16802 Security Monitoring	0	92	(92)	250	275	(25)	1,100
<b>Total Security Service</b>	<b>19,400</b>	<b>19,800</b>	<b>(400)</b>	<b>58,450</b>	<b>59,400</b>	<b>(950)</b>	<b>237,600</b>
<b>Payroll Expense</b>							
17101 Payroll Expenses	1,427	2,083	(656)	3,527	6,250	(2,723)	25,000
<b>Total Payroll Expense</b>	<b>1,427</b>	<b>2,083</b>	<b>(656)</b>	<b>3,527</b>	<b>6,250</b>	<b>(2,723)</b>	<b>25,000</b>
<b>Other Expense</b>							
17802 Miscellaneous Expense	340	292	49	954	875	79	3,500
<b>Total Other Expense</b>	<b>340</b>	<b>292</b>	<b>49</b>	<b>954</b>	<b>875</b>	<b>79</b>	<b>3,500</b>
<b>Total Expenditures</b>	<b>381,750</b>	<b>363,879</b>	<b>17,870</b>	<b>1,023,211</b>	<b>1,108,138</b>	<b>(84,927)</b>	<b>3,741,776</b>
<b>Total Revenues (Expenditures)</b>	<b>136,768</b>	<b>79,923</b>	<b>56,845</b>	<b>42,010</b>	<b>11,791</b>	<b>30,219</b>	<b>1,160,383</b>

## Other Expenditures

### Capital Outlay

17901 Capital Outlay							
17901a Capital Outlay - General	0	0	0	462	0	462	0
17901b Capital Outlay - AJOB	0	0	0	0	0	0	50,000
17901c WP 1 Well Rehab	0	0	0	0	0	0	200,000
17901d WP 1 Electrical Improvements	0	0	0	0	0	0	250,000
17901e WP 1 GST 1 Replacement	0	0	0	0	0	0	250,000
17901f HC 46 Water Interconnect	0	0	0	0	0	0	50,000
17901g Manhole Valve Rehab	0	0	0	0	0	0	250,000
<b>Total Capital Outlay</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>462</b>	<b>0</b>	<b>462</b>	<b>1,050,000</b>
17904 Capital Outlay - Barents Dr L/S	289	289	0	578	578	0	50,000
<b>Total Capital Outlay</b>	<b>289</b>	<b>289</b>	<b>0</b>	<b>1,040</b>	<b>578</b>	<b>462</b>	<b>1,100,000</b>

# Actual vs. Budget Comparison

Harris County MUD No. 109 - GOF



	August 2023			June 2023 - August 2023			Annual Budget
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	
<b>Other Expenditures</b>							
<b>Total Other Expenditures</b>	289	289	0	1,040	578	462	1,100,000
<b>Total Other Revenues (Expenditures)</b>	(289)	(289)	0	(1,040)	(578)	(462)	(1,100,000)
<b>Excess Revenues (Expenditures)</b>	136,479	79,633	56,845	40,971	11,213	29,757	60,383

# Balance Sheet as of 08/31/2023

Harris County MUD No. 109 - GOF



## Assets

### Bank

11101 Cash in Bank	\$304,763
11102 Operator	165,643
<b>Total Bank</b>	<b>\$470,406</b>

### Investments

11201 Time Deposits	\$5,198,139
<b>Total Investments</b>	<b>\$5,198,139</b>

### Receivables

11301 Accounts Receivable	\$353,388
11303 Maintenance Tax Receivable	105,651
11305 Accrued Interest	5,684
11306 Due From COH	26,752
<b>Total Receivables</b>	<b>\$491,475</b>

### Interfund Receivables

11403 Due From Tax Account	\$550,797
<b>Total Interfund Receivables</b>	<b>\$550,797</b>

### Reserves

11601 Reserve in A.C.P.	\$263,420
<b>Total Reserves</b>	<b>\$263,420</b>

## Total Assets

**\$6,974,236**

## Liabilities & Equity

### Liabilities

#### Accounts Payable

12101 Accounts Payable	\$296,965
12102 Payroll Liabilities	341
<b>Total Accounts Payable</b>	<b>\$297,305</b>

#### Other Current Liabilities

12202 Due to TCEQ	\$2,351
<b>Total Other Current Liabilities</b>	<b>\$2,351</b>

#### Interfund Payables

12402 Due To Debt Service	\$196,809
<b>Total Interfund Payables</b>	<b>\$196,809</b>

#### Deferrals

12502 Deferred Taxes	\$105,651
<b>Total Deferrals</b>	<b>\$105,651</b>

# Balance Sheet as of 08/31/2023

Harris County MUD No. 109 - GOF



## Liabilities & Equity

Liabilities	
Deposits	
12601 Customer Meter Deposits	\$306,496
12606 Zimmerman Properties - 9 acre	503
12607 Madden Tract	172
12608 Woodland Hills Annexation	3,815
<b>Total Deposits</b>	<b>\$310,986</b>
<b>Total Liabilities</b>	<b>\$913,102</b>
Equity	
Unassigned Fund Balance	
13101 Unallocated Fund Balance	\$6,020,164
<b>Total Unassigned Fund Balance</b>	<b>\$6,020,164</b>
Net Income	\$40,971
<b>Total Equity</b>	<b>\$6,061,134</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$6,974,236</b>

# Monthly Financial Summary - Capital Projects Fund

Harris County MUD No. 109 - CPF

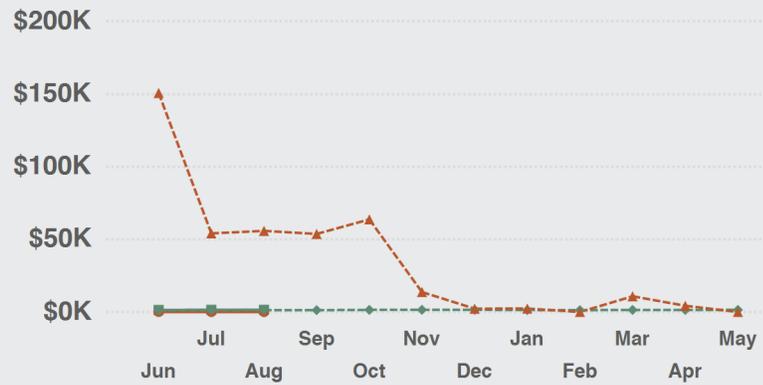


## Account Balance Summary

<b>Balance as of 08/16/2023</b>	<b>\$335,625</b>
Receipts	1,564
Disbursements	(5)
<b>Balance as of 09/19/2023</b>	<b>\$337,184</b>

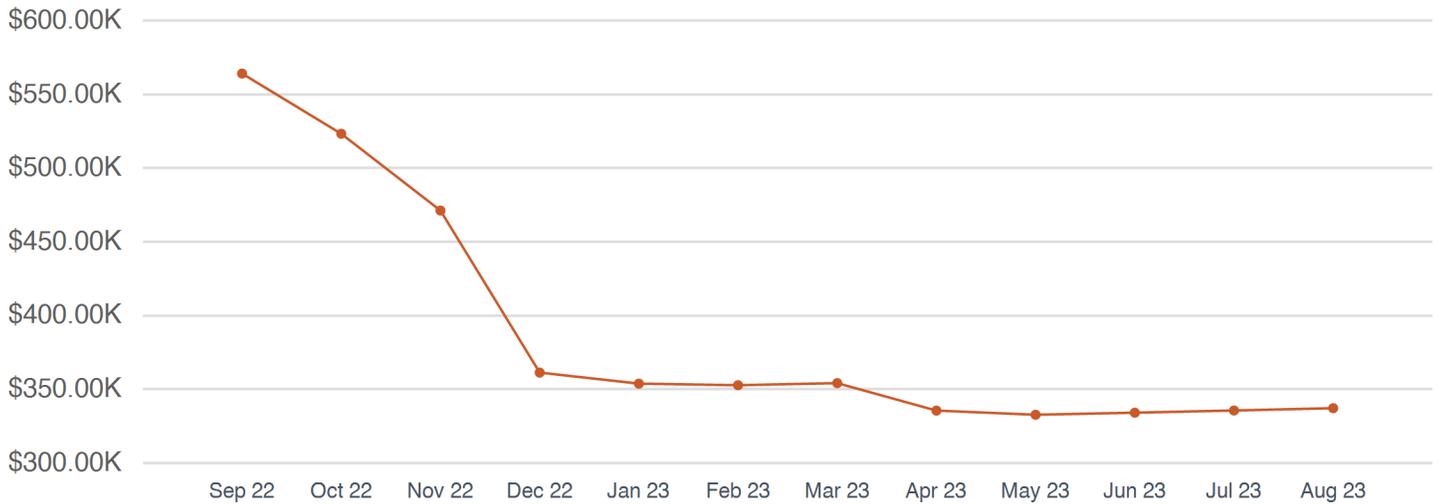
## Overall Revenues & Expenditures By Month (Year to Date)

—●— Current Year Revenues      - - -●- - - Prior Year Revenues  
—●— Current Year Expenditures      - - -●- - - Prior Year Expenditures



## Account Balance By Month | September 2022 - August 2023

—●— CAPITAL PROJECTS FUND



# Cash Flow Report - Checking Account

Harris County MUD No. 109 - CPF



Number	Name	Memo	Amount	Balance
<b>Balance as of 08/16/2023</b>				<b>\$115.00</b>
<b>Receipts</b>				
	No Receipts Activity		0.00	
<b>Total Receipts</b>				<b>\$0.00</b>
<b>Disbursements</b>				
Svc Chrg	Central Bank	Service Charge	(5.00)	
<b>Total Disbursements</b>				<b>(\$5.00)</b>
<b>Balance as of 09/19/2023</b>				<b>\$110.00</b>

# District Debt Summary as of 09/19/2023

Harris County MUD No. 109 - DSF



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

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

## Outstanding Debt Breakdown

Series Issued	Original Bonds Issued	Maturity Date	Principal Outstanding
2021 - Refunding	\$3,705,000	2029	\$3,685,000
2017 - WS&D	\$12,100,000	2041	\$11,290,000
2015 - Refunding	\$5,920,000	2030	\$5,425,000
<b>Total</b>	<b>\$21,725,000</b>		<b>\$20,400,000</b>

# District Debt Schedule

Harris County MUD No. 109 - DSF



Paying Agent	Series	Principal	Interest	Total
Bank of New York	2021 - Refunding	\$790,000.00	\$49,125.00	\$839,125.00
Bank of New York	2017 - WS&D	\$440,000.00	\$182,071.89	\$622,071.89
Regions Bank	2015 - Refunding	\$225,000.00	\$70,308.00	\$295,308.00
<b>Total Due 10/01/2023</b>		<b>\$1,455,000.00</b>	<b>\$301,504.89</b>	<b>\$1,756,504.89</b>

Paying Agent	Series	Principal	Interest	Total
Bank of New York	2021 - Refunding	\$0.00	\$37,275.00	\$37,275.00
Bank of New York	2017 - WS&D	\$0.00	\$177,671.88	\$177,671.88
Regions Bank	2015 - Refunding	\$0.00	\$67,392.00	\$67,392.00
<b>Total Due 04/01/2024</b>		<b>\$0.00</b>	<b>\$282,338.88</b>	<b>\$282,338.88</b>

# Investment Profile as of 09/19/2023

Harris County MUD No. 109

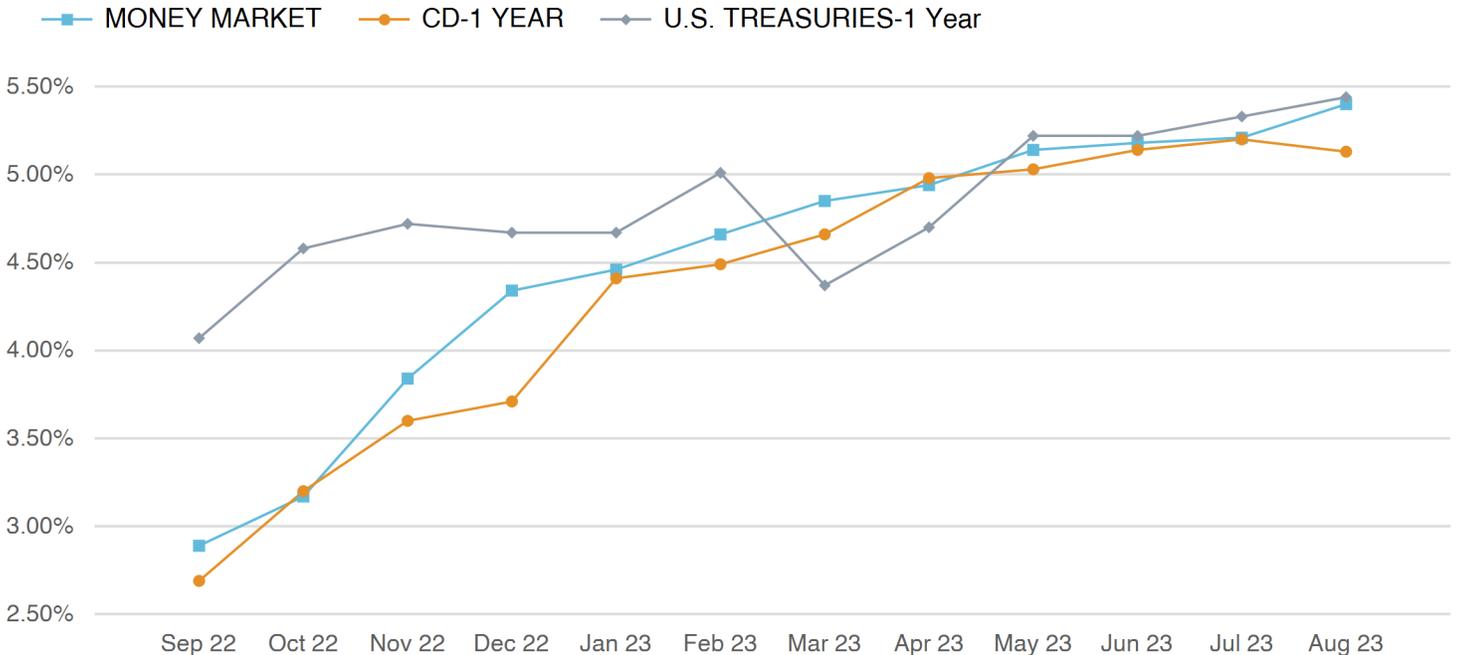


General Operating Fund	Capital Projects Fund	Debt Service Fund	Other Funds
<b>Funds Available to Invest</b> \$5,104,699	<b>Funds Available to Invest</b> \$337,184	<b>Funds Available to Invest</b> \$3,155,821	<b>Funds Available to Invest</b> N/A
<b>Funds Invested</b> \$4,901,330	<b>Funds Invested</b> \$337,074	<b>Funds Invested</b> \$3,155,821	<b>Funds Invested</b> N/A
<b>Percent Invested</b> 96%	<b>Percent Invested</b> 99%	<b>Percent Invested</b> 100%	<b>Percent Invested</b> N/A

Term	Money Market	Term	Certificate of Deposit	Term	U.S. Treasuries
On Demand	5.41%	180 Days	5.13%	180 Days	5.52%
		270 Days	5.17%	270 Days	5.52%
		1 Yr	5.15%	1 Yr	5.39%
		13 Mo	5.15%	13 Mo	N/A
		18 Mo	3.76%	18 Mo	5.39%
		2 Yr	2.83%	2 Yr	4.99%

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

## Investment Rates Over Time (By Month) | September 2022 - August 2023



# Account Balance as of 09/19/2023

## Harris County MUD No. 109 - Investment Detail



### FUND: General Operating

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Certificates of Deposit</b>					
SIMMONS BANK (XXXX7948)	09/26/2022	09/26/2023	3.50%	240,000.00	
<b>Money Market Funds</b>					
TEXAS CLASS (XXXX0001)	03/22/2017		5.51%	4,661,330.07	
<b>Checking Account(s)</b>					
CENTRAL BANK - CHECKING (XXXX1891)			0.00%	37,725.66	Checking Account
CENTRAL BANK - CHECKING (XXXX4632)			0.00%	165,643.13	Operator
<b>Totals for General Operating Fund</b>				<b>\$5,104,698.86</b>	

### FUND: Capital Projects

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Money Market Funds</b>					
TEXAS CLASS (XXXX0002)	03/22/2017		5.51%	337,073.81	Series 2017
<b>Checking Account(s)</b>					
CENTRAL BANK - CHECKING (XXXX1875)			0.00%	110.00	Checking Account
<b>Totals for Capital Projects Fund</b>				<b>\$337,183.81</b>	

### FUND: Debt Service

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Money Market Funds</b>					
TEXAS CLASS (XXXX0003)	03/22/2017		5.51%	3,155,821.30	
<b>Totals for Debt Service Fund</b>				<b>\$3,155,821.30</b>	

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

**\$8,597,703.97**

# Capital Projects Fund Breakdown

Harris County MUD 109

As of Date 09/19/2023

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## Net Proceeds for All Bond Issues

### Receipts

Bond Proceeds - Series 2017	\$12,100,000.00
Interest Earnings - Series 2017	262,418.33

### Disbursements

Disbursements - Series 2017	(12,025,234.52)
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<b>Total Cash Balance</b>	<b>\$337,183.81</b>
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## Balances by Account

Central Bank - Checking	\$110.00
TX Class - Series 2017	337,073.81

<b>Total Cash Balance</b>	<b>\$337,183.81</b>
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## Balances by Bond Series

Bond Proceeds - Series 2017	\$337,183.81
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<b>Total Cash Balance</b>	<b>\$337,183.81</b>
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## Remaining Costs/Surplus By Bond Series

Surplus & Interest - Series 2017	\$337,183.81
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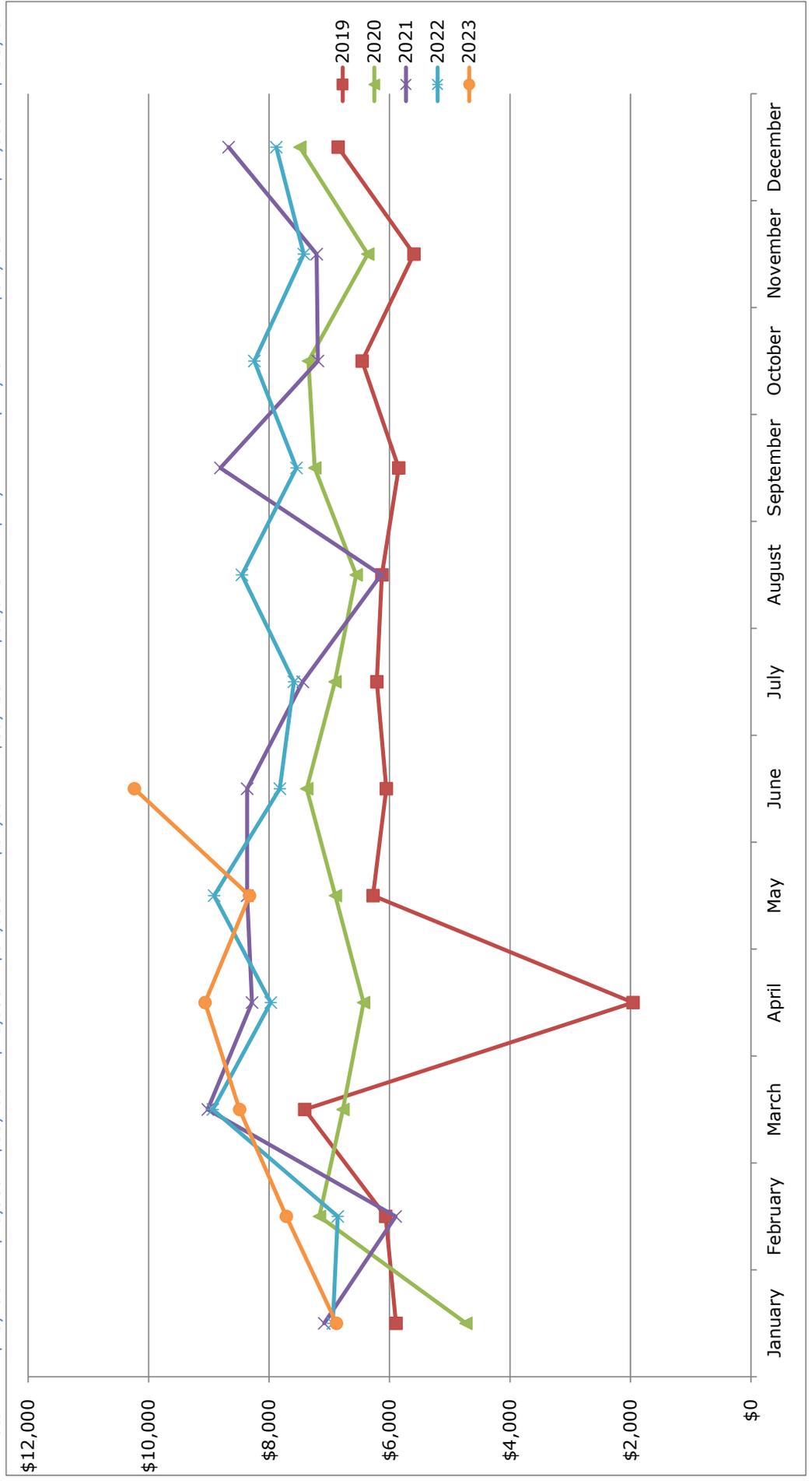
<b>Total Surplus &amp; Interest Balance</b>	<b>\$337,183.81</b>
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<b>Total Remaining Costs/Surplus</b>	<b>\$337,183.81</b>
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# Sales Tax Revenue History

Harris County MUD No. 109

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
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	\$6,906	\$6,552	\$7,243	\$7,347	\$6,362	\$7,490	\$81,272
2021	\$7,086	\$5,898	\$9,019	\$8,285	\$8,362	\$8,363	\$7,440	\$6,140	\$8,807	\$7,190	\$7,212	\$8,672	\$92,475
2022	\$6,943	\$6,859	\$8,934	\$7,973	\$8,913	\$7,820	\$7,589	\$8,453	\$7,546	\$8,244	\$7,422	\$7,881	\$94,577
2023	\$6,881	\$7,714	\$8,490	\$9,062	\$8,327	\$10,238							
<b>Total</b>	<b>\$43,796</b>	<b>\$45,563</b>	<b>\$55,738</b>	<b>\$46,358</b>	<b>\$52,585</b>	<b>\$54,592</b>	<b>\$39,159</b>	<b>\$38,928</b>	<b>\$42,447</b>	<b>\$42,492</b>	<b>\$37,798</b>	<b>\$44,389</b>	<b>\$493,134</b>



# Annexation

## Harris County MUD No. 109 - GOF

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
<b>12606 · Zimmerman Properties - 9 acre</b>							
	07/14/2022	Recpt		Zimmerman Feasibility		5,000.00	5,000.00
	09/30/2022	9-221757	BGE, Inc.	Zimmerman Tract Feasibility Study	4,496.77		503.23
Total 12606 · Zimmerman Properties - 9 acre					<u>4,496.77</u>	<u>5,000.00</u>	<u>503.23</u>
<b>12607 · Madden Tract</b>							
	07/21/2022	Rcpt		Madden Annexation		5,000.00	5,000.00
	09/30/2022	9-221756	BGE, Inc.	Madden Tract Feasibility Study	4,538.55		461.45
	11/30/2022	11-220213	BGE, Inc.	Madden Tract Feasibility Study	289.06		172.39
Total 12607 · Madden Tract					<u>4,827.61</u>	<u>5,000.00</u>	<u>172.39</u>
<b>12608 · Woodland Hills Annexation</b>							
	07/20/2023	Deposit		Woodland Hills Tract		5,000.00	5,000.00
	08/31/2023	8-231023	BGE, Inc.	Woodland Hills Multi-Family Feasibility S	1,185.17		3,814.83
Total 12608 · Woodland Hills Annexation					<u>1,185.17</u>	<u>5,000.00</u>	<u>3,814.83</u>
<b>TOTAL</b>					<u><b>10,509.55</b></u>	<u><b>15,000.00</b></u>	<u><b>4,490.45</b></u>

# Cash Flow Forecast

Harris County MUD 109

	5/24	5/25	5/26	5/27	5/28
Assessed Value	\$798,870,648	\$798,870,648	\$798,870,648	\$798,870,648	\$798,870,648
Maintenance Tax Rate	\$0.220	\$0.220	\$0.220	\$0.220	\$0.220
Maintenance Tax	\$1,722,365	\$1,722,365	\$1,722,365	\$1,722,365	\$1,722,365
% Change in Water Rate		1.00%	1.00%	1.00%	1.00%
% Change in Wastewater 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%
<b>Beginning Cash Balance 5-31-2023</b>	<b>\$5,446,422</b>	<b>\$5,843,989</b>	<b>\$6,472,990</b>	<b>\$7,435,697</b>	<b>\$8,316,868</b>
<b>Revenues</b>					
Maintenance Tax	\$1,722,365	\$1,722,365	\$1,722,365	\$1,722,365	\$1,722,365
Water Revenue	573,000	578,730	584,517	590,362	596,266
Wastewater Revenue	659,400	679,182	699,557	720,544	742,161
NHCRWA Revenue	1,418,700	1,560,570	1,716,627	1,888,290	2,077,119
Other	528,694	555,129	582,885	612,029	642,631
<b>Total Revenues</b>	<b>\$4,902,159</b>	<b>\$5,095,976</b>	<b>\$5,305,952</b>	<b>\$5,533,591</b>	<b>\$5,780,541</b>
<b>Expenses</b>					
NHCRWA	\$1,562,200	\$1,718,420	\$1,890,262	\$2,079,288	\$2,287,217
Other Expenses	2,179,576	2,288,555	2,402,983	2,523,132	2,649,288
<b>Total Expenses</b>	<b>\$3,741,776</b>	<b>\$4,006,975</b>	<b>\$4,293,245</b>	<b>\$4,602,420</b>	<b>\$4,936,505</b>
<b>Net Surplus</b>	<b>\$1,160,383</b>	<b>\$1,089,001</b>	<b>\$1,012,707</b>	<b>\$931,171</b>	<b>\$844,036</b>
<b>Capital Outlay</b>					
Capital Outlay - AJOB	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
WP 1 Well Rehab & Motor Replacement	200,000	0	0	0	0
WP 1 Electrical Control Improvements	250,000	210,000	0	0	0
WP 1 GST 1 Replacement	250,000	0	0	0	0
WP 2 Well Rehab & Motor Replacement	0	200,000	0	0	0
HC 46 Water Interconnect	50,000	0	0	0	0
Manholes Valve Rehab	250,000	0	0	0	0
Barents Dr. Lift Station	50,000	0	0	0	0
<b>Total Capital Outlay</b>	<b>\$1,100,000</b>	<b>\$460,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>Construction Surplus</b>	<b>\$337,184</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Cash Balance</b>	<b>\$5,843,989</b>	<b>\$6,472,990</b>	<b>\$7,435,697</b>	<b>\$8,316,868</b>	<b>\$9,110,904</b>
<b>Operating Reserve % of Exp</b>					
Percentage	156%	162%	173%	181%	185%
Number of Months	19	19	21	22	22
<b>Bond Authority</b>					
Remaining Bonding Capacity - \$12,950,000					
Maintenance Tax Rate Cap - \$1.00					

# 2024 AWBD Mid Winter Conference

Harris County MUD No. 109

Friday, January 19 - Saturday, January 20, 2024

Hyatt Regency Dallas, Dallas TX

Director	Registration			Prior Conference Expenses
Name	Attending	Online	Paid	Paid
Cheryl Moore	Yes	Yes	Yes	N/A
Chris Green	Yes	Yes	Yes	N/A
Nancy Frank	Yes	Yes	Yes	N/A
Owen Parker	Yes	Yes	Yes	N/A
Robin Sulpizio	Yes	Yes	Yes	N/A

## Note

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

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

All hotel reservations are the sole responsibility of each attendee.

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

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

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

## Registration Dates

Regular Registration: Begins 09/01/2023 \$430

Late Registration Begins 12/14/2023 \$530

## Cancellation Policy

All cancellations must be made in writing.

A \$50.00 administrative fee is assessed for each conference registration cancelled on or before 12/13/23.

There will be no refunds after 12/13/23.

## Housing Information

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

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

Harris County Municipal Utility District No. 109  
Utility Usage & Expense

Fund Type	Vendor	Facility	Category	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Total
GOF	1008901003532884720100	19419 Timber Forest Dr A.	Usage Amount	9,216	8,064	8,640	10,368	12,000	9,120	8,640	10,176	9,888	9,024	10,272	9,408	114,816
			Amount	\$ 2,031.71	\$ 806.54	\$ 984.06	\$ 2,090.85	\$ 2,253.24	\$ 1,635.36	\$ 781.22	\$ 2,149.12	\$ 2,143.64	\$ 2,119.81	\$ 2,216.99	\$ 1,000.04	\$ 20,214.58
	1008901003532884720200	19419 1/3 Timber Forest Dr A.	Usage Amount	158	158	158	158	158	158	158	158	158	158	158	158	1,896
			Amount	\$ 18.93	\$ 18.96	\$ 28.11	\$ 19.00	\$ 18.89	\$ 18.89	\$ 19.19	\$ 19.47	\$ 19.24	\$ 19.23	\$ 19.98	\$ 19.83	\$ 239.72
	1008901003532902970100	4630 Springlea	Usage Amount	971	920	923	1,047	1,166	897	806	899	873	890	881	823	11,096
			Amount	\$ 170.95	\$ 445.99	\$ 129.80	\$ 132.70	\$ 138.37	\$ 287.24	\$ 79.94	\$ 101.13	\$ 132.71	\$ 83.01	\$ 112.16	\$ 83.22	\$ 1,897.22
	1008901023803359630100	20322 Burle Oak Dr.	Usage Amount	5,184	9,792	34,560	46,944	68,256	48,960	54,144	58,464	51,840	66,528	80,352	77,184	602,208
			Amount	\$ 2,649.92	\$ 3,392.64	\$ 4,284.88	\$ 4,748.54	\$ 5,653.06	\$ 4,632.74	\$ 4,840.31	\$ 5,084.52	\$ 4,764.04	\$ 5,874.24	\$ 6,608.26	\$ 6,343.24	\$ 58,878.39
	1008901023803359630200	20322 1/3 Burle Oak Dr.	Usage Amount	158	158	158	158	158	158	158	158	158	158	158	158	1,896
			Amount	\$ 18.93	\$ 18.96	\$ 28.11	\$ 19.00	\$ 18.89	\$ 18.89	\$ 19.19	\$ 19.46	\$ 19.24	\$ 19.23	\$ 19.98	\$ 19.83	\$ 239.71
	100890102380679320100	20334 Timber Forest Dr	Usage Amount	750	749	896	1,059	1,192	951	857	942	819	728	753	680	10,376
			Amount	\$ 178.71	\$ 77.31	\$ 135.31	\$ 167.64	\$ 136.85	\$ 93.41	\$ 90.76	\$ 113.68	\$ 106.45	\$ 83.96	\$ 116.63	\$ 78.13	\$ 1,378.84
	1008901023808541760100	10 1/2 Turtle Cove Ct	Usage Amount	192	238	333	438	500	415	299	310	226	163	135	131	3,380
			Amount	\$ 18.61	\$ 21.99	\$ 38.22	\$ 36.66	\$ 40.93	\$ 34.74	\$ 26.86	\$ 27.19	\$ 20.86	\$ 16.32	\$ 14.96	\$ 14.45	\$ 311.79
	1008901023812392910102	18657 1/2 Artesian Way	Usage Amount	634	587	606	706	758	616	593	656	608	675	672	639	7,750
			Amount	\$ 51.06	\$ 47.69	\$ 58.36	\$ 56.37	\$ 59.69	\$ 49.37	\$ 47.63	\$ 52.44	\$ 157.53	\$ 52.92	\$ 56.27	\$ 52.53	\$ 741.86
	1008901023812868020102	5722 Forest Timbers Dr A	Usage Amount	112	108	110	219	1,346	1,151	540	441	388	372	397	369	5,553
			Amount	\$ 12.81	\$ 12.51	\$ 21.78	\$ 20.58	\$ 102.42	\$ 88.27	\$ 44.78	\$ 36.76	\$ 32.46	\$ 31.22	\$ 34.98	\$ 31.68	\$ 470.25
	1008901003532851455100	5722 Forest Timbers Dr	Usage Amount	85,056	94,368	33,888	16,896	9,408	7,296	8,544	8,064	8,736	8,064	16,320	37,728	334,368
			Amount	\$ 6,200.39	\$ 6,730.78	\$ 3,990.96	\$ 3,246.34	\$ 2,887.88	\$ 2,336.45	\$ 3,595.91	\$ 3,976.22	\$ 3,973.15	\$ 3,885.87	\$ 3,229.48	\$ 4,150.02	\$ 48,203.45
	1008901016901270670117	5301 1/2 Quail Tree Ln	Usage Amount	205	196	221	274	299	233	183	194	226	229	242	225	2,727
			Amount	\$ 19.97	\$ 19.33	\$ 30.37	\$ 25.14	\$ 26.82	\$ 21.93	\$ 18.62	\$ 19.09	\$ 21.19	\$ 21.40	\$ 23.53	\$ 21.51	\$ 268.90
			Total Usage	102,656	115,338	80,493	78,267	95,241	69,955	74,922	80,462	73,920	86,989	110,340	127,503	1,096,066
			Total Amount	\$ 11,371.99	\$ 11,594.70	\$ 9,729.96	\$ 10,562.82	\$ 11,339.04	\$ 9,217.29	\$ 9,564.41	\$ 11,599.08	\$ 11,390.51	\$ 12,207.21	\$ 12,453.22	\$ 11,814.48	\$ 132,844.71



## ENGINEERING REPORT

September 14, 2023

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

**From:** Bill Kotlan, P.E.  
District Engineer

---

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

**a. Utility Relocations related to FM 1960 Widening: Update**

We are waiting on future phase to complete water system modifications which include lowering the water line crossing FM 1960 at Woodland Hills Dr.

**b. Water Plant No. 2 Expansion**

Warranty period ends December 12, 2023.

**c. Barents Drive Lift Station**

We are waiting on Houston for approval prior to advertisement.

**d. Wastewater Treatment Plant**

The construction at the treatment plant is ongoing.

**e. Developer's Report:** Nothing to report.

**f. Capital Improvement Plan:** Please find enclosed a copy of the proposed Capital Improvement Plan. I will present the plan at the meeting.

**g. Lead and Copper Rule:** Deadline for Phase 1: October 16, 2024.

**h. Emergency Preparedness Plan:**

EPP has been submitted to TCEQ with comments addressed this month.

Exhibit K

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- i. **Woodland Hills Tract:** We are still reviewing the cost of providing service to this proposed apartment project.
- j. **Madden Tract:** We submitted a final report (attached) for the Madden Tract to the engineer. Before the tract is developed, the landowner will need to get the tract de-annexed by the city of Houston.
- k. **HCMUD 151 Tracts:** We have not heard anything new on the tracts in MUD 151.
- l. **5733 FM 1960 East (Old NAPA):** We sent a capacity letter (attached) regarding this project.

**MADDEN PROPERTIES SINGLE  
FAMILY FEASIBILITY STUDY**

**FOR**

**HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109**

SEPTEMBER 2023



*William J. Kotlan*



## OVERVIEW

- 1 Executive Summary
- 2 Introduction
- 3 Analysis

### Exhibits:

- A: Tract Boundary
- B: Preliminary Site Plan
- C: Water and Wastewater Committed and Ultimate Connections and Capacity
- D: District Rate Order

## 1 EXECUTIVE SUMMARY

Madden Properties (the “Developer”) has requested Harris County Municipal Utility District 109 (the “District”) to perform a feasibility study for the District to serve a future single-family development on a 207 - acre tract located at the north end of Diamond M Drive, north of FM 1960. The tract is not currently located within the District.

This development would consist of approximately 400 single family homes (400 Equivalent Single-Family Connections). The analysis shows that the District has the water and wastewater capacity to serve the development and existing developments.

**Exhibit A** shows the location of the tract and required utility extensions and **Exhibit B** shows a preliminary conceptual plan of the development.

The Developer has estimated a total assessed valuation for the development to be approximately \$150,000,000 at full build out. Based on the District’s current tax rate (\$0.29 debt service and \$0.19 for operations and maintenance) financially, the development will bring in approximate tax revenues as shown below:

• Operations and Maintenance	\$ 285,000
• <u>Debt Service</u>	<u>\$ 435,000</u>
Total Estimated Annual Tax Revenue	\$ 720,000

## 2 INTRODUCTION

The undeveloped 207 - Acre Tract is located on the northern end of Diamond M Drive, north of FM 1960. The tract is located adjacent to the District on its northwestern boundary. An exhibit showing the Tract’s boundary within the District’s boundary as well as the Tract’s proposed utility improvements is enclosed as **Exhibit A**. The preliminary conceptual development plan is enclosed as **Exhibit B** and indicates the Developer intentions to build a single-family development on said tract.

Based on information from the Developer, construction of the development is planned to be complete in 2028. The estimates included in this feasibility are based on the anticipated land use provided by the developer at the time of the study. The final land plan may affect the estimated costs and revenues associated with the development.

Most of the Madden tract is located within the corporate limits of the City of Houston. In order for the tract to be served by the District, a strategic partnership agreement or dis-annexation of the tract from the city will be required.

### 3 ANALYSIS

#### **Water Production and Distribution**

The tract is not located within the District's boundaries. The District has two (2) active water wells and two existing water plants with a capacity of approximately 6,667 equivalent single-family connections ("ESFC") or 5,600,160 gallons per day per Texas Commission on Environmental Quality ("TCEQ") requirements.

The current average daily flow ("ADF") in the District is approximately 1.3 MGD. Inclusive of existing connections and ultimate future projected connections, the District has committed approximately 4,725 connections. A copy of the updated water committed and ultimate connections and capacity is included as **Exhibit C**.

Based on information from the Developer, the Tract's estimated water capacity requirement is approximately 144,000 gpd (400 Equivalent Connections).

If the District commits to serve the subject tract, it will increase its committed capacity to 5,125 connections or approximately 77% of the water capacity.

There is an existing 12-inch waterline located on the north side of FM 1960. There is also an existing 12 – inch waterline located at western end of Upper Lake Drive, east of the development. The Developer's proposed waterline will need to tie into these existing 12-inch waterlines. The Developer is responsible for all costs associated with the proposed waterline tie ins to the existing 12-inch waterlines and required easements.

The ultimate alignment of waterlines for the Tract will depend on the final land plan of the proposed development. The Developer is responsible for all design decisions and placement of waterlines for the proposed development.

The Developer is responsible for providing engineered plans and specifications for the water distribution system for the development and the offsite waterlines to the District Engineer for review and approval prior to commencing construction, and to obtain all required approvals and permits.

## Sanitary Sewer Collection and Treatment

The District's existing wastewater facilities include 10 public lift stations and one (1) wastewater treatment plant. The Atascocita Joint Operations Board ("AJOB") Wastewater Treatment Plant (TPDES Permit No. WQ0011533001) has a permitted capacity of 9.0 million gallons per day ("MGD") with 2.1 MGD allocated to the District. The current ADF for the District is 1.15 MGD or 55%.

Inclusive of existing connections, platted developments, and developments which are in design or under construction, the District has committed approximately 1.3 MGD or 62% of the capacity allocated to the District. A copy of the wastewater committed and ultimate connections and capacity is included as **Exhibit C**.

Using information from the Developer, the Tract's estimated sanitary sewer capacity requirement is approximately 128,000 gpd (3,840,000 gallons per month). However, within the Atascocita Joint Operations agreement, the District's ownership within the plant is determined based on connections with 1 single family home being 1 equivalent connection. For the purposes of treatment plant capacity, we will use 400 connections and for the purpose of sizing facilities, we will use the developer's estimated sanitary sewer capacity. Inclusive of existing connections, platted developments, developments currently underway, other developments in feasibility, and this development, the District will have committed approximately 1.3 MGD or 62% of capacity allocated to the District.

There is an existing 24 - inch sanitary sewer line located on the northwest intersection of Upper Lake Drive and Timber Forest Drive, east of the development. The Developer will be responsible for constructing and dedicating to the District a lift station and 8 -inch force main to direct flow into the existing 24 – inch sanitary sewer line on the northwest intersection of Upper Lake Drive and Timber Forest Drive, as shown in **Exhibit A**. This existing 24 – inch sanitary sewer line outfalls into Lift Station No. 1, which has the capacity to accommodate the development. The Developer will be responsible for all costs associated with the lift station, force main, and required easements.

The ultimate alignment of sanitary sewer lines for the Tract will depend on the final land plan of the proposed development. These sanitary sewer lines must be constructed per all applicable TCEQ and City of Houston design criteria.

The Developer is responsible for providing engineering plans and specifications for the sanitary sewer conveyance system for the development to the District Engineer for review and approval prior to commencing construction. The Developer is responsible for obtaining all developmental approvals and required permits. The Developer will need to coordinate the installation of the sanitary tap(s) into the system with the District and will be responsible for all costs associated with said work.

### **Development Costs**

The Developer will need to engineer and construct the on-site and off-site water and sanitary sewer extensions to serve the proposed tract.

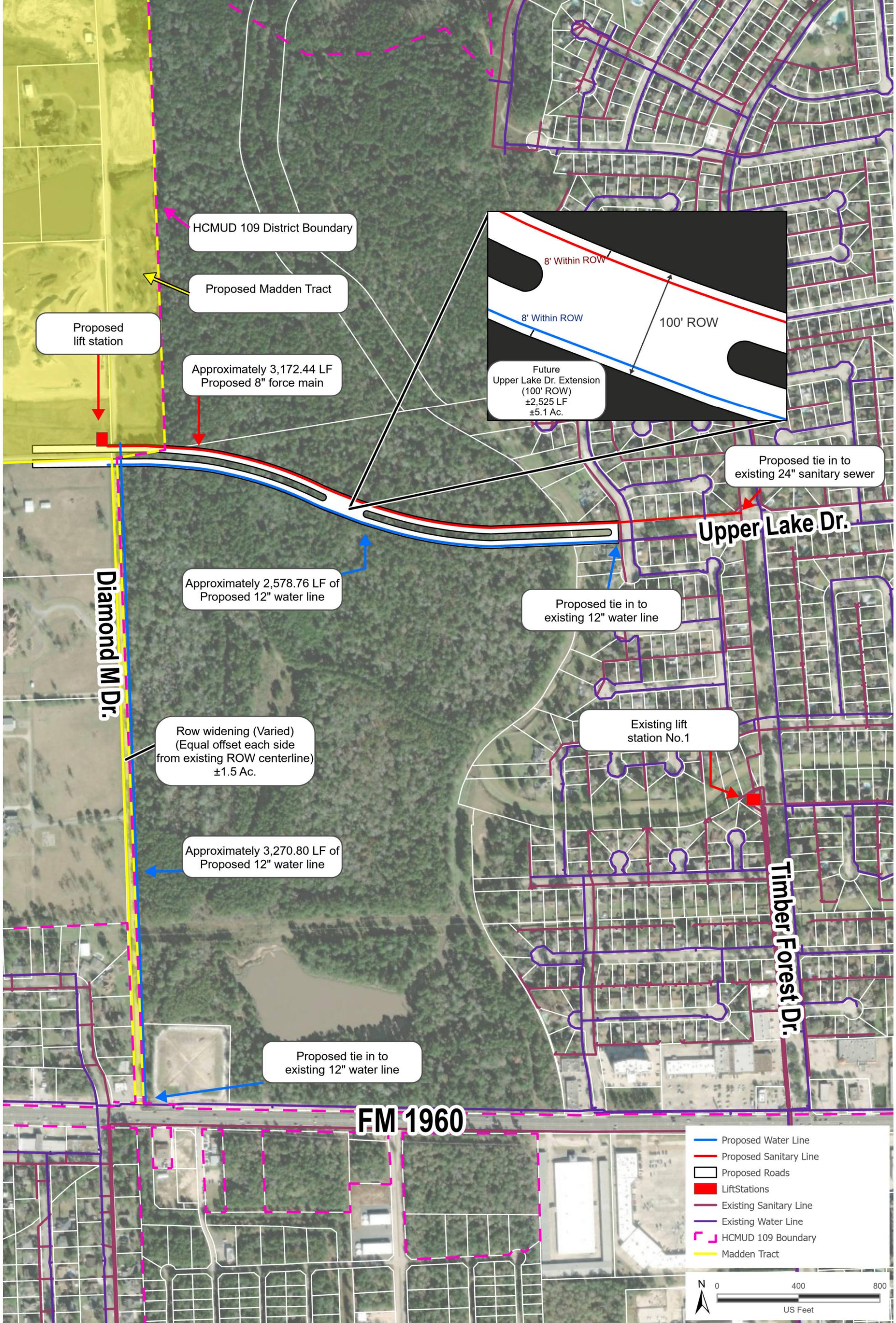
The Developer will also need to pay water and wastewater tap fees to the District. The tap fees will be assessed at the time of recordation of the final plat and collected prior to receiving water and sanitary sewer taps. Please see **Exhibit D** for a copy of the District's Rate Order.

### **Financial Feasibility**

Based on the current Debt Service tax rate and the ad valorem value projected by the developer, it is likely that the development will generate a debt service tax revenue of \$435,000 per year which will retire debt of \$5,900,000 over 20 years at a 4% interest rate.

The District has a remaining bond authorization of \$12,950,000. However, this amount will need to be shared by the other potential developments as well as District upgrades and major capital projects.

The remaining tract of undeveloped land within the District is owned by Kannan Partnership, Ltd (224 acres) which is immediately east of the subject Madden tract. Extensions of water and sewer for this project would include easements across the Kannan tract and could be used to serve both tracts.

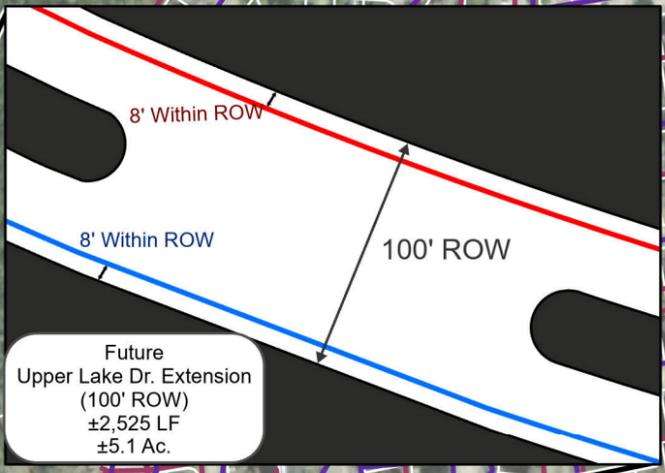


HCMUD 109 District Boundary

Proposed Madden Tract

Proposed lift station

Approximately 3,172.44 LF  
Proposed 8" force main



Proposed tie in to existing 24" sanitary sewer

**Upper Lake Dr.**

Approximately 2,578.76 LF of  
Proposed 12" water line

Proposed tie in to existing 12" water line

**Diamond M Dr.**

Row widening (Varied)  
(Equal offset each side from existing ROW centerline)  
±1.5 Ac.

Existing lift station No.1

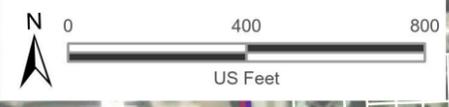
Approximately 3,270.80 LF of  
Proposed 12" water line

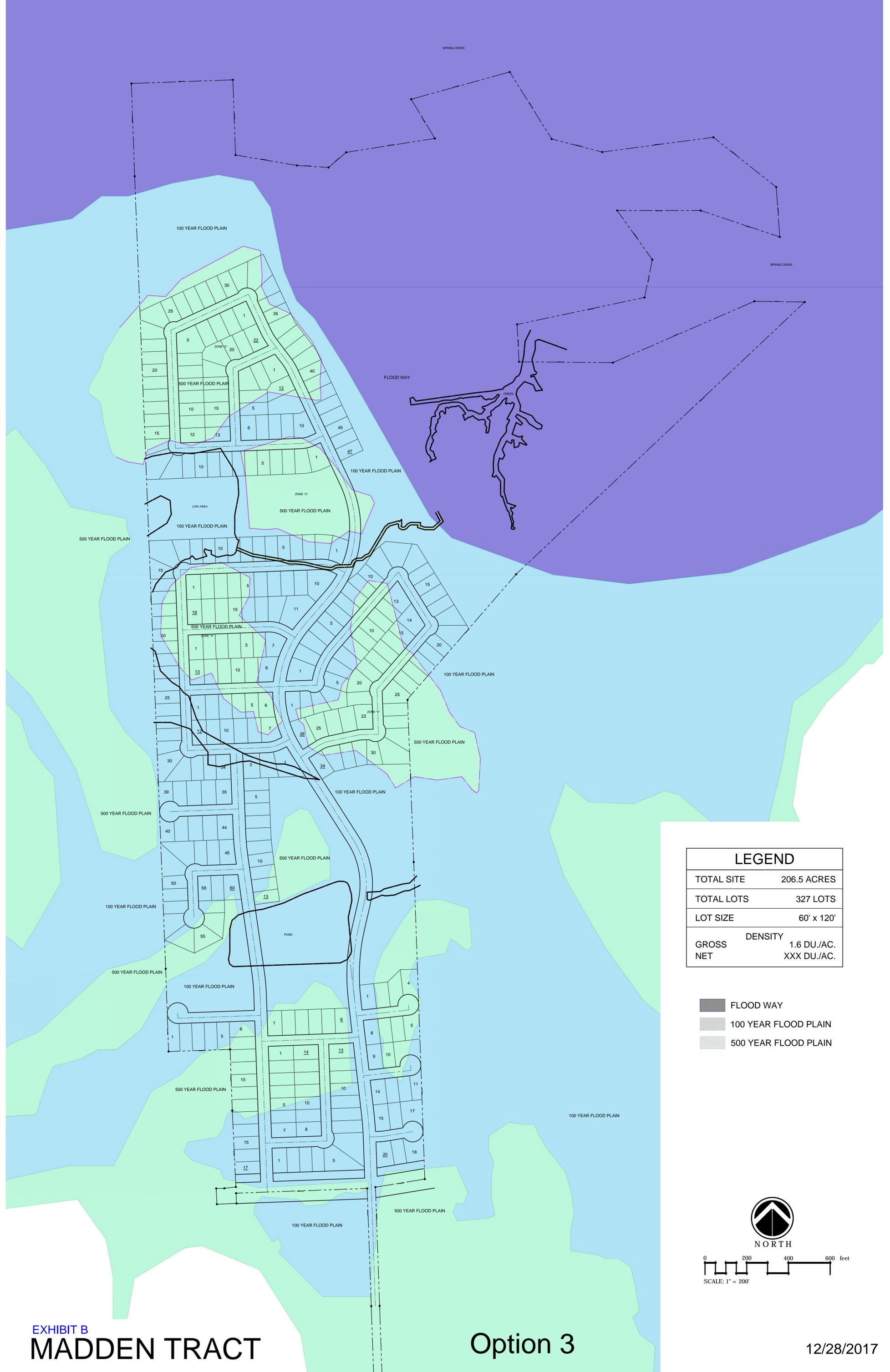
**Timber Forest Dr.**

Proposed tie in to existing 12" water line

**FM 1960**

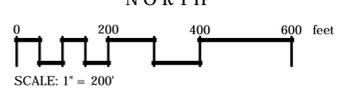
- Proposed Water Line
- Proposed Sanitary Line
- Proposed Roads
- Lift Stations
- Existing Sanitary Line
- Existing Water Line
- HCMUD 109 Boundary
- Madden Tract





LEGEND	
TOTAL SITE	206.5 ACRES
TOTAL LOTS	327 LOTS
LOT SIZE	60' x 120'
GROSS	DENSITY 1.6 DU./AC.
NET	XXX DU./AC.

-  FLOOD WAY
-  100 YEAR FLOOD PLAIN
-  500 YEAR FLOOD PLAIN



**EXHIBIT C**  
**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT 109**  
**SUMMARY OF CAPACITY REQUIREMENTS**

REVISED 08\_12\_22

FACILITIES				COMMITTED		ULTIMATE	
EXISTING FACILITY	AUXILIARY POWER	EXISTING CAPACITY	ALLOWABLE CONNECTIONS	CONNECTIONS	REQUIRED CAPACITY	CONNECTIONS	REQUIRED CAPACITY
<b>Water <sup>(1)</sup></b>							
Water Wells <sup>(2)</sup>	NG (WP1)	4,000 gpm	6,667	4,204	2,522 gpm	5,125	3,075 gpm
Storage <sup>(3)</sup>	Diesel (WP2)	2,420,000 gal	22,100	4,204	840,800 gal	5,125	1,025,000 gal
Booster Pumps <sup>(4)</sup>		3,250 gpm	5,417	4,204	2,522 gpm	5,125	3,075 gpm
<b>Wastewater <sup>(5)</sup></b>							
WTTP <sup>(6)</sup>	Diesel	2,100,000 gpd	6,563	4,377	1,400,640 gpd	4,847	1,551,040 gpd
Lift Station No. 1 <sup>(7) (8)</sup>	NG	3,875 gpm	4,359	3,882	3,451 gpm	4,358	3,874 gpm
Kings Lake Estates Lift Station No.1 <sup>(9)</sup>	NG	120 gpm	135	13	12 gpm	13	12 gpm
Kings Lake Estates Lift Station No.2 <sup>(10) (11)</sup>	NG	396 gpm	446	366	325 gpm	366	325 gpm
Kings Lake Estates Lift Station No.3	NG	150 gpm	169	41	36 gpm	41	36 gpm
Swiftbrook Lift Station		gpm	0	18	16 gpm	18	16 gpm
Future Madden Lift Station		gpm	0	400	356 gpm	820	729 gpm
Belleau Wood East Lift Station <sup>(12) (13)</sup>	NG	700 gpm	788	534	475 gpm	579	515 gpm
Atascocita Meadows Lift Station <sup>(14)</sup>	NG	170 gpm	191	192	171 gpm	207	184 gpm
Future Barents Drive Lift Station	NG	gpm	0	54	48 gpm	64	57 gpm
Future Zimmerman Tract Lift Station	NG	gpm	0	143	127 gpm	153	136 gpm

NOTE: A factor of 320 gpd/connection was used for wastewater facilities.

<sup>(1)</sup> HCMUD 109 provides water to all connections within the district boundaries and portions of HCMUD 151 according to the agreement dated July 1, 1996.

<sup>(2)</sup> The District has two water wells with an existing capacity of 2,000 gpm each, for a capacity of 4,000 gpm

<sup>(3)</sup> The District has a 420,000 gallon ground storage tank and two 1,000,000 gallon elevated storage tanks, for a total of 2,420,000 gallons of storage

<sup>(4)</sup> The District has two 1,500 gpm pumps, one 1,000 gpm pump, and one 750 gpm pump for a total capacity of 4,750 gpm. With the largest pump out of service, the District has a pumping capacity of 3,250 gpm. Pumps provide the minimum capacity of 0.6 gal/min/con

<sup>(5)</sup> HCMUD 109 provides plant capacity for all connections within the district boundaries. Lift Station No. 1 provides capacity for areas within the district and a portion of HCMUD 151 according to the agreement dated July 1, 1996, which also states that a portion of HCMUD 109 (118 ESFCs) is served by facilities in HCMUD 151.

<sup>(6)</sup> MUD 109's Share of the Atascocita Central Regional Wastewater Treatment Plant

<sup>(7)</sup> Lift Station No. 1 has three 2,000 gpm pumps, with one serving as a spare, for a capacity of 4,000 gpm.

<sup>(8)</sup> Includes the flow from Kings Lake Estates Lift Station No. 2, Future Kings Lake Estates Lift Station No. 3, and Future Lift Station No. 6

<sup>(9)</sup> Kings Lake Estates Lift Station No. 1 has two 120 gpm pumps, with one serving as a spare, for a capacity of 120 gpm.

<sup>(10)</sup> Kings Lake Estates Lift Station No. 2 has two 215 gpm pumps, with one serving as a spare, for a capacity of 215 gpm.

<sup>(11)</sup> Includes flow from Kings Lake Estates Lift Station No. 1, Kings Lake Estates Sections 1, 2, 4, 5, and 7, Kings Lake Estates Commercial Reserve, and proposed Kings Lake Estates Sections 3 and 6.

<sup>(12)</sup> Belleau Wood East Lift Station has two 700 gpm pumps, with one serving as a spare, for a capacity of 700 gpm.

<sup>(13)</sup> Includes the flow from the Atascocita Meadows Lift Station

<sup>(14)</sup> Atascocita Meadows Lift Station has two 170 gpm pumps, with one serving as a spare, for a capacity of 170 gpm.

EXHIBIT D  
CERTIFICATE FOR  
ORDER AMENDING CONSOLIDATED RATE ORDER

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, at the Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, Texas 77346, at 5:30 p.m. on December 20, 2022, whereupon 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 Director Sulpizio, thus constituting a quorum. Whereupon among other business, the following was transacted at such Meeting:

ORDER AMENDING CONSOLIDATED RATE ORDER

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: 4                      NOES: 0

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 each of such officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public, and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

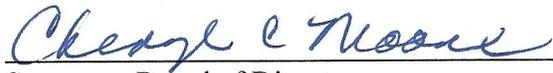
SIGNED AND SEALED December 20, 2022.

HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109



\_\_\_\_\_  
President, Board of Directors

ATTEST



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

(DISTRICT SEAL)

ORDER AMENDING CONSOLIDATED RATE ORDER

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

WHEREAS, the Board of Directors (the “Board”) of Harris County Municipal Utility District No. 109 (the “District”) has previously adopted rates, fees, rules, regulations, and policies with respect to the District’s waterworks and sanitary sewer collection system; and

WHEREAS, from time to time the Board has amended such rates, fees, rules, regulations and policies; and

WHEREAS, the Board deems it appropriate and necessary to amend the rate order, and to restate such order as so amended;

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

I. CONNECTIONS AND FEES.

A. Connections Made and Inspected by District Operator; Plans Reviewed by District’s Engineer.

1. Waterworks. All connections to the waterworks of the District shall be made by the District’s operator and shall be metered (except fire line connections). All fireline connections shall be made by the District’s operator and (a) shall be metered or (b) shall have a flow detector (of the type specified by the District’s engineer), or (c) the owner shall install a sprinkler system with a pressure sensitive and activated alarm system. The unmetered fireline shall include a backflow preventer (of the type specified by the District’s engineer) immediately downstream of the fireline tap.

2. Temporary Meters. All temporary connections to the waterworks of the District shall be made by the District’s operator and shall be metered.

3. Sanitary Sewer. All connections to the sanitary sewer system of the District (including the sanitary sewer lines up to the building slab) shall be inspected by the District’s operator. The sanitary sewer line inspection shall be performed prior to back filling. Any line not inspected and not approved must be uncovered to permit such inspection or shall pass such alternate method of inspection as approved by the Board.

4. Storm Sewer. All connections to the storm sewer system of the District shall be made as specified by the District’s engineer and shall be inspected for compliance by the District’s operator.

5. Inspections of unmetered facilities. All underground piping downstream from the water connection for unmetered firelines shall be inspected by the District's operator prior to back filling and shall be pressure tested under the supervision of the District's operator.

6. Engineer's review of plans and specifications. Before any connection, other than a single family residential connection, is made to the District's water, sewer, or drainage system, the person requesting such connection shall submit, at least 14 days prior to applying for a tap into the lines of the District, to the District's engineer for review and approval the water, sanitary sewer, and drainage plans and specifications for the property for which the connection is sought. Such plans shall clearly show the estimated volumes of water or effluent and the proposed points of connection to the District's system. A copy of such approved plans, with the engineer's approval indicated thereon, shall be submitted to the District's operator. Any modification of such plans shall require re-approval by the District's engineer. The District reserves the right to require removal of any connection made in violation of this Section.

7. Plat Requirement. Notwithstanding anything herein to the contrary, the operator shall make no connection to the District's water or sanitary sewer collection system unless either

(a) the tract, parcel, or lot of land to be served by such connection is part of an area covered by a development plat duly approved pursuant to article 974a-3, Texas Revised Civil Statutes, as amended, or pursuant to an ordinance, rule, or regulation relating to such a development plat,

(b) the operator has been presented with or otherwise holds a certificate applicable to such tract, parcel, or lot of land issued by or on behalf of the Planning Commission or City Council of the City of Houston, Texas, under section 4A, article 974a, Texas Revised Civil Statutes, as amended, stating that either a plan, plat, or re-plat of such tract, parcel, or lot either is not required or has been revised and approved by such Commission or Council, or

(c) such tract, parcel, or lot was first connected to such system prior to September 1, 1987.

B. Payment of Fees and Deposit. Any party desiring a connection to the District's waterworks or sanitary sewer or storm sewer system shall complete and file with the District's operator an application therefor in the form attached hereto as Exhibit "A", or such other form as such operator may prescribe from time to time, and shall pay the water tap fee, sanitary sewer inspection fee, storm sewer inspection fee, and fee for engineer's review of plans and specifications, as the case may be, described in Paragraph I.C. hereof and the deposit described in Paragraph I.D. hereof prior to receiving such connection. No connection shall be made until such fees and deposit are paid.

Any party desiring a temporary connection to the District's waterworks system shall file an application with the District's operator and shall pay the installation fee prescribed in

Paragraph I.C. hereof and the deposit prescribed in Paragraph I.D hereof prior to receiving such temporary meter and a flushing valve wrench.

C. Tap and Inspection and Installation Fees. The following tap fees are based on ultimate and full utilization of a given user's tract. The water tap fees shall be assessed based on the plans and specifications as approved by the District's engineers and shall be calculated as follows:

Single-family Residential:

1 inch	x	1 inch meter	\$1,100.00 (153 - \$1,200; 151 - \$1,000; 132 - \$1,050, includes meter and box)
3/4 inch	x	5/8 inch meter	\$ 670.00 (132 - \$600.00)
3/4 inch	x	3/4 inch meter	\$ 850.00 (153 - \$1,000)

Fireline tap fees: Cost to the District of installing the tap.

Sprinkler meter: Two times the cost to the District of installing the tap.

All other meters, up to and including two inches: Three times the cost to the District of installing the tap.

Other: Fees for meters other than those described above shall be determined by the Board on an individual basis, but in no event more than three times the cost to the District.

The sanitary sewer inspection fee shall be \$175 per inspection for residential connections and cost plus 15% per inspection for commercial connections. For each inspection that results in a rejection of the line inspected, an additional fee of \$25 will be assessed.

The commercial sewer line inspection fee shall be cost to the District times two.

The storm sewer inspection fee shall be cost to the District of all necessary inspections plus \$250.

Each builder shall be charged \$30.00 for a pre-construction lot inspection and \$30.00 for each post-construction lot inspection or re-inspection. Builders shall also be charged \$150.00 for customer service inspections in accordance with Section III (B).

The fee charged for the engineer's review of plans and specifications shall be \$500 plus \$50 per acre or any part thereof in the parcel served.

The installation fee for a temporary connection shall be \$50.00.

D. Deposit. Each person, other than a home builder who complies with the provisions of paragraph E below, requesting a water or sanitary sewer or storm sewer connection or a temporary connection shall establish with the District a deposit conditioned upon compliance with this Order and the District's Rules and Regulations adopted by this Order and payment in full of any damage to the District's waterworks, sanitary sewer, and storm sewer system caused by and water and sewer service charges assessed against such person. For permanent connections, such deposit shall be returned after the sanitary sewer and/or storm sewer service lines have been inspected and connected to the District's sanitary sewer and/or storm sewer system. For temporary connections, such deposit shall be returned (less amounts owed the District) after the operator has removed the meter, on request of the owner. The amount of each such deposit shall be computed in accordance with the following schedule:

<u>Meter Size (Inches)</u>	<u>Deposit</u>
Temporary Meters	\$ 750.00
2 and smaller	\$ 1,000.00
3	\$ 1,600.00
4	\$ 2,500.00
6	\$ 3,500.00
8 and over	\$ 4,000.00

## II. REQUIREMENTS OF HOMEBUILDERS

A. Builder Deposit. Each builder of homes within the District shall establish a deposit of \$500 with the District, which deposit shall be refunded without interest to each builder at the completion of the builder's homebuilding program within the District except to the extent such deposit has been applied as provided in Paragraph II.B. hereof; provided that, if such home builder violates any part of this Order, the amount of such builder's deposit shall be immediately doubled for each violation.

B. Use of Deposit. The cost of any repairs to waterworks or sanitary or storm sewer lines necessitated by builder negligence shall be billed by the District's operator to the builder responsible therefor at the rate of cost plus 25% (representing the District's service handling charge). A \$25.00 administrative fee shall be added to the invoice to any builder delinquent in paying such bills for 30 days or more. At any time that a builder is delinquent in paying such bills for 60 days or more or responsible for outstanding bills in the amount of \$500 or more, the District shall transfer the \$500 deposit or any part thereof to its operating fund to pay such bills and require that such deposit be replenished by such amount transferred or require that an additional \$500 or greater deposit be made by the builder before allowing the installation of additional water taps for such builder.

C. Adjustments of Manholes, Fire Hydrants, Meter Boxes, and Clean Out Valves. Builders of homes within the District must contact the District's operator requesting the

adjustment of manholes, fire hydrants, valve boxes, or clean out valves within thirty days following the closing of the purchase of the lot on which such manhole, fire hydrant, meter box, or clean out valve is located. Following such thirty-day period, the home builder will be responsible for the cost of such adjustment.

D. Damaged Meters and Meter Boxes; Obstructions. Each customer shall be responsible for protecting any and all District meters and meter boxes located on property of such customer and shall be assessed the cost to the District of repairing or replacing such meters or meter boxes when damaged by any cause whatsoever, except by act of the District or its operator.

After a water meter has been set, each Customer shall at all times keep the area in, around and upon the meter and box and District easements and property under customer's control free from rubbish or obstructions of any kind. Failure to keep the meter and box and District easements and property under customer's control free from rubbish or obstructions may result in disconnection of water services and/or the assessment of charges necessary to remove said obstructions. Customers are further prohibited from introducing material into the District's waterworks, sanitary sewer, and storm sewer system which would cause obstruction of said system. In the event than an inspection by the District's engineer or District's operator reveals any such obstructions, the District reserves the right to immediately and without notice remove the obstruction. Any District cost for removal of obstructions, plus a District administration fee of fifty percent (50%) of said costs, shall be assessed to Customer. The District's operator shall have rights of ingress and egress to Customer's property in order to carry out the provisions of this Section.

E. Builder Damage Procedure. When a builder improves a lot, reserve or other property, the builder may damage District facilities on the property. The builder may avoid responsibility for damages existing at the time the builder obtains control of the property by contacting the District, through the operator prior to the clearing of any lot, to do a survey of District facilities on the property. The fee for such inspection shall be \$30.00, to be paid by the builder at the time the inspection is requested. Any damages noted at this time will be repaired at no expense to the builder.

To be released from or to limit the amount of any claim for damage to District facilities due to a builder's activities, the builder must contact the District, through the operator, to make a final inspection to determine any damages to facilities while under the control of the builder. This inspection will not be made until all work, including fences, landscaping and resodding, is completed. This inspection can be made even if the property has not been sold if the builder has completed all work. The fee for this inspection shall be \$30.00, to be paid by the builder at the time the inspection is requested. A representative of the builder will be asked to sign the inspection, authorizing the repairs at his expense. The cost of any repairs to facilities damaged due to builder activities may be deducted from the builder's deposit with the District. If, at the time of the final inspection, the builder has not completed all work the inspection will be rejected and an additional inspection will be performed at an additional fee of \$30.00. A final inspection will not be made unless an approved sewer inspection is on file with the District.

All repairs, except for positioning or replacement of meter boxes, will be performed by the operator, regardless of with whom the financial responsibility for the repair resides. Positioning or replacement of meter boxes may be performed by the builder only before the final survey is made.

Damages are not limited to structural damages, but also may include problems arising from burying, covering up, restricting access to, or fencing over the top of the facilities, causing land elevations adjacent to facilities to change, making facilities nonfunctional, and similar actions. Hidden damages not apparent at the time of a survey but discovered later will be back charged to those responsible if there is sufficient evidence to support a claim.

Regardless of the status of the lot or reserve or any property as indicated in the above procedure, the District is the owner of its assets and will take those actions it deems necessary to prevent damage to its property or injury to persons, with or without notice to others, and will also take those actions it deems necessary to recover the expense of those repairs from any party responsible for causing them.

### III. INSPECTIONS AND REPAIRS.

#### A. Inspection of Backflow Devices.

1. All backflow prevention assemblies shall be tested by a recognized backflow prevention assembly tester upon installation and certified to be operating within specifications. This inspection shall be conducted prior to the time the operator makes a permanent water connection to the District's system and the District's operator shall be provided with a test report in the form of Exhibit "B". At the option of the customer, the District's operator may perform the test, and the cost will be charged to the customer.

2. Backflow prevention assemblies which are installed to provide protection against high health hazards must also be tested and certified to be operating within specifications at least annually. A high health hazard is defined as a cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply. A customer at an establishment which presents high health hazards must provide the District with a test report annually. In the event any establishment fails to provide such a report within thirty days after written notification by the District that such a report is required, the District's operator shall inspect the backflow prevention device and the cost will automatically be charged to the customer's account.

3. Any backflow prevention device required by these rules must be located on each potable or irrigation service between the meter and the building foundation or prior to the first branch in the service line and designed and constructed to facilitate maintenance of the installation and inspection. Before beginning construction of a backflow preventer, a commercial user shall submit plans to the District for review and approval to insure compliance with this section.

4. To be a recognized backflow prevention assembly tester, a person shall meet the standards promulgated by the Texas Commission on Environmental Quality (the "Commission").

5. Gauges used in the testing of backflow prevention assemblies shall be tested for accuracy annually in accordance with the University of Southern California's Foundation of Cross Connection Control and Hydraulic Research and/or the American Water Works Association Manual of Cross Connection Control (Manual M-14). Testers shall include test gauge serial numbers on "Test and Maintenance" report forms.

6. A test report must be completed by the recognized backflow prevention assembly tester for each assembly tested. The signed and dated original must be submitted to the District for record keeping purposes. Should the tester choose to use a report format which differs from that attached hereto as Exhibit "B", it must minimally contain all information required by the report form.

7. The use of a backflow prevention device at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes.

**B. Customer Service Inspections.**

1. A customer service inspection certification in the form attached hereto as Exhibit "C" must be completed and delivered to the District: (1) prior to the time the District's operator provides sanitary sewer service or permanent water service to a new connection in the District, (2) within 5 days after an existing customer receives notice from the District that it has reason to believe that cross-connections or other unacceptable plumbing practices exist at his establishment, or (3) within 30 days after any material improvement, correction or addition is made to the private plumbing facilities of any connection.

2. Individuals with the following credentials shall be recognized as capable of conducting a customer service inspection certification.

(a) Plumbing Inspectors and Water Supply Protection Specialists holding license endorsement issued by the Texas State Board of Plumbing Examiners.

(b) Certified Waterworks Operators and members of other water related professional groups who have completed a training course, passed an examination administered by the Commission or its designated agent, and hold an endorsement granted by the Commission or its designated agent.

3. It is the responsibility of the customer to obtain the certification. The customer may ask the District's operator to complete sections 1-3 of the certification. The District's operator, at its discretion, may complete sections 1-3 of the certification if it can make such certification in connection with its normal inspections and at no additional cost to the District.

4. The existence of private plumbing facilities in violation of the District's rules is an undesirable plumbing practice. Upon discovery of any such condition, the District may immediately terminate water service to the connection to protect the integrity of its public water system. Service will be restored only when the source of potential contamination no longer exists or when sufficient additional safeguards have been taken.

C. Firelines. The District, from time to time as it deems necessary, may have its designated representative inspect any firelines, which inspection however shall be during the normal business hours of the establishment being inspected.

D. Customer Requests. Whenever a customer asks the District to inspect its lines and facilities and the inspection shows that the customer's problem arises from his private sewer or water lines, and not the District's, the District shall charge the customer the cost of such inspection, and the customer shall promptly remit the charge to the District.

E. Grease and Lint Trap. For each grease and lint trap installed pursuant to the requirements contained in Exhibit "G" attached hereto, there shall be charged the monthly inspection fee specified in Schedule "A" hereto. Whenever the District is required to reinspect a grease and lint trap because the first inspection showed a violation of the District's rules and regulations, the District shall charge the customer the cost of such inspection, and the customer shall promptly remit the charge to the District, in addition to any other penalty or cost which may be assessed against such customer hereunder.

F. Repair Responsibility. The District shall maintain and repair all District facilities, which shall include the manholes, water and sewer main lines, laterals, sewer stacks, and end of line cleanouts. Customers are responsible for all plumbing installed by builders during construction up to and including the saddle and tap connection.

#### IV. CUSTOMER RATES, DEPOSITS, AND SERVICE AGREEMENTS.

A. Rates for In-District Customers. The District's water and sewer rates as set forth in this Rate Order include the regulatory assessment the District is required to charge each customer and to pay the Texas Commission on Environmental Quality. The rates and charges specified on Schedule "A" hereto for the sale of water and the collection and disposal of sewage shall be in effect for customers located within the District from the effective date of this Order.

Each residential unit occupied by a separate family, including separate apartments located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building, shall be deemed to be a separate connection for the purpose of this Order.

B. Rates for Out of District Customers. The rates and charges for the sale of water and collection and disposal of sewage for customers who are not located within the District's boundaries shall be 150% of the rates for customers located inside the District, as such rates may be amended from time to time.

C. Sprinkler System Connections. Each sprinkler system connection shall be deemed to be a water supply service connection only, and shall not be charged for sanitary sewer service.

D. Deposits. A security deposit shall be collected and maintained on all connections or reconnections in the District made after the effective date of this Order in the amounts specified in Schedule "A".

All deposits collected shall be accounted for on the District's books. At any time that a customer is delinquent in paying its bills for 30 days or more, the District may transfer the deposit or any part thereof to its operating fund to pay such bill. The deposit or balance of such deposit remaining after payment of delinquent bills shall be refunded when the customer moves from the District. If a homeowner who does not have a deposit on account with the District moves to a new home within the District, a new deposit shall be required for such customer in the amount specified in Schedule "A". The District shall not be required to pay interest on any deposit.

E. Returned Check Charge. In the event that a customer's check is returned unpaid by customer's bank for any cause other than negligence on the part of the District, a charge as specified in Schedule "A" shall be added to such customer's bill to cover the District's cost of handling plus all current and delinquent charges. If such customer's account is also more than thirty (30) days delinquent, the account shall be scheduled for termination and notice therefor shall be given as provided herein. In such event, payment for the amount due on such account must be in the form of cashier's check or money order.

F. Adjustment to Extraordinary Bills. In the event of an unusually high water bill, the District may, upon customer request and review of the circumstances resulting in such unusually high water bill, adjust such customer's bill to 50% of the dollar amount above the average monthly bill for the previous six months plus such average monthly bill. In the alternative or in addition to such adjustment, upon written request of a customer to the District's billing office, a customer may be authorized to pay any bill that is at least five times the amount of such customer's previous month's bill in up to six monthly installments. A one percent (1%) penalty per month shall be added to each month's beginning balance less the amount of the current bill during the installment period.

G. Meter Testing Charge. In the event that a customer requests that the accuracy of a meter be tested, the customer will be charged the District's cost for conducting such a test when the meter tests between 95 and 105 percent accurate. The District will be responsible for the cost of conducting such a test when the test results are outside the specified accuracy range of between 95 and 105 percent.

H. Service Agreements with Customers. Prior to receiving permanent water service (upon initial completion of an improvement in the District, upon reinstatement of water service after a turn-off, or upon transfer of water service to a new customer), the customer must execute and deliver to the District's operator a service agreement in the form attached hereto as Exhibit "D".

## V. DELINQUENT ACCOUNTS.

The District shall bill each customer monthly and all bills shall become delinquent if not paid by the due date. A late payment charge of 10% of the unpaid balance will be added to all bills outstanding after the due date.

## VI. DISCONTINUATION OF SERVICE.

A. Termination for Delinquent Accounts. The District reserves the right to terminate service to any customer whose account is delinquent. In such event, service shall be disconnected only after sending written notice by first class United States mail to the customer at the address of the connection and providing the customer with an opportunity to contest, explain, or correct the charges, services, or disconnection. The written notice shall inform the customer of the amount of the delinquent payment, the date service will be disconnected if payment is not made, the name and telephone number of the billing company, and of the opportunity to contest, explain, or correct the charges, services, or disconnection by presenting in person or in writing such matter to the Board of Directors by contacting the billing company. The notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled disconnect date. A written statement by the District's operator that the notice was so mailed and a certificate of mailing by the United States Postal Service shall be prima facie evidence of delivery of same. Service shall be discontinued to any accounts, except those accounts with outstanding balances of less than \$10.00, that remain delinquent after the scheduled disconnect date and for which arrangements for payment satisfactory to the Board of Directors of the District have not been made. If the customer appears before the Board of Directors or in writing, the Board shall hear and consider the matter and inform the customer of the Board's determination by sending written notice by first class United States mail to the customer at the address of the connection.

Prior to termination of service, the District's operator will also place a door hanger notification of termination on the front door to the residence at least two (2) days prior to the date of scheduled disconnection.

B. Termination for Rate Order Violations. Any customer who violates any provision of this Rate Order, in addition to being subject to the penalties described herein, shall be subject to having water and sewer service terminated to prevent an abuse of the District's facilities; provided, however, that prior to disconnecting service for such violation, the District shall give written notice, by first class United States mail or otherwise, to such customer of the pending disconnection and shall give such customer the opportunity to contest, explain, or correct the violation of the Rate Order at a meeting of the Board of Directors of the District.

C. Delinquent Letter Charges. A customer who is sent a notice of delinquency or a door hanger as described in Paragraph VI.A. of this Order shall be charged the amount specified in Schedule "A" hereto for each such notice required, in addition to all other fees and charges provided for in this Order. The fee shall be assessed regardless of whether service is actually terminated to the customer.

D. Charges for Disconnection and Reconnection. In the event of any discontinuation of service either at the request of a customer or because of a customer's delinquency in the payment of bills or violation of this Rate Order, the District shall charge the amounts specified in Schedule "A" hereto. The entire outstanding balance, including the aforementioned fees, must be collected before service is reconnected.

In addition, if such customer does not currently have a security deposit with the District pursuant to Paragraph IV.D. of this Order, a security deposit in the amount specified in Schedule "A" shall be collected before service is reconnected.

E. Charges for Removal and Reinstallation of Water Meter. In the event the District is required to remove a water meter in order to enforce its rules and regulations regarding District facilities, including payment of all amounts due hereunder, the District shall charge the amount specified in Schedule "A" hereto to remove and reinstall such meter.

F. Procedures Related to Extreme Weather Emergency. Notwithstanding any provisions of this Rate Order to the contrary, a customer may not be charged late fees nor have service disconnected for nonpayment of a bill that is due during an extreme weather emergency until after the emergency is over. An "extreme weather emergency" means a period when the previous day's highest temperature in the area of the District did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. An "extreme weather emergency" is over on the second business day the temperature exceeds 28 degrees Fahrenheit.

A customer may, within thirty (30) days from the date the extreme weather emergency is over, request from the District a payment schedule for any unpaid bill that was due during an extreme weather emergency. Upon receipt of a timely request, the District shall provide a written payment schedule and a deadline for accepting the payment schedule. The District or the District's operator may, at the discretion of the District and/or the District's operator, determine the terms of the payment schedule described in this paragraph in accordance with applicable laws and regulations.

If a customer requests a payment schedule, the District shall not disconnect the customer from service for nonpayment of bills that were due during an extreme weather emergency unless the customer does not accept a payment schedule offered by the District in a timely manner or the customer violates the terms of the payment schedule. Any preexisting disconnection notices issued to a customer for nonpayment of bills due during an extreme weather emergency are suspended upon the timely request for a payment schedule; provided, however, a suspended disconnection may be reinstated if the customer does not accept a payment schedule offered by the District in a timely manner or violates the terms of the payment schedule. A customer who violates the terms of a payment schedule shall be subject to disconnection from service pursuant to the provisions of this Rate Order.

## VII. RULES AND REGULATIONS.

A. Rules and Regulations Governing Waterworks and Sanitary Sewer System. The Board hereby adopts the Rules and Regulations governing Waterworks and Sanitary Sewer

System, which are described in Exhibit “E” attached hereto and incorporated herein for all purposes.

B. Rules and Regulations Governing Commercial and Industrial Waste. The Board hereby adopts the Rules and Regulations Governing Commercial and Industrial Wastes, which are described in Exhibit “F” attached hereto and incorporated herein for all purposes.

C. Rules and Regulations Governing Grease and Lint Trap. The District hereby adopts the Rules and Regulations Governing Grease and Lint Trap which are described in Exhibit “G” attached hereto and incorporated herein for all purposes.

D. Penalties. The Board hereby sets the following civil penalties for breach of any rule of the District: Unless the Board determines that there are extenuating circumstances warranting a lesser penalty, the violator shall pay the District twice the costs that the District has sustained due to the violation, up to \$5,000, but in no event will the penalty be less than \$1,000. A penalty under this section is in addition to any other penalty provided by the law of this state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District’s principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorney’s fees shall be fixed by the court. For purposes hereof, each day’s violation shall be considered a separate violation.

#### VIII. REIMBURSEMENT OF NON-SCHEDULED COSTS.

Whenever the District incurs any non-scheduled out-of-pocket cost (including any such cost billed to the District by its operator, attorneys, or engineers) arising out of (1) the failure of a customer to comply with the District’s rules and regulations, as stated in this Rate Order or as otherwise announced, or (2) the request of a customer for an inspection or other service call which is the result of the customer’s improper maintenance, or (3) efforts to collect amounts due and owing to the District and not paid to the District on a timely basis, or (4) any other negligent or improper action on the part of the customer, the District may bill the customer, and the customer shall promptly reimburse the District for such cost.

#### IX. GENERAL POLICIES.

##### A. Definitions.

1. “*Residential Connection*” shall mean any user of the District’s water and sewer system that consists of one residence designed for use and occupancy by a single family unit.

2. “*Commercial Connection*” shall mean any user of the District’s water and sewer system that is not a Residential Connection including, but not limited to, commercial establishments, churches, and schools; provided, however, that for purposes of Section IV.A. of this Rate Order, Humble ISD schools shall not be treated as commercial connections.

B. All Services Charged. At no time shall the District render water and/or sewer services without charge to any person, firm, corporation or organization. Service will not begin until the appropriate deposit and fees have been paid by MONEY ORDER OR CASHIERS CHECK.

C. Other Utilities. Prior to installing underground cables in the area of District water supply and sanitary sewer collection lines, representatives of utility companies shall contact the District's operator to file such companies' construction plan and schedule and to review the engineering plans illustrating the location of District lines.

D. Future Adjustments. The District reserves the right to increase rates and fees from time to time when, in the opinion of the Board of Directors, such increases are required to cover the costs of administration, efficient operation, and adequate maintenance of the District's facilities.

E. NO CASH PAYMENTS ACCEPTED. For the safety of the District and its employees, no banking services will be provided at the office. The District will only accept MONEY ORDERS OR CASHIERS CHECKS in the exact amounts due for payment of services, required deposits, and fees.

F. Medical Considerations. In cases of medical conditions as reason for delayed or non-payment of services, the resident must provide from the attending physician, a written statement documenting a bona fide medical condition exists and how such condition led to delayed or non-payment.

G. Payment Plans. Payment plans can be arranged in hardship cases with the approval of the Board. If a plan is approved by the Board, the plan must be followed as per agreed arrangement. If the approved plan is not complied with or interrupted, the plan will be terminated and the resident must then pay the outstanding balance, including all fees, to be reconnected. No door tags or disconnect fees will be assessed if the resident follows the approved payment plan.

H. Request for Termination of Service. The person who signed for activation of service is the only acceptable person who can terminate. Exceptions are estate executors and others with legal power of attorney for such person.

I. Meter Tampering. In case of meter tampering, which means that someone other than the District Operator, lays their hands on the water meter in order to alter the lawful use of that meter, a tampering fee of \$200 will be assessed, in addition to any other criminal and civil penalties and any other costs associated with returning that meter to its original state. Such fee must be paid before resuming service.

J. Implementation of Order. This Order clarifies the Board's previous order and takes effect immediately. The President and Vice President of the Board of Directors of the District, or either of them, and the Secretary or Assistant Secretary of the Board, or either of them, are authorized to evidence adoption of this Order on behalf of the Board and to do all things proper and necessary to carry out the intent hereof.

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EXHIBIT A

HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109

Mail to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPLICATION FOR SANITARY SEWER SERVICE  
(Please print or type)

MAKE CHECK PAYABLE TO: Harris County Municipal Utility District No. 109

\_\_\_\_\_  
(Name of Applicant) (Lot) (Block) (Section)

\_\_\_\_\_  
(Sewer Service Address) (Phone) (City) (State) (Zip)

Date: \_\_\_\_\_ Requested by: \_\_\_\_\_  
(Signature)

Date Applicant requests service initiated: \_\_\_\_\_

Address to which Bills are to be mailed: \_\_\_\_\_

MAIL REFUND TO: \_\_\_\_\_  
(Name) (Address)

\_\_\_\_\_  
Applicant must attach sketch of building layout and proposed location of water service line.

FOR DISTRICT USE ONLY

Date Application Received: \_\_\_\_\_

Date Construction Authorized: \_\_\_\_\_

Connection Information:

WYE Location \_\_\_\_\_

Stack Location \_\_\_\_\_

Manhole Location \_\_\_\_\_

Date Sanitary Sewer Tap Made: \_\_\_\_\_

Date of Inspection: 1st \_\_\_\_\_ 2nd \_\_\_\_\_ 3rd \_\_\_\_\_

Date Permit Granted: \_\_\_\_\_

Certified as properly made by \_\_\_\_\_  
(District Operator)



Sample Service Inspection Certification

Name of PWS: \_\_\_\_\_  
PWS I.D. #: \_\_\_\_\_  
Location of Service: \_\_\_\_\_

I \_\_\_\_\_, upon inspection of the private plumbing facilities connected to the  
aforementioned public water supply do hereby certify that, to the best of my knowledge:

	Compliance	Non- Compliance	Certificate of Compliance on File
(1) No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service Lines	Lead	<input type="checkbox"/>	Copper	<input type="checkbox"/>	PVC	<input type="checkbox"/>	Other	<input type="checkbox"/>
Solder	Lead	<input type="checkbox"/>	Lead Free	<input type="checkbox"/>	Solvent Weld	<input type="checkbox"/>	Other	<input type="checkbox"/>

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

\_\_\_\_\_  
Signature of Inspector

\_\_\_\_\_  
Registration Number

\_\_\_\_\_  
Title

\_\_\_\_\_  
Type of Registration

\_\_\_\_\_  
Date

Sample Service Agreement

- I. **Purpose.** The Name of Water System is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the Name of Water System will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **PLUMBING RESTRICTIONS.** The following undesirable plumbing practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the Name of Water System (the “Water System”) and Name of Customer (the “Customer”).
- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.

- B. The Customer shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the Water System's normal business hours.
- C. The Water System shall notify the Customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately correct any undesirable plumbing practice on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

Customer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
RULES AND REGULATIONS GOVERNING  
WATERWORKS AND SANITARY SEWER SYSTEM

The following Rules and Regulations (the “Rules and Regulations”) shall govern the installation of connections or taps to the District’s waterworks and sanitary sewer system, the limitations on flow of waste into the sanitary sewer system, protection of all facilities which are part of the District’s waterworks and sanitary sewer system, and prohibited plumbing practices:

I. INSTALLATION OF CONNECTIONS TO DISTRICT’S WATERWORKS SYSTEM

A. Water Service Lines and Water Taps

1. A “Water Service Line” is defined herein as the water line from the property line of the property to be served with water to the District’s waterworks system.
2. A “Residential Water Tap” is defined herein as the connection of either of the follow to a District water line: (a) a 1” Water Service Line to serve two (2) single-family residences, which is known as a “Double Tap”; or (b) a 3/4” Water Service Line to serve one (1) single-family residence, which is known as a “Single Tap.” All Residential Water will be installed by the standard City of Houston “long” or short” residential water service line connection, including a 3/4” x 5/8” meter and box complete in place.
3. A “Commercial Water Tap” is defined herein as the connection of a 3/4” or larger Water Service Line to a District water line to serve one (1) or more structures other than a single-family residence.

B. Water Tap Materials — Only the following types of pipe and fitting materials shall be approved for the installation of Water Taps, including Residential Water Taps and Commercial Water Taps:

1. Rockwell meters/Commercial turbo meters or other meters approved by the District’s engineer
2. Brass curb stops, corp stops, and U-branch and related fittings manufactured by Ford, Hays or Muller
3. Polyethylene water service pipe, 3/4” to 2”
4. Cast iron or vinyl iron (C-900) water service pipe, larger than 2”

5. Water main pipe of the type originally installed
6. Plastic meter box up to 2” meter
7. Concrete meter box up to 2” meter
8. Concrete meter box, where traffic use is specified
9. Concrete meter vault per City of Houston Specifications for 3” and larger meter.

## II. INSTALLATION OF CONNECTIONS TO DISTRICT’S SANITARY SEWER SYSTEM

### A. Sewer Service Lines and Sewer Taps

1. A “Sewer Service Line” is defined herein as the sewer line from the foundation of a building, including houses and commercial structures, to the District’s sanitary sewer system.
2. A “Sewer Tap” is defined herein as the physical connection of a Sewer Service Line to the District’s sanitary sewer system. Without the written consent of the District’s Board of Directors, only one Sewer Tap shall be permitted for each building.
3. The following types of pipe and fitting materials shall be approved for the construction of Sewer Service Lines. Pipe and fittings in each individual Sewer Service Line must consist of the following material or other material approved by the District’s engineer:
  - a. Vitrified clay pipe conforming to ASTM Specification C700 with joint coupling conforming to ASTM Specifications C425 or C594 and installed according to ASTM C12.
  - b. Cast iron soil pipe, standard wright, conforming to ASTM Specification A74 with rubber gasket joint coupling conforming to ASTM Specification C564.
  - c. Poly-vinyl-chloride (“PVC”) pipe conforming to ASTM Specification D3034 or ASTM Specification F789 (with UL Listing) and installed according to ASTM D2321.
  - d. Ductile-iron Pipe conforming to ANSI A21.51 with rubber gasket joints conforming to ANSI A21.11, and installed according to manufacturer’s recommendations.
4. The minimum sizes of Sewer Service Lines shall be as follows:

Residential - 4-inches in diameter  
Commercial - 6-inches in diameter

A 4-inch sewer service line shall serve no more than one single family residential lot and a 6-inch sewer service line shall serve no more than two single family residential lots.

5. The minimum grades for Sewer Service Lines shall be as follows:
  - a. 4-inch pipe - one-foot drop per hundred feet (1%)
  - b. 6-inch pipe - 0.70 foot drop per hundred feet (0.70%)
  - c. 8-inch pipe - 0.70 foot drop per hundred feet (0.70%)
6. The maximum grades for Sewer Service Lines shall be as follows:
  - a. 4-inch pipe - two and one-half feet drop per hundred feet (2.5%)
  - b. 6-inch pipe - one and one-half feet drop per hundred feet (1.5%)
  - c. 8-inch pipe - one foot drop per hundred feet (1%)
7. All Sewer Service lines shall be constructed to true alignment and grade. Warped and sagging Sewer Service Lines will not be permitted.

**B. Connections of Building Sewer Outlets to Service Lines**

1. On all building waste outlets, the building tie-on connections shall be made directly to the stub-out from the building plumbing at the foundation.
2. Water-tight adapters of a type compatible with the materials being joined shall be used at the point of connection of a Sewer Service Line to the building plumbing. No cement grout materials shall be permitted.
3. Unless an exception is permitted by the District's Operator, existing "wye" and stack connections must be utilized for connection of a Sewer Service Line to the District's sanitary sewer system.

**C. Fittings and Cleanouts**

1. No bends or turns at any point will be greater than 45 degrees.

2. Each horizontal Sewer Service Line will be provided with a cleanout at its upper terminal, and each such run of piping which is more than 90 feet in length will be provided with a cleanout for each 90 feet, or fraction thereof, in the length of such piping.
3. Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of “wye” branch and end-of-the-line cleanouts, cleanouts will be installed vertically above the flow line of the pipe.
4. Cleanout will be fitted with an airtight mechanical plug.

### III. INSTALLATION AND REPAIR OF WATER TAPS

- A. An “Application for Water Tap” must be filed with the District’s operator prior to the installation of a Water Tap. All tap and inspection fees and deposits, as described in the Rate Order should accompany such Application.
- B. Water Taps to the District’s waterworks system shall be installed only by the District’s Operator.
- C. The District’s Operator shall install Water Taps and set meters at a location on adjoining property lines, whenever possible, and as designated by the District’s Operator, with the meter box being located in the easement adjacent to the property line and with two (2) meters per box, where necessary.
- D. The District’s Operator shall be responsible for all repairs to the maintenance of all Water Taps, pursuant to the terms and provisions of the Contract between the District and the District’s Operator.

### IV. INSTALLATION OF SEWER TAPS AND PERMITS

- A. Application for Sanitary Sewer Service. An “Application for Sanitary Sewer Service,” must be filed with the District’s Operator prior to construction of a Sewer Service Line. All inspection fees and deposits, as described in the Rate Order, should accompany such application. Construction of any Sewer Service Line must not begin until authorized by the District’s Operator.
- B. Sewer Service Line
  1. When a Sewer Service Line and Tap is complete, and prior to backfilling such Sewer Service Line trench, the applicant for sewer service shall request an inspection of the installation of the Sewer Service Line and Tap. Requests for Sewer inspections shall be

made to the District's Operator at least 24 hours in advance of the connections and inspections.

2. The Sewer Tap shall be made only by use of an adapter of a type compatible with materials being joined. The Sewer Tap shall be water-tight. No cement grout materials shall be permitted.
3. Backfilling of a Sewer Service Line trench must be accomplished within 24 hours of inspection and approval by the District's Operator. No debris shall be permitted in a Sewer Service Line trench.
4. After the Sewer Tap is made and the inspection performed, the District's Operator shall issue a Sewer Tap Permit to the applicant, confirming that all requirements of these Rules and Regulations have been met.

#### V. FEES AND CHARGES

The District's fees and charges shall be established by its Order Amending Consolidated Rate Order, and all amendments thereto.

#### VI. LIMITATIONS ON FLOW OF WASTE

- A. No waste material which is not biologically degradable will be permitted to be discharged into the District's sanitary sewer system, including mud and debris accumulated during Sewer Service Line installation.
- B. No downspouts, yard or street drains or gutters will be permitted to be connected into the District's sanitary sewer facilities.
- C. Swimming pool connections will not be made to the District's sanitary sewer system.

#### VII. PROTECTION OF DISTRICT'S WATERWORKS AND SANITARY SEWER SYSTEM.

- A. It shall be unlawful for any person, unless authorized in writing by the District's Operator, to tamper or interfere with, obstruct access to, or injure, deface, or destroy any facilities that are a part of the District's waterworks and sanitary sewer system, including, with respect to the waterworks system, water plants, flushing valves, valve boxes, and water lines up to the meter box and including meters; provided, however, that duly authorized members of the Atascocita Volunteer Fire Department shall have the right to use such flushing valve for fire protection purposes.
- B. It shall be unlawful for any person to connect any building to the waterworks system without a meter or to have a straight line connection to

a building without being metered. It shall also be unlawful to draw water from the waterworks system without being metered, including the unauthorized use of a flushing valve or unmetered water taps.

- C. It shall be unlawful for any person to deposit, throw, drain, discharge, or otherwise cause to be injected into any sewer, manhole, catch basin, flush tank, or other facility that is a part of the District's waterworks and sewer system any debris or foreign substance that would interfere with the proper and routine functioning thereof. Each such discharge shall constitute a separate violation, and in the event a discharge is continuous, each day such discharge continues shall constitute a separate violation.

#### VIII. PROHIBITION ON USE OF LEAD

- A. The use of pipes and pipe fittings that contain more than 8.0 percent lead or solders and flux that contain more than 0.2 percent lead is prohibited for installation or repair of the District's water system and for installation or repair of any plumbing in a residential or nonresidential facility providing water for human consumption and connected to the District's water system.
- B. This requirement may be waived for lead joints that are necessary for repairs to cast iron pipe.

#### IX. PROHIBITION ON DIRECT OR CROSS CONNECTIONS

- A. No establishment in the District shall contain an actual or potential contamination or system hazard without an air gap separation between the drinking water supply and the source of potential contamination. Where the containment air gap is impractical, reliance may be placed on individual "internal" air gaps or mechanical backflow prevention devices. Under these conditions, additional protection shall be required at the meter in the form of a correctly operating backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. Such backflow prevention devices must be tested and repaired as necessary, as specified in the Order.
- B. Water from a condensing, cooling or industrial process or any other system of nonpotable usage over which the District does not have sanitary control cannot be returned to the District's potable water supply.
- C. Overhead bulk water dispensing stations must be provided with an air gap between the filling outlet hose and the receiving tank to protect against back siphonage and cross-contamination.

REGULATIONS OF COMMERCIAL AND INDUSTRIAL WASTES

The Board of Directors of the District hereby establishes and promulgates the following policies, rules and regulations concerning domestic and industrial wastes:

I. Definitions. Unless the context requires otherwise, the terms and phrases used herein shall have meanings as follows:

(1) The term “B.O.D.” means the five-day, 20 degree Centigrade biochemical oxygen demand expressed in milligrams per liter as determined by the procedures specified in the latest edition of Standard Methods, or such other manual of operations as the District may adopt from time to time, or as determined in accordance with the latest rules of the Texas Commission on Environmental Quality.

(2) The term “C.O.D.” means the measure of the oxygen-consuming capacity of inorganic and organic matter present in water or waste, expressed in milligrams per liter as the amount of oxygen consumed from a chemical oxidant as determined by Standard Methods, or such other manual of operations as the District may adopt from time to time, or as determined in accordance with the latest rules of the Texas Commission on Environmental Quality.

(3) The term “customer” means any person who is served by the Waste Disposal System.

(4) The term “discharge” includes the terms deposit, conduct, drain, emit, throw, run, seep or otherwise release or dispose of, or to allow, permit, or suffer any of such acts or omissions.

(5) The term “grease” means fats, waxes, oils and other similar non-volatile material and waste which are extracted by hexane from a solidified sample using the Soxhlet method.

(6) The term “industrial waste” means the liquid and water-carried waste resulting from any process of industry, manufacturing, trade, business or commercial enterprise, other than normal domestic wastewater, including any mixture of industrial waste with water or normal domestic wastewater, and such other waste as the District deems appropriate.

(7) The term “industrial waste charge” means the charge made to those persons who discharge or are responsible for the discharge of industrial waste into the Waste Disposal System.

(8) The term “infiltration water” means water which leaks into the District’s Waste Disposal System or its customers’ sanitary sewer collection systems.

(9) The term “normal domestic wastewater” means waste, excluding industrial waste, discharged by a person into the Waste Disposal System or into a customer’s sanitary sewer collection system in which the average concentration of total suspended solids is not more than 250 mg/kg and B.O.D. is not more than 250 mg/kg.

(10) The term “overload” means the imposition of organic or hydraulic loading on the Waste Disposal System in excess of either its designed hydraulic capacity, its installed rated capacity or its organic loading capacity.

(11) The term “person” means any individual, public or private corporation, district, authority, political subdivision or other agency or entity of the State of Texas or of the United States of America; the State of Texas or the United States of America; any incorporated city, town or village, whether operating under general law or under its home rule charter; and any copartnership, association, firm, trust, estate or any other entity whatsoever.

(12) The term “pH” means the common logarithm of the reciprocal of the hydrogen ion concentration expressed in grams per liter of solution.

(13) The term “properly shredded garbage” means solid waste from the preparation, cooking and dispensing of food and from the handling, storage and sale of produce that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sanitary sewers, with no particle greater than one-half (1/2) inch in any dimension.

(14) The term “sanitary sewer collection system” means the sanitary sewer system(s) now owned or operated or to be constructed or acquired by customers of the District, including sanitary sewers (but excluding storm sewers), manholes, intercepting sewers, pumping works and all other plants, works and equipment for the collection and transportation of waste to the District’s Waste Disposal System.

(15) The term “slug” means any discharge of waste which, in the concentration of any given constituent or in the quantity of flow, exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration or flow during normal operation.

(16) The term “Standard Methods” means the examination and analytical procedures set forth in the latest edition of “Standard Methods for the Examination of Water and Wastewater” as prepared, approved and published jointly by the American Public Health Association, the American Waterworks Association and the Water Pollution Control Federation.

(17) The term “storm sewer” means sewers which carry storm and surface waters and drainage, and into which waste is not intentionally discharged.

(18) The term “total suspended solids” means those solids that either float on the surface or are in suspension in waste or other liquids, expressed in terms of milligrams per liter.

(19) The term “trap” means a device designed to skim, settle or otherwise remove grease, oil, sand, flammable wastes or other substances which may be harmful to either the Waste Disposal System or its treatment processes.

(20) The term “waste” means normal domestic wastewater and industrial waste collected by a public sanitary sewer collection system, together with such infiltration water as may be present.

(21) The term “Waste Disposal System” means all or any part of any disposal system or disposal facilities constructed or acquired by the District for receiving, transporting, treating and disposing of waste collected by the sanitary sewer collection systems of the District’s customers, together with such extensions, enlargements and modifications as may be required in the future or as may be necessary to comply with any regulatory requirements.

(22) The term “wastewater service charge” means the charge to all users of the District’s Waste Disposal System whose wastes do not exceed the concentrations established herein as representative of normal domestic wastewater.

II. Prohibited Discharges. All waste discharged into the District’s Waste Disposal System shall conform to the requirements hereof and shall consist only of waste amenable to biological treatment or other processes employed by the District from time to time. No person may discharge into the District’s Waste Disposal System any waste which by itself or by interaction with other waste may:

- (1) Injure or interfere with the processes or physical properties or facilities of the District’s Waste Disposal System;
- (2) Constitute a hazard to humans or animals; or
- (3) Create a hazard in receiving waters of the effluent of the Waste Disposal System.

Discharges prohibited by the foregoing parameters include, but are not limited to, slugs and materials which exert or cause: excessive discoloration or concentrations of suspended solids, B.O.D., C.O.D. or chlorine demands in excess of the ability of the Waste Disposal System to adequately treat and dispose of such waste in compliance with applicable regulatory requirements . Prohibited discharges also include, but are not limited to, the following materials which, if present in sufficient quantities, may cause or result in a violation of the foregoing parameters: ashes, cinders, sand, mud, grass clippings, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood or wood products, garbage (other than properly shredded garbage), blood, entrails, hair, flesh, paper or paper products, chemical or paint residues, or bulk solids.

III. Chemical Discharges. The following chemicals shall not be admissible into the District’s Waste Disposal System:

(1) Cyanides or cyanogen compounds capable of liberating hydrocyanic gas upon acidification when present in concentrations in excess of 2 mg/kg by weight as cyanide (CN);

(2) Fluorides other than those contained in the local public water supply for the area which is the source of the discharge;

(3) Gasoline, cleaning solvents, benzene, naphtha, fuel oil or other flammable or explosive liquids, solids or gases;

(4) Substances causing C.O.D. overload;

(5) Acids or alkalis having pH values lower than 6.0 or higher than 10.0, iron pickling wastes or concentrated plating solutions whether neutralized or not;

(6) Grease, whether emulsified or not, containing substances which may solidify or become viscous at temperatures between 32 degrees and 150 degrees Fahrenheit (0 and 65 degrees Centigrade) or which exceeds on analysis an average of 100 mg/kg of soluble matter;

(7) Dissolved sulfides whose concentrations exceed 0.1 mg/kg; or

(8) Any other corrosive, explosive, malodorous or objectionable chemicals in liquid, solid or gaseous form.

IV. Heavy Metals and Toxic Matter. The following metals and toxic materials shall not be admissible into the District's Waste Disposal System:

(1) Objectionable or toxic substances exerting an excessive chlorine requirement to such a degree that any such material received in the composite waste at the waste treatment works exceeds the limits established from time to time by the District for such materials;

(2) Obnoxious, toxic or poisonous solids, liquids, or gases in quantities sufficient to violate the provisions of Part II hereof;

(3) Any substance having corrosive properties capable of causing damage or hazard to structures, equipment or personnel operating the Waste Disposal System;

(4) All waste or other substances containing phenols, hydrogen sulfide or other taste or odor producing substances exceeding the concentration limits established from time to time by the District or which, after treatment of the composite waste, exceeds applicable regulatory requirements;

(5) Antimony, beryllium, bismuth, cobalt, molybdenum, tin, uranyl ion, rhenium, strontium, tellurium, and such other heavy metals as may be prohibited from time to time by the District;

(6) The following heavy metals or the salts thereof in solution or suspension which upon analysis by Standard Methods exceed the concentrations listed below:

<u>Element</u>	<u>mg/kg</u>	<u>Element</u>	<u>mg/kg</u>
Arsenic	0.05	Lead	0.1
Barium	5.0	Manganese	1.0
Boron	1.0	Mercury	0.005
Cadmium	0.02	Nickel	1.0
Chromium	5.0	Selenium	0.02
Copper	1.0	Silver	0.1
Zinc	5.0		

or

(7) Any other heavy metals or toxic materials except upon the conditions of pretreatment, concentration, volumes and other applicable standards prescribed by the District or by applicable statutes, laws, rules or regulations.

V. Garbage. No person may discharge garbage into the Waste Disposal System unless it is properly shredded garbage. The District may review and approve the installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower (0.76 H.P. metric) or greater.

VI. Drainage and Storm Water. No person may discharge into the Waste Disposal System drainage or storm waters.

VII. Temperature. No person may discharge into the Waste Disposal System liquid or vapors having a temperature higher than 150 degrees Fahrenheit (66 degrees Centigrade), or any substance which causes the temperature of the composite waste received in the treatment works influent to increase at the rate of 10 degrees Fahrenheit or more per hour or to exceed an influent temperature of 110 degrees Fahrenheit.

VIII. Radioactive Waste. No person may discharge into the Waste Disposal System radioactive materials or isotopes with a transient concentration higher than 100 microcuries per liter.

IX. Supervision. If the District or its designated representative determines that a discharge or a proposed discharge into the Waste Disposal System may deleteriously affect the Waste Disposal System or receiving waters, or create a hazard to life or health, or create a public nuisance, it may require:

(1) Pretreatment to an acceptable condition for discharge into the Waste Disposal System;

(2) Control over the quantities and rates of discharge; and

(3) Waste surcharge payments sufficient to compensate the District for the cost of handling and treating the waste.

If pretreatment or control is required by the District, it shall review and approve the design and installation of the equipment and processes in conformity with all applicable laws and regulatory requirements. Any person responsible for discharges requiring such pretreatment or control facilities shall provide and maintain such facilities in effective operating condition. Waste surcharge payments shall be determined by the District on an as needed basis.

X. Traps. Discharges requiring a trap include, but are not limited to, grease, oil, sand or flammable waste. Any person responsible for a discharge requiring a trap shall, as required by the District, provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, and maintain the trap in effective operating condition.

XI. Industrial Waste Charges. In addition to the wastewater service charges made by the District, the District shall make to customers discharging industrial waste into their sanitary sewer collection systems or into the Waste Disposal System the industrial waste charges provided for herein. If the District determines that the volume or the character of industrial waste to be treated by the District's Waste Disposal System will not cause overloading of the Waste Disposal System, the person responsible for the discharge of industrial waste shall nevertheless pay equitable industrial waste charges sufficient to provide payment for the amortization of all capital expenses for the collection and treatment of industrial waste (including new capital expenses and a proportionate share of the value of the existing Waste Disposal System used in handling and treating the industrial waste, but taking into account amortization costs resulting from annual tax payments) and operation and maintenance costs including salaries and wages, power cost, cost of chemicals and supplies, allowances for maintenance, depreciation, overhead and administrative and general expense. For such purposes, amortization shall be considered to be completed in a thirty-year period. Industrial waste charges shall be calculated by the following formula:

$$X = aA + bB + cC$$

Where X = charges to industrial user, \$/yr.

a = unit cost of transportation and treatment chargeable to volume, \$/1000 gal.

b = unit cost of treatment chargeable to B.O.D., \$/lb.

c = unit cost of treatment chargeable to suspended solids (including sludge), \$/lb.

A = volume of waste from industrial user, 1000 gal./yr.

B = amount of B.O.D. from industrial user, lbs./yr.

C = amount of suspended solids from industrial user, lbs./yr.

The initial coefficients of charge for use in the foregoing formula shall be determined at such time as the District determines that the volume or characteristics of industrial waste discharged into the District's Waste Disposal System necessitates additional treatment. Thereafter, the District shall review and, if appropriate, adjust the industrial waste charges at least annually to reflect changes in the characteristics of the industrial waste based upon the results of sampling and testing. The District shall also review at least annually the basis for determining industrial waste charges and shall adjust the unit treatment costs in the above formula to reflect increases or decreases in the waste treatment costs based upon the previous year's experience. Increases in industrial waste charges shall be retroactive for two billing periods and shall continue for six (6) billing periods unless subsequent tests determine that the charges should be further increased. The District shall bill its customers in a manner which will show industrial waste charges as a separate item from wastewater service charges.

XII. Disconnection of Service. In the event a customer of the District's Waste Disposal System fails to make timely payment of the District's wastewater service charges or industrial waste charges, or in the event waste is discharged into the District's Waste Disposal System in violation of the provisions hereof, the District reserves the right to disconnect the customer from the Waste Disposal System and to continue disconnection until such time as payment has been made or adequate assurances or pretreatment or control facilities have been installed to permit compliance with the provisions hereof.

XIII. Sampling; Testing; Inspection; Right of Entry. The District or its duly authorized agent or representative may enter at reasonable times and upon proper notice any lands or premises served or proposed to be served by the Waste Disposal System for the purposes of carrying out and determining compliance with the provisions hereof. Sampling and testing shall be conducted in accordance with customarily accepted methods, reflecting the effects of constituent wastes upon the Waste Disposal System and the existence of hazards to health, life, limb, or property. Examination and analysis of the characteristics of water and waste shall be conducted in accordance with Standard Methods (or such other manual of operations as the District may adopt from time to time, or as determined in accordance with the latest rules of the Texas Commission on Environmental Quality) and shall be determined from suitable samples taken at control points selected by the District. The cost of the District's sampling and testing shall be charged to the customer.

XIV. Effect of Regulations; Amendment. The provisions hereof are to be deemed and construed as regulatory requirements supplementary and in addition to all laws, rules, regulations, ordinances or licenses now in effect or hereafter passed, adopted or promulgated by any regulatory agency, federal, state or local, having jurisdiction over the District's Waste Disposal System including, without limitation, the Federal Water Pollution Control Act Amendments of 1972, the Texas Water Quality Act, the rules and regulations of the Environmental Protection Agency concerning effluent limitations, guidelines and pretreatment standards for meat products point sources, as published in 38 Federal Register 29858, et seq., on October 29, 1973, and the rules and regulations of the Environmental Protection Agency concerning industrial waste discharges into municipal systems, as published in 38 Federal Register 30982, et seq., on November 8, 1973. The provisions hereof are subject to amendment, repeal or alteration from time to time by the Board of Directors of the District.

XV. ENFORCEMENT OF THESE RULES AND REGULATIONS AND PENALTIES

A. Enforcement

- (1) Pursuant to Section 54.206, Texas Water Code, the Rules and Regulations shall be recognized by the courts of the State of Texas as if they were penal ordinances of a city.
- (2) Pursuant to Section 54.209, Texas Water Code, enforcement of the Rules and Regulations shall be by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office is located.

B. Penalties

- (1) Water and sanitary sewer service shall not be provided by the District until the requirements with respect to Water Taps and Sewer Taps and inspections have been met and, with respect to Sewer Taps, a written permit or permits have been granted.
- (2) Breach of the Rules and Regulations shall result in the payment of a fine to the District by the offending party in the amount of \$200 per violation and payment to the District of any costs incurred by the District in connection with any repairs or corrections necessitated by any such breach.

RULES AND REGULATIONS GOVERNING  
GREASE AND LINT TRAPS IN FOOD HANDLING  
ESTABLISHMENTS, PUBLIC CAR WASHES,  
AUTOMOTIVE SERVICING AND/OR REPAIR ESTABLISHMENTS,  
PUBLIC WASHATERIAS AND HAIR CUTTING SHOPS

Section 1. “Establishment” means any business within the District which shall process, prepare or serve food and which processing, preparing or serving results in a discharge of water into the sewer system of the District during any part of such operation or service, and shall also mean public car washes, automotive servicing and/or repair establishments, public washaterias and hair cutting shops which discharge water into the sewer system of the District during any of said operations.

Section 2. Each Establishment shall be required to have a grease and/or lint trap (“Trap”) which fulfill the requirements of these Rules and Regulations and which shall be in compliance with requirements as established by the City of Houston (“CofH”). Specifications and requirements for such Trap shall be as follows:

- A. Each small food Establishment with no fixed seating, including, but not limited to sandwich or coffee shops, donut shops, small bakeries and pastry shops and other small Establishments processing, preparing, or serving food, either individually, bulk or carry out, shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 533-S.
- B. Each food Establishment where food is served to customers on premises and where the occupant load is less than 100 occupants, shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 534-S.
- C. Each food Establishment where food is served to customers on premises and where the occupant load is more than 100 and less than 300 occupants, shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 531-S.
- D. Each food Establishment where food is served to customers on premises and where the occupant load is more than 300 occupants, shall have a Trap designed by a registered professional engineer and submitted to the Engineer for the District for his approval.
- E. Each public car wash and automobile servicing and/or repair establishment of six (6) bays or less shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 359-S-1.
- F. Each public car wash and automobile servicing and/or repair establishment of more than six (6) bays shall have a Trap designed by a registered professional engineer and submitted to the Engineer for the District for his approval.

- G. Each public washateria shall have a Trap constructed pursuant to the applicable drawing attached hereto. The drawing and therefore the specifications which are applicable shall be determined by the size of the washateria as follows:
  - (1) For washaterias having 10 or less machines, see CofH Drawing 533-S.
  - (2) For washaterias having 11 to 20 machines, see CofH Drawing 534-S.
  - (3) For washaterias having more than 20 machines, see CofH Drawing 531-S.
- H. Each hair cutting shop shall have a Trap constructed pursuant to specifications as set out in CofH Drawing 533-S.
- I. Any Commercial type laundry shall have a Trap designed by a registered professional engineer and submitted to the Engineer for the District for his approval.

Section 3. Each Establishment shall clean traps periodically as necessary to maintain and be in compliance with standards as set out herein and in any event shall clean such trap not less than once each week if such Trap is designated pursuant to CofH Drawing 534-S or 539-S-1, and not less than once each month if such Trap is designated pursuant to CofH Drawing 533-S or 531-S.

Section 4. Each Establishment subject to the conditions hereof shall:

- A. Maintain a sampling well with easy access for inspectors. The sampling well to be installed per applicable CofH Drawing No. 516-S or 516-S-1.
- B. Maintain records on premises of all gallonage removed from the Trap.
- C. Maintain records on premises of all trip tickets in connection with disposal from the trap.
- D. Make available the records required in Section 4B and C above, to inspectors for the District when requested and as authorized hereinbelow.

Section 5. The District, from time to time as it deems necessary, may have its designated representative inspect any Trap subject hereto, which inspection however shall be during the normal business hours of the Establishment being inspected. During such inspection, the representative shall have the right to inspect the sampling well and take samples therefrom and to inspect all records maintained in connection with the Trap as required herein. The cost of each such inspection shall be charged to the Establishment.

Section 6. No Establishment subject to these Rules and Regulations shall allow a discharge into the sewer system, when such discharge shall consist of more than two hundred (200) milliliters of grease or oil per one (1) liter of discharged water.

RATES FOR RESIDENTIAL CUSTOMERS

Monthly Water Service Rates  
(per meter per month)

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$10.00
10,001 gallons to 20,000 gallons	\$1.25 per 1,000 gallons;
20,001 gallons to 30,000 gallons	\$1.50 per 1,000 gallons;
30,001 gallons to 40,000 gallons	\$1.80 per 1,000 gallons; and
40,001 gallons and above	\$2.50 per 1,000 gallons

Effective July 1, 2014, the District will add a surcharge to the monthly water service rate equal to the groundwater pumpage fee that is charged by the North Harris County Regional Water Authority (the “Authority”), as revised yearly, less \$0.25 per 1,000 gallons of water used. This fee will be a separate line item on the District’s water bills, and will adjust at the same time the fee charged by the Authority changes.

Monthly Sewer Service Rates

<u>Gallons</u>	<u>Amount</u>
Minimum 30,000 gallons	\$16.00
30,001 gallons to 40,000 gallons	\$1.00 per 1,000 gallons
40,001 gallons and above	\$2.00 per 1,000 gallons

RATES FOR HUMBLE ISD SCHOOL CUSTOMERS  
AND COMMUNITY IMPROVEMENT ASSOCIATION CUSTOMERS

Monthly Water Service Rates  
(per meter per month)

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$10.00
10,001 gallons to 20,000 gallons	\$1.25 per 1,000 gallons;
20,001 gallons to 30,000 gallons	\$1.50 per 1,000 gallons;
30,001 gallons to 40,000 gallons	\$1.80 per 1,000 gallons; and
40,001 gallons and above	\$2.50 per 1,000 gallons

Effective July 1, 2014, the District will add a surcharge to Humble ISD's and the Community Improvement Association's monthly water service rate equal to the groundwater pumpage fee that is charged by the North Harris County Regional Water Authority (the "Authority"), as revised yearly, less \$0.25 per 1,000 gallons of water used. This fee will be a separate line item on the District's water bills, and will adjust at the same time the fee charged by the Authority changes.

Monthly Sewer Service Rates\*

<u>Gallons</u>	<u>Amount</u>
Minimum 30,000 gallons	\$16.00
30,001 gallons to 40,000 gallons	\$1.00 per 1,000 gallons
40,001 gallons and above	\$2.00 per 1,000 gallons

\* As provided in Section IV.C. of this Order, no sanitary sewer charge shall be made for sprinkler system connections.

## RATES FOR COMMERCIAL CUSTOMERS

### Monthly Water Service Rates (per meter per month)

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$22.00
10,001 to 20,000 gallons	\$2.00 per 1,000 gallons
20,001 to 40,000 gallons	\$3.00 per 1,000 gallons
40,001 and above	\$4.00 per 1,000 gallons

Effective July 1, 2014, the District will add a surcharge to the monthly water service rate equal to the groundwater pumpage fee that is charged by the North Harris County Regional Water Authority (the "Authority"), as revised yearly, less \$0.25 per 1,000 gallons of water used. This fee will be a separate line item on the District's water bills, and will adjust at the same time the fee charged by the Authority changes. .

### Monthly Sewer Service Rates

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$28.00
10,001 gallons and above	\$1.50 per 1,000 gallons

### DELINQUENT LETTER CHARGE

Delinquent Letter charge - \$10.00 per letter

Disconnection of Service Letter Fee - \$10.00 per letter

Door hanger disconnection notification fee - \$10.00 per door hanger

### CHARGES FOR RECONNECTION

Disconnect Fee - \$50.00

Reconnect Fee - \$50.00 (to be paid prior to reconnecting)

Removal of Meter/Reinstallation of Meter - \$100.00 (to be paid prior to reinstallation)

Illegal Connection Fee - \$200.00

### SECURITY DEPOSITS

Application and New Account Set-Up Fee - \$25.00

Homeowner - \$100.00

Renter of residential property - \$200.00

Commercial customer-twice the estimated average monthly usage, as estimated by the District's operator

### RETURNED CHECK CHARGE

Returned check charge - \$35.00

### GREASE AND LINT TRAP INSPECTION FEE

Grease and lint trap inspection fee - \$40.00

\* \* \* \*

**NOTE:** Any health hazard condition such as an ongoing water line leak or an unauthorized sewer discharge (i.e. homeowner sewer back-up discharging onto the ground), will result in termination of water service and the removal of the homeowner's or business' water meter.

**NOTE:** The maintenance of all water and sewer pipes and fittings installed by a builder is the responsibility of the property owner.



September 12, 2023

Mr. Prasad Maragani, P.E.  
Petrichor Group  
9711 S Mason Rd, #125-451  
Richmond, Texas 77407

Re: Harris County MUD 109  
Utility Service Request for 5733 FM 1960

Dear Mr. Maragani,

The Board of Directors for Harris County Municipal Utility District No. 109 has been informed by your letter dated August 1, 2023, that you plan to develop an approximately 1.0624 acre tract on FM 1960. Included in this development is the construction of water, sanitary sewer, and storm sewer utilities to serve a proposed 2,000 square foot retail building. We are aware that you are requesting assurance that a total of 250 gallons per day of water supply and dry weather flow capacity will be available to serve the above listed facility. The District has authorized BGE, Inc. to issue this commitment letter for the proposed development.

Harris County Municipal Utility District No. 109 confirms that the public water supply and wastewater collection and treatment system operated by the District is currently available to such tract, that permanent water supply and wastewater treatment plants are constructed with water supply and wastewater treatment capacity sufficient to serve the development you propose for the tract in question, and that the present and planned uncommitted capacity of our system is sufficient to serve the development you propose for the tract in question.

The District agrees to provide to such tract water and sanitary sewer service from its system in accordance with the District's prevailing tap fees and monthly service charges and its existing rules and regulations, as the same may be amended from time to time, without discrimination. The District also agrees to reserve for the benefit of such tract capacity for 250 gallons per day of water supply, dry weather flow and wastewater treatment capacity, provided that taps to its water distribution and wastewater collection system to serve such tract are made, and construction of taxable improvements on the tract commences, within one year from the date of this letter and provided that your development plans are not altered materially. The capacity herein committed is subject to temporary reallocation if usage by the subject tract falls below 80% of the amount committed.

Before connections to the water distribution or sanitary sewer systems are allowed, construction plans for the site must be submitted to BGE and Water Wastewater Management Services, Inc.

Serving. Leading. Solving.™

BGE, Inc. • 1450 Lake Robbins Drive, Suite 310 • The Woodlands, Texas 77380 • 281-210-5570 • [www.bgeinc.com](http://www.bgeinc.com)

Mr. Maragani  
September 12, 2023  
Page 2

(WWWMS) for review and approval. Review of the plans by BGE and WWWWMS are for water and sanitary sewer facilities only.

This letter is for your sole benefit and is not assignable by you to any subsequent purchaser of such tract or any other person without the consent of Harris County Municipal Utility District No. 109.

Sincerely,

A handwritten signature in blue ink that reads "William J. Kotlan". The signature is written in a cursive, flowing style.

William J. Kotlan

Engineer for the District

Attachment – Harris County MUD 109 Rate Order

cc: Mr. Owen Parker, President; Harris County MUD No. 109

Mr. Dimitri Millas, Attorney Harris County MUD No. 109

Mr. Paul Villarreal; Water Wastewater Management Services, Inc.

**STREAMLINE ADVISORY  
PARTNERS, LLC MULTI FAMILY  
FEASIBILITY STUDY**

**FOR**

**HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109**

AUGUST 2023





## OVERVIEW

- 1 Executive Summary
- 2 Introduction
- 3 Analysis

### Exhibits:

- A: Tract Boundary
- B: Preliminary Site Plan
- C: Water and Wastewater Committed and Ultimate Connections and Capacity
- D: District Rate Order



# 1 EXECUTIVE SUMMARY

Streamline Advisory Partners, LLC (the “Developer”) has requested Harris County Municipal Utility District 109 (the “District”) to perform a feasibility study for the District to serve a future multi-family development on a 16.0 - acre tract located at the southeast quadrant of FM 1960 and Woodland Hills Drive. The tract is located within the District.

This development would consist of approximately 354 apartment units with washer/dryer connections (169 Equivalent Single-Family Connections). The analysis shows that the District will have the wastewater capacity to serve the development and existing developments.

The analysis also shows that the District has the water capacity to serve the development and existing developments when Water Plant No. 1 and No.2 are taken into account.

The Developer has estimated a total assessed valuation for the development to be approximately \$60,000,000 at full build out. Based on the District’s current tax rate (\$0.19 for operations and maintenance and \$0.29 debt service) financially, the development will bring in approximate tax revenues as shown below:

• Operations and Maintenance	\$ 114,000
• <u>Debt Service</u>	<u>\$ 174,000</u>
Total Estimated Annual Tax Revenue	\$ 288,000

# 2 INTRODUCTION

The undeveloped 16.0 - Acre Tract is located South of FM 1960 and East of Woodland Hills Drive. The entirety of the tract is located within the District’s boundary. An exhibit showing the Tract’s boundary within the District’s boundary as well as the Tract’s proposed utility improvements is enclosed as **Exhibit A**. The preliminary site plan is enclosed as **Exhibit B** and indicates the Developer intentions to build a multi-family development on said tract.

Based on information from the Developer, construction of the development is planned to be complete in 2026. The estimates included in this feasibility are based on the anticipated land use provided by the developer at the time of the study. The final land plan may affect the estimated costs and revenues associated with the development.

### 3 ANALYSIS

#### **Water Production and Distribution**

The tract is located within the District's boundaries. The District has two (2) active water wells and two existing water plants with a capacity of approximately 6,667 equivalent single-family connections ("ESFC") or 5,600,160 gallons per day per Texas Commission on Environmental Quality ("TCEQ") requirements.

The current average daily flow ("ADF") in the District is approximately 1.3 MGD. Inclusive of existing connections, ultimate future projected connections within current platted developments, and developments that are currently in design, the District has committed approximately 1.5 MGD and 4,176 connections. A copy of the updated water committed and ultimate connections and capacity is included as **Exhibit C**.

Based on information from the Developer, the Tract's estimated water capacity requirement is approximately 42,250 gpd and is used throughout this feasibility study.

Based on projected ADF, including this Tract, the District is projected to have sufficient water production capacity to meet the demand of the development within the District. As the existing and upcoming developments build out, the District should be prepared to expand their water production and distribution capacity.

There is an existing 12-inch waterline located on the north side of FM 1960. The Developer's proposed waterline will need to tie into this existing 12-inch waterline. The Developer is responsible for all costs associated with the proposed waterline tie in to the existing 12-inch waterline and required easements.

The ultimate alignment of waterlines interior to the Tract will depend on the final land plan of the proposed development. The Developer is responsible for all design decisions and placement of waterlines interior to the proposed development.

The Developer is responsible for providing engineered plans and specifications for the water distribution system interior to the development and the public offsite waterlines to the District Engineer for review and approval prior to commencing construction, and to obtain all required approvals and permits.

#### **Sanitary Sewer Collection and Treatment**

The District's existing wastewater facilities include 10 public lift stations and one (1) wastewater treatment plant. The Atascocita Joint Operations Board ("AJOB") Wastewater Treatment Plant (TPDES Permit No. WQ0011533001) has a permitted capacity of 9.0 million

gallons per day (“MGD”) with 2.1 MGD allocated to the District. The current ADF for the District is 1.15 MGD or 55%.

Inclusive of existing connections, platted developments, and developments which are in design or under construction, the District has committed approximately 1.19 MGD or 57% of the existing permitted capacity at full build out. A copy of the wastewater committed and ultimate connections and capacity is included as **Exhibit C**.

Using information from the Developer, the Tract’s estimated sanitary sewer capacity requirement is approximately 42,250 gpd (1,267,500 gallons per month). However, within the Atascocita Joint Operations agreement, the District’s ownership within the plant is determined based on connections with 1 apartment being 1 equivalent connection. For the purposes of treatment plant capacity, we will use 354 connections and for the purpose of sizing facilities, we will use the developer’s estimated sanitary sewer capacity. Inclusive of existing connections, platted developments, developments currently underway, other developments in feasibility, and this development, the District will have committed approximately 1.24 MGD or 59% of existing permitted capacity.

There is an existing 8 - inch sanitary sewer gravity line along the East side of Artesian Way. The Developer will be responsible for constructing and dedicating to the District a lift station and force main to direct flow into the existing 8 - inch gravity line on the East side of Artesian Way, as shown in **Exhibit A**. The design will need to be coordinated with the District to accommodate the total dynamic head of the Belleau Wood Lift Station. The Developer will be responsible for all costs associated with the lift station, force main, and required easements.

The ultimate alignment of sanitary sewer lines interior to the Tract will depend on the final land plan of the proposed development. These sanitary sewer lines will remain private and must be constructed per all applicable TCEQ and City of Houston design criteria.

The Developer is responsible for providing engineering plans and specifications for the sanitary sewer conveyance system interior to the development to the District Engineer for review and approval prior to commencing construction. The Developer is responsible for obtaining all developmental approvals and required permits. The Developer will need to coordinate the installation of the sanitary tap(s) into the public system with the District and will be responsible for all costs associated with said work.

### **Development Costs**

The Developer will need to engineer and construct the on-site and off-site water and sanitary sewer facilities to serve the proposed tract.

The Developer will also need to pay water and wastewater tap fees to the District. The tap fees will be assessed at the time of recordation of the final plat and collected prior to

receiving water and sanitary sewer taps. Please see **Exhibit D** for a copy of the District's Rate Order.

Below is a summary of the estimated costs associated with the development:

***Estimated Costs:***

- |  |            |
|--|------------|
| • Tap Fees   | Rate Order |
| • Project Cost   | TBD        |
| ○ Water extension across FM 1960   |            |
| ○ On site public fire water loop   |            |
| ○ Public lift station and force main to Artesian Way.                          |            |
| ○ Private on-site water and sewer system                                       |            |
| ○ Upsizing pump size at Belleau Wood East Lift Station                         |            |
| ○ Upgrading electrical at Belleau Wood East Lift Station due to upsizing pumps |            |

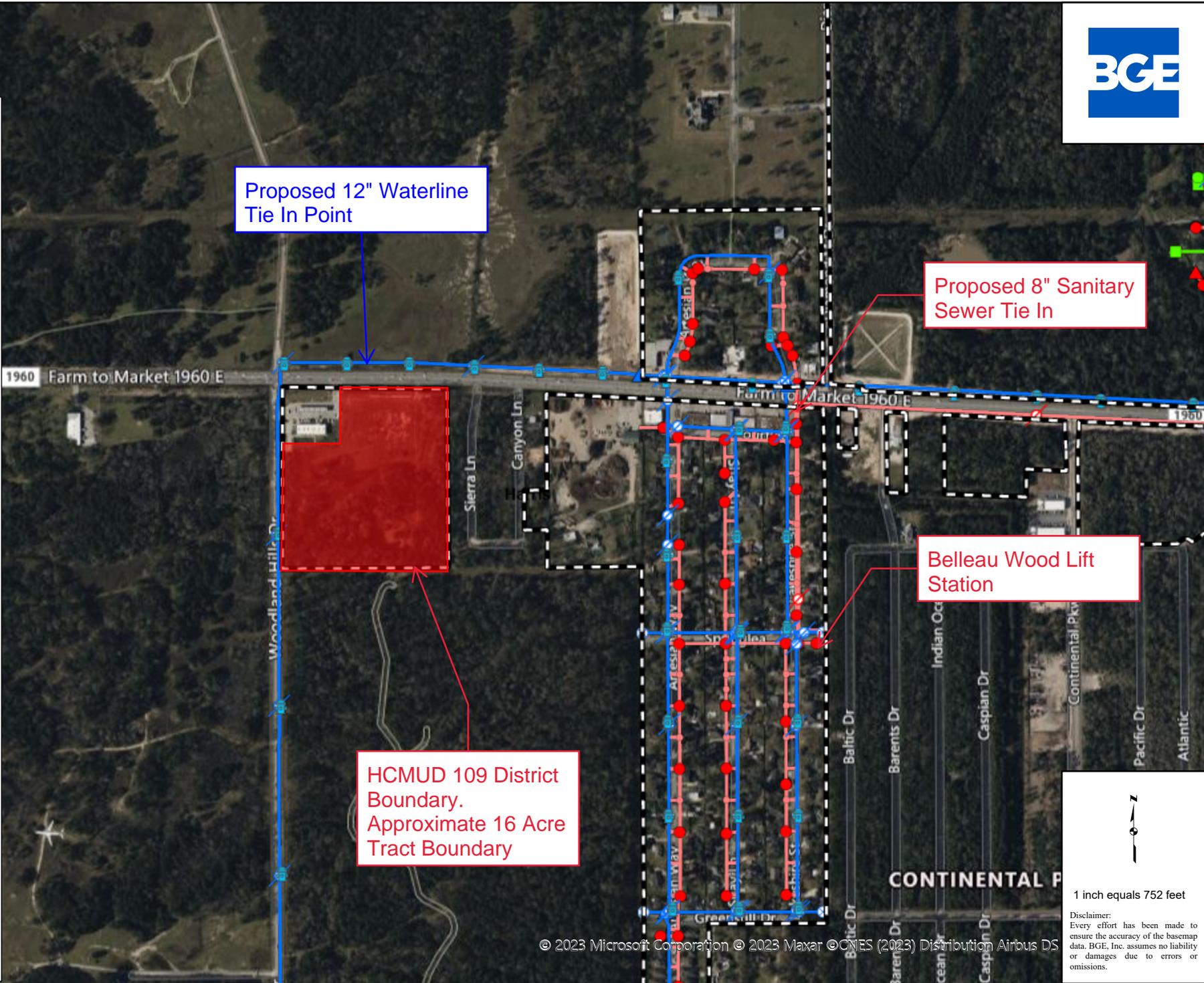
The project cost is to be determined once more information is known. These estimates are based on the projected water and wastewater usage provided by the Developer. If the District cost exceeds this amount, the Developer is responsible for the additional costs. The actual costs will depend on the final land plan, final design, and actual construction costs.

**Financial Feasibility**

If the District elects to consider partial reimbursement for facilities, further consideration to financial feasibility will be reviewed. At this stage, it is clear that the proposed development is feasible for the District based on 100% developer funding.



- Storm Line
- Storm Feature**
  - Inlet
  - Manhole
  - Inlet (Golf Course)
  - Manhole (Golf Course)
  - Sanitary Line
- Sanitary Feature**
  - Air Valve
  - Cleanout
  - Manhole
  - Stack
  - Water Line
- Water Feature**
  - Fire Hydrant
  - Main Valve
  - Blowoff Valve
  - Check Valve
  - F Meter
  - Reducer Valve
  - Tapping Sleeve
  - Isolation Valve
  - HCMUD 109
- Commissione Precincts**
- PCT\_NO**
  - 1
  - 2
  - 3
  - 4
- Harris County



Proposed 12" Waterline Tie In Point

Proposed 8" Sanitary Sewer Tie In

Belleau Wood Lift Station

HCMUD 109 District Boundary. Approximate 16 Acre Tract Boundary



1 inch equals 752 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.

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**PROJECT INFORMATION**

**SITE AREA:** 15.322 ACRES

**UNIT TABULATION**

1 BEDROOM UNITS:	91	25.71%
2 BEDROOM UNITS:	142	40.11%
3 BEDROOM UNITS:	71	20.06%
4 BEDROOM UNITS:	50	14.12%
<b>TOTAL UNITS:</b>	<b>354 UNITS</b>	
	23.10 DU/AC	

**PARKING TABULATION**

REQUIRED:	602 SPACES
1.7 P/UNIT	
PROVIDED:	
SURFACE PARKING:	620 SPACES
<b>TOTAL PARKING:</b>	<b>620 SPACES</b>
	1.75 P/DU
	1.18 P/BED

**ZONING SUMMARY**

CURRENT ZONING DISTRICT:	N/A
REZONING REQUIRED?	NO
ADDITIONAL BUFFERS/SETBACKS:	N/A
OTHER KEY ZONING CONSIDERATIONS:	N/A





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT 109**

**SUMMARY OF CAPACITY REQUIREMENTS**

REVISED 05\_4\_20

FACILITIES				COMMITTED		ULTIMATE	
EXISTING FACILITY	AUXILIARY POWER	EXISTING CAPACITY	ALLOWABLE CONNECTIONS	CONNECTIONS	REQUIRED CAPACITY	CONNECTIONS	REQUIRED CAPACITY
<b>Water <sup>(1)</sup></b>							
Water Wells <sup>(2)</sup>	NG (WP1)	4,000 gpm	6,667	4,176	2,506 gpm	5,067	3,040 gpm
Storage <sup>(3)</sup>		2,420,000 gal	22,100	4,176	835,200 gal	5,067	1,013,400 gal
Booster Pumps <sup>(4)</sup>	Diesel (WP2)	3,250 gpm	5,417	4,176	2,506 gpm	5,067	3,040 gpm
<b>Wastewater <sup>(5)</sup></b>							
WTPP <sup>(6)</sup>	Diesel	2,100,000 gpd	6,563	3,928	1,256,960 gpd	4,589	1,468,480 gpd
Lift Station No. 1 <sup>(7)(8)</sup>	NG	3,875 gpm	4,359	3,155	2,804 gpm	3,822	2,973 gpm
Kings Lake Estates Lift Station No.1 <sup>(9)</sup>	NG	120 gpm	135	13	12 gpm	13	12 gpm
Kings Lake Estates Lift Station No.2 <sup>(10)(11)</sup>	NG	396 gpm	446	182	162 gpm	182	162 gpm
Kings Lake Estates Lift Station No.3	NG	150 gpm	169	41	36 gpm	41	36 gpm
Swiftbrook Lift Station		gpm	0	18	16 gpm	18	16 gpm
Future Madden Lift Station		gpm	0	0	0 gpm	682	606 gpm
Belleau Wood East Lift Station <sup>(12)(13)(14)</sup>	NG	700 gpm	788	812	722 gpm	867	771 gpm
Atascocita Meadows Lift Station <sup>(15)</sup>	NG	170 gpm	191	192	171 gpm	207	184 gpm
Barents Drive Lift Station	NG	100 gpm	113	144	128 gpm	164	146 gpm

NOTE: A factor of 320 gpd/connection was used for wastewater facilities.

- <sup>(1)</sup> HCMUD 109 provides water to all connections within the district boundaries and portions of HCMUD 151 according to the agreement dated July 1, 1996.
- <sup>(2)</sup> The District has two water wells with an existing capacity of 2,000 gpm each, for a capacity of 4,000 gpm
- <sup>(3)</sup> The District has a 420,000 gallon ground storage tank and two 1,000,000 gallon elevated storage tanks, for a total of 2,420,000 gallons of storage
- <sup>(4)</sup> The District has two 1,500 gpm pumps, one 1,000 gpm pump, and one 750 gpm pump for a total capacity of 4,750 gpm. With the largest pump out of service, the District has a pumping capacity of 3,250 gpm. Pumps provide the minimum capacity of 0.6 gal/min/con
- <sup>(5)</sup> HCMUD 109 provides plant capacity for all connections within the district boundaries. Lift Station No. 1 provides capacity for areas within the district and a portion of HCMUD 151 according to the agreement dated July 1, 1996, which also states that a portion of HCMUD 109 (118 ESFCs) is served by facilities in HCMUD 151.
- <sup>(6)</sup> MUD 109's Share of the Atascocita Central Regional Wastewater Treatment Plant
- <sup>(7)</sup> Lift Station No. 1 has three 2,000 gpm pumps, with one serving as a spare, for a capacity of 4,000 gpm.
- <sup>(8)</sup> Includes the flow from Kings Lake Estates Lift Station No. 2, Future Kings Lake Estates Lift Station No. 3, and Future Lift Station No. 6
- <sup>(9)</sup> Kings Lake Estates Lift Station No. 1 has two 120 gpm pumps, with one serving as a spare, for a capacity of 120 gpm.
- <sup>(10)</sup> Kings Lake Estates Lift Station No. 2 has two 215 gpm pumps, with one serving as a spare, for a capacity of 215 gpm.
- <sup>(11)</sup> Includes flow from Kings Lake Estates Lift Station No. 1, Kings Lake Estates Sections 1, 2, 4, 5, and 7, Kings Lake Estates Commercial Reserve, and proposed Kings Lake Estates Sections 3 and 6.
- <sup>(12)</sup> Belleau Wood East Lift Station has two 700 gpm pumps, with one serving as a spare, for a capacity of 700 gpm.
- <sup>(13)</sup> Includes the flow from the Atascocita Meadows Lift Station
- <sup>(14)</sup> Includes the flow from Future Woodland Hills Multi - Family Development Lift Station
- <sup>(15)</sup> Atascocita Meadows Lift Station has two 170 gpm pumps, with one serving as a spare, for a capacity of 170 gpm.



CERTIFICATE FOR  
ORDER AMENDING CONSOLIDATED RATE ORDER

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, at the Atascocita Fire Department, 18425 Timber Forest Drive, Humble, Texas, 77346, at 6:00 p.m. on September 17, 2019, whereupon 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 Director Frank, thus constituting a quorum. Whereupon among other business, the following was transacted at such Meeting:

ORDER AMENDING CONSOLIDATED RATE ORDER

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: 4                      NOES: 0

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 each of such officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public, and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED September 17, 2019

HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109



\_\_\_\_\_  
President, Board of Directors

ATTEST



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

(DISTRICT SEAL)



ORDER AMENDING CONSOLIDATED RATE ORDER

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

§  
§  
§

WHEREAS, the Board of Directors (the “Board”) of Harris County Municipal Utility District No. 109 (the “District”) has previously adopted rates, fees, rules, regulations, and policies with respect to the District’s waterworks and sanitary sewer collection system; and

WHEREAS, from time to time the Board has amended such rates, fees, rules, regulations and policies; and

WHEREAS, the Board deems it appropriate and necessary to amend the rate order, and to restate such order as so amended;

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

I. CONNECTIONS AND FEES.

A. Connections Made and Inspected by District Operator; Plans Reviewed by District’s Engineer.

1. Waterworks. All connections to the waterworks of the District shall be made by the District’s operator and shall be metered (except fire line connections). All fireline connections shall be made by the District’s operator and (a) shall be metered or (b) shall have a flow detector (of the type specified by the District’s engineer), or (c) the owner shall install a sprinkler system with a pressure sensitive and activated alarm system. The unmetered fireline shall include a backflow preventer (of the type specified by the District’s engineer) immediately downstream of the fireline tap.

2. Temporary Meters. All temporary connections to the waterworks of the District shall be made by the District’s operator and shall be metered.

3. Sanitary Sewer. All connections to the sanitary sewer system of the District (including the sanitary sewer lines up to the building slab) shall be inspected by the District’s operator. The sanitary sewer line inspection shall be performed prior to back filling. Any line not inspected and not approved must be uncovered to permit such inspection or shall pass such alternate method of inspection as approved by the Board.

4. Storm Sewer. All connections to the storm sewer system of the District shall be made as specified by the District’s engineer and shall be inspected for compliance by the District’s operator.

5. Inspections of unmetered facilities. All underground piping downstream from the water connection for unmetered firelines shall be inspected by the District's operator prior to back filling and shall be pressure tested under the supervision of the District's operator.

6. Engineer's review of plans and specifications. Before any connection, other than a single family residential connection, is made to the District's water, sewer, or drainage system, the person requesting such connection shall submit, at least 14 days prior to applying for a tap into the lines of the District, to the District's engineer for review and approval the water, sanitary sewer, and drainage plans and specifications for the property for which the connection is sought. Such plans shall clearly show the estimated volumes of water or effluent and the proposed points of connection to the District's system. A copy of such approved plans, with the engineer's approval indicated thereon, shall be submitted to the District's operator. Any modification of such plans shall require re-approval by the District's engineer. The District reserves the right to require removal of any connection made in violation of this Section.

7. Plat Requirement. Notwithstanding anything herein to the contrary, the operator shall make no connection to the District's water or sanitary sewer collection system unless either

(a) the tract, parcel, or lot of land to be served by such connection is part of an area covered by a development plat duly approved pursuant to article 974a-3, Texas Revised Civil Statutes, as amended, or pursuant to an ordinance, rule, or regulation relating to such a development plat,

(b) the operator has been presented with or otherwise holds a certificate applicable to such tract, parcel, or lot of land issued by or on behalf of the Planning Commission or City Council of the City of Houston, Texas, under section 4A, article 974a, Texas Revised Civil Statutes, as amended, stating that either a plan, plat, or re-plat of such tract, parcel, or lot either is not required or has been revised and approved by such Commission or Council, or

(c) such tract, parcel, or lot was first connected to such system prior to September 1, 1987.

B. Payment of Fees and Deposit. Any party desiring a connection to the District's waterworks or sanitary sewer or storm sewer system shall complete and file with the District's operator an application therefor in the form attached hereto as Exhibit "A", or such other form as such operator may prescribe from time to time, and shall pay the water tap fee, sanitary sewer inspection fee, storm sewer inspection fee, and fee for engineer's review of plans and specifications, as the case may be, described in Paragraph I.C. hereof and the deposit described in Paragraph I.D. hereof prior to receiving such connection. No connection shall be made until such fees and deposit are paid.

Any party desiring a temporary connection to the District's waterworks system shall file an application with the District's operator and shall pay the installation fee prescribed in

Paragraph I.C. hereof and the deposit prescribed in Paragraph I.D hereof prior to receiving such temporary meter and a flushing valve wrench.

C. Tap and Inspection and Installation Fees. The following tap fees are based on ultimate and full utilization of a given user's tract. The water tap fees shall be assessed based on the plans and specifications as approved by the District's engineers and shall be calculated as follows:

Single-family Residential:

1 inch	x	1 inch meter	\$1,100.00 (153 - \$1,200; 151 - \$1,000; 132 - \$1,050, includes meter and box)
3/4 inch	x	5/8 inch meter	\$ 670.00 (132 - \$600.00)
3/4 inch	x	3/4 inch meter	\$ 850.00 (153 - \$1,000)

Fireline tap fees: Cost to the District of installing the tap.(

Sprinkler meter: Two times the cost to the District of installing the tap.

All other meters, up to and including two inches: Three times the cost to the District of installing the tap.

Other: Fees for meters other than those described above shall be determined by the Board on an individual basis, but in no event more than three times the cost to the District.

The sanitary sewer inspection fee shall be \$175 per inspection for residential connections and cost plus 15% per inspection for commercial connections. For each inspection that results in a rejection of the line inspected, an additional fee of \$25 will be assessed.

The commercial sewer line inspection fee shall be cost to the District times two.

The storm sewer inspection fee shall be cost to the District of all necessary inspections plus \$250.

Each builder shall be charged \$30.00 for a pre-construction lot inspection and \$30.00 for each post-construction lot inspection or re-inspection. Builders shall also be charged \$150.00 for customer service inspections in accordance with Section III (B).

The fee charged for the engineer's review of plans and specifications shall be \$500 plus \$50 per acre or any part thereof in the parcel served.

The installation fee for a temporary connection shall be \$50.00.

D. Deposit. Each person, other than a home builder who complies with the provisions of paragraph E below, requesting a water or sanitary sewer or storm sewer connection or a temporary connection shall establish with the District a deposit conditioned upon compliance with this Order and the District's Rules and Regulations adopted by this Order and payment in full of any damage to the District's waterworks, sanitary sewer, and storm sewer system caused by and water and sewer service charges assessed against such person. For permanent connections, such deposit shall be returned after the sanitary sewer and/or storm sewer service lines have been inspected and connected to the District's sanitary sewer and/or storm sewer system. For temporary connections, such deposit shall be returned (less amounts owed the District) after the operator has removed the meter, on request of the owner. The amount of each such deposit shall be computed in accordance with the following schedule:

<u>Meter Size (Inches)</u>	<u>Deposit</u>
Temporary Meters	\$ 750.00
2 and smaller	\$ 1,000.00
3	\$ 1,600.00
4	\$ 2,500.00
6	\$ 3,500.00
8 and over	\$ 4,000.00

## II. REQUIREMENTS OF HOMEBUILDERS

A. Builder Deposit. Each builder of homes within the District shall establish a deposit of \$500 with the District, which deposit shall be refunded without interest to each builder at the completion of the builder's homebuilding program within the District except to the extent such deposit has been applied as provided in Paragraph II.B. hereof; provided that, if such home builder violates any part of this Order, the amount of such builder's deposit shall be immediately doubled for each violation.

B. Use of Deposit. The cost of any repairs to waterworks or sanitary or storm sewer lines necessitated by builder negligence shall be billed by the District's operator to the builder responsible therefor at the rate of cost plus 25% (representing the District's service handling charge). A \$25.00 administrative fee shall be added to the invoice to any builder delinquent in paying such bills for 30 days or more. At any time that a builder is delinquent in paying such bills for 60 days or more or responsible for outstanding bills in the amount of \$500 or more, the District shall transfer the \$500 deposit or any part thereof to its operating fund to pay such bills and require that such deposit be replenished by such amount transferred or require that an additional \$500 or greater deposit be made by the builder before allowing the installation of additional water taps for such builder.

C. Adjustments of Manholes, Fire Hydrants, Meter Boxes, and Clean Out Valves. Builders of homes within the District must contact the District's operator requesting the

adjustment of manholes, fire hydrants, valve boxes, or clean out valves within thirty days following the closing of the purchase of the lot on which such manhole, fire hydrant, meter box, or clean out valve is located. Following such thirty-day period, the home builder will be responsible for the cost of such adjustment.

D. Damaged Meters and Meter Boxes; Obstructions. Each customer shall be responsible for protecting any and all District meters and meter boxes located on property of such customer and shall be assessed the cost to the District of repairing or replacing such meters or meter boxes when damaged by any cause whatsoever, except by act of the District or its operator.

After a water meter has been set, each Customer shall at all times keep the area in, around and upon the meter and box and District easements and property under customer's control free from rubbish or obstructions of any kind. Failure to keep the meter and box and District easements and property under customer's control free from rubbish or obstructions may result in disconnection of water services and/or the assessment of charges necessary to remove said obstructions. Customers are further prohibited from introducing material into the District's waterworks, sanitary sewer, and storm sewer system which would cause obstruction of said system. In the event than an inspection by the District's engineer or District's operator reveals any such obstructions, the District reserves the right to immediately and without notice remove the obstruction. Any District cost for removal of obstructions, plus a District administration fee of fifty percent (50%) of said costs, shall be assessed to Customer. The District's operator shall have rights of ingress and egress to Customer's property in order to carry out the provisions of this Section.

E. Builder Damage Procedure. When a builder improves a lot, reserve or other property, the builder may damage District facilities on the property. The builder may avoid responsibility for damages existing at the time the builder obtains control of the property by contacting the District, through the operator prior to the clearing of any lot, to do a survey of District facilities on the property. The fee for such inspection shall be \$30.00, to be paid by the builder at the time the inspection is requested. Any damages noted at this time will be repaired at no expense to the builder.

To be released from or to limit the amount of any claim for damage to District facilities due to a builder's activities, the builder must contact the District, through the operator, to make a final inspection to determine any damages to facilities while under the control of the builder. This inspection will not be made until all work, including fences, landscaping and resodding, is completed. This inspection can be made even if the property has not been sold if the builder has completed all work. The fee for this inspection shall be \$30.00, to be paid by the builder at the time the inspection is requested. A representative of the builder will be asked to sign the inspection, authorizing the repairs at his expense. The cost of any repairs to facilities damaged due to builder activities may be deducted from the builder's deposit with the District. If, at the time of the final inspection, the builder has not completed all work the inspection will be rejected and an additional inspection will be performed at an additional fee of \$30.00. A final inspection will not be made unless an approved sewer inspection is on file with the District.

All repairs, except for positioning or replacement of meter boxes, will be performed by the operator, regardless of with whom the financial responsibility for the repair resides. Positioning or replacement of meter boxes may be performed by the builder only before the final survey is made.

Damages are not limited to structural damages, but also may include problems arising from burying, covering up, restricting access to, or fencing over the top of the facilities, causing land elevations adjacent to facilities to change, making facilities nonfunctional, and similar actions. Hidden damages not apparent at the time of a survey but discovered later will be back charged to those responsible if there is sufficient evidence to support a claim.

Regardless of the status of the lot or reserve or any property as indicated in the above procedure, the District is the owner of its assets and will take those actions it deems necessary to prevent damage to its property or injury to persons, with or without notice to others, and will also take those actions it deems necessary to recover the expense of those repairs from any party responsible for causing them.

### III. INSPECTIONS AND REPAIRS.

#### A. Inspection of Backflow Devices.

1. All backflow prevention assemblies shall be tested by a recognized backflow prevention assembly tester upon installation and certified to be operating within specifications. This inspection shall be conducted prior to the time the operator makes a permanent water connection to the District's system and the District's operator shall be provided with a test report in the form of Exhibit "B". At the option of the customer, the District's operator may perform the test, and the cost will be charged to the customer.

2. Backflow prevention assemblies which are installed to provide protection against high health hazards must also be tested and certified to be operating within specifications at least annually. A high health hazard is defined as a cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply. A customer at an establishment which presents high health hazards must provide the District with a test report annually. In the event any establishment fails to provide such a report within thirty days after written notification by the District that such a report is required, the District's operator shall inspect the backflow prevention device and the cost will automatically be charged to the customer's account.

3. Any backflow prevention device required by these rules must be located on each potable or irrigation service between the meter and the building foundation or prior to the first branch in the service line and designed and constructed to facilitate maintenance of the installation and inspection. Before beginning construction of a backflow preventer, a commercial user shall submit plans to the District for review and approval to insure compliance with this section.

4. To be a recognized backflow prevention assembly tester, a person shall meet the standards promulgated by the Texas Commission on Environmental Quality (the "Commission").

5. Gauges used in the testing of backflow prevention assemblies shall be tested for accuracy annually in accordance with the University of Southern California's Foundation of Cross Connection Control and Hydraulic Research and/or the American Water Works Association Manual of Cross Connection Control (Manual M-14). Testers shall include test gauge serial numbers on "Test and Maintenance" report forms.

6. A test report must be completed by the recognized backflow prevention assembly tester for each assembly tested. The signed and dated original must be submitted to the District for record keeping purposes. Should the tester choose to use a report format which differs from that attached hereto as Exhibit "B", it must minimally contain all information required by the report form.

7. The use of a backflow prevention device at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes.

**B. Customer Service Inspections.**

1. A customer service inspection certification in the form attached hereto as Exhibit "C" must be completed and delivered to the District: (1) prior to the time the District's operator provides sanitary sewer service or permanent water service to a new connection in the District, (2) within 5 days after an existing customer receives notice from the District that it has reason to believe that cross-connections or other unacceptable plumbing practices exist at his establishment, or (3) within 30 days after any material improvement, correction or addition is made to the private plumbing facilities of any connection.

2. Individuals with the following credentials shall be recognized as capable of conducting a customer service inspection certification.

(a) Plumbing Inspectors and Water Supply Protection Specialists holding license endorsement issued by the Texas State Board of Plumbing Examiners.

(b) Certified Waterworks Operators and members of other water related professional groups who have completed a training course, passed an examination administered by the Commission or its designated agent, and hold an endorsement granted by the Commission or its designated agent.

3. It is the responsibility of the customer to obtain the certification. The customer may ask the District's operator to complete sections 1-3 of the certification. The District's operator, at its discretion, may complete sections 1-3 of the certification if it can make such certification in connection with its normal inspections and at no additional cost to the District.

4. The existence of private plumbing facilities in violation of the District's rules is an undesirable plumbing practice. Upon discovery of any such condition, the District may immediately terminate water service to the connection to protect the integrity of its public water system. Service will be restored only when the source of potential contamination no longer exists or when sufficient additional safeguards have been taken.

C. Firelines. The District, from time to time as it deems necessary, may have its designated representative inspect any firelines, which inspection however shall be during the normal business hours of the establishment being inspected.

D. Customer Requests. Whenever a customer asks the District to inspect its lines and facilities and the inspection shows that the customer's problem arises from his private sewer or water lines, and not the District's, the District shall charge the customer the cost of such inspection, and the customer shall promptly remit the charge to the District.

E. Grease and Lint Trap. For each grease and lint trap installed pursuant to the requirements contained in Exhibit "G" attached hereto, there shall be charged the monthly inspection fee specified in Schedule "A" hereto. Whenever the District is required to reinspect a grease and lint trap because the first inspection showed a violation of the District's rules and regulations, the District shall charge the customer the cost of such inspection, and the customer shall promptly remit the charge to the District, in addition to any other penalty or cost which may be assessed against such customer hereunder.

F. Repair Responsibility. The District shall maintain and repair all District facilities, which shall included the manholes, water and sewer main lines, laterals, sewer stacks, and end of line cleanouts. Customers are responsible for all plumbing installed by builders during construction up to and including the saddle and tap connection.

#### IV. CUSTOMER RATES, DEPOSITS, AND SERVICE AGREEMENTS.

A. Rates for In-District Customers. The District's water and sewer rates as set forth in this Rate Order include the regulatory assessment the District is required to charge each customer and to pay the Texas Commission on Environmental Quality. The rates and charges specified on Schedule "A" hereto for the sale of water and the collection and disposal of sewage shall be in effect for customers located within the District from the effective date of this Order.

Each residential unit occupied by a separate family, including separate apartments located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building, shall be deemed to be a separate connection for the purpose of this Order.

B. Rates for Out of District Customers. The rates and charges for the sale of water and collection and disposal of sewage for customers who are not located within the District's boundaries shall be 150% of the rates for customers located inside the District, as such rates may be amended from time to time.

C. Sprinkler System Connections. Each sprinkler system connection shall be deemed to be a water supply service connection only, and shall not be charged for sanitary sewer service.

D. Deposits. A security deposit shall be collected and maintained on all connections or reconnections in the District made after the effective date of this Order in the amounts specified in Schedule "A".

All deposits collected shall be accounted for on the District's books. At any time that a customer is delinquent in paying its bills for 30 days or more, the District may transfer the deposit or any part thereof to its operating fund to pay such bill. The deposit or balance of such deposit remaining after payment of delinquent bills shall be refunded when the customer moves from the District. If a homeowner who does not have a deposit on account with the District moves to a new home within the District, a new deposit shall be required for such customer in the amount specified in Schedule "A". The District shall not be required to pay interest on any deposit.

E. Returned Check Charge. In the event that a customer's check is returned unpaid by customer's bank for any cause other than negligence on the part of the District, a charge as specified in Schedule "A" shall be added to such customer's bill to cover the District's cost of handling plus all current and delinquent charges. If such customer's account is also more than thirty (30) days delinquent, the account shall be scheduled for termination and notice therefor shall be given as provided herein. In such event, payment for the amount due on such account must be in the form of cashier's check or money order.

F. Adjustment to Extraordinary Bills. In the event of an unusually high water bill, the District may, upon customer request and review of the circumstances resulting in such unusually high water bill, adjust such customer's bill to 50% of the dollar amount above the average monthly bill for the previous six months plus such average monthly bill. In the alternative or in addition to such adjustment, upon written request of a customer to the District's billing office, a customer may be authorized to pay any bill that is at least five times the amount of such customer's previous month's bill in up to six monthly installments. A one percent (1%) penalty per month shall be added to each month's beginning balance less the amount of the current bill during the installment period.

G. Meter Testing Charge. In the event that a customer requests that the accuracy of a meter be tested, the customer will be charged the District's cost for conducting such a test when the meter tests between 95 and 105 percent accurate. The District will be responsible for the cost of conducting such a test when the test results are outside the specified accuracy range of between 95 and 105 percent.

H. Service Agreements with Customers. Prior to receiving permanent water service (upon initial completion of an improvement in the District, upon reinstatement of water service after a turn-off, or upon transfer of water service to a new customer), the customer must execute and deliver to the District's operator a service agreement in the form attached hereto as Exhibit "D".

## V. DELINQUENT ACCOUNTS.

The District shall bill each customer monthly and all bills shall become delinquent if not paid by the due date. A late payment charge of 10% of the unpaid balance will be added to all bills outstanding after the due date.

## VI. DISCONTINUATION OF SERVICE.

A. Termination for Delinquent Accounts. The District reserves the right to terminate service to any customer whose account is delinquent. In such event, service shall be disconnected only after sending written notice by first class United States mail to the customer at the address of the connection and providing the customer with an opportunity to contest, explain, or correct the charges, services, or disconnection. The written notice shall inform the customer of the amount of the delinquent payment, the date service will be disconnected if payment is not made, the name and telephone number of the billing company, and of the opportunity to contest, explain, or correct the charges, services, or disconnection by presenting in person or in writing such matter to the Board of Directors by contacting the billing company. The notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled disconnect date. A written statement by the District's operator that the notice was so mailed and a certificate of mailing by the United States Postal Service shall be prima facie evidence of delivery of same. Service shall be discontinued to any accounts, except those accounts with outstanding balances of less than \$10.00, that remain delinquent after the scheduled disconnect date and for which arrangements for payment satisfactory to the Board of Directors of the District have not been made. If the customer appears before the Board of Directors or in writing, the Board shall hear and consider the matter and inform the customer of the Board's determination by sending written notice by first class United States mail to the customer at the address of the connection.

Prior to termination of service, the District's operator will also place a door hanger notification of termination on the front door to the residence at least two (2) days prior to the date of scheduled disconnection.

B. Termination for Rate Order Violations. Any customer who violates any provision of this Rate Order, in addition to being subject to the penalties described herein, shall be subject to having water and sewer service terminated to prevent an abuse of the District's facilities; provided, however, that prior to disconnecting service for such violation, the District shall give written notice, by first class United States mail or otherwise, to such customer of the pending disconnection and shall give such customer the opportunity to contest, explain, or correct the violation of the Rate Order at a meeting of the Board of Directors of the District.

C. Delinquent Letter Charges. A customer who is sent a notice of delinquency or a door hanger as described in Paragraph VI.A. of this Order shall be charged the amount specified in Schedule "A" hereto for each such notice required, in addition to all other fees and charges provided for in this Order. The fee shall be assessed regardless of whether service is actually terminated to the customer.

D. Charges for Disconnection and Reconnection. In the event of any discontinuation of service either at the request of a customer or because of a customer's delinquency in the payment of bills or violation of this Rate Order, the District shall charge the amounts specified in Schedule "A" hereto. The entire outstanding balance, including the aforementioned fees, must be collected before service is reconnected.

In addition, if such customer does not currently have a security deposit with the District pursuant to Paragraph IV.D. of this Order, a security deposit in the amount specified in Schedule "A" shall be collected before service is reconnected.

E. Charges for Removal and Reinstallation of Water Meter. In the event the District is required to remove a water meter in order to enforce its rules and regulations regarding District facilities, including payment of all amounts due hereunder, the District shall charge the amount specified in Schedule "A" hereto to remove and reinstall such meter.

## VII. RULES AND REGULATIONS.

A. Rules and Regulations Governing Waterworks and Sanitary Sewer System. The Board hereby adopts the Rules and Regulations governing Waterworks and Sanitary Sewer System, which are described in Exhibit "E" attached hereto and incorporated herein for all purposes.

B. Rules and Regulations Governing Commercial and Industrial Waste. The Board hereby adopts the Rules and Regulations Governing Commercial and Industrial Wastes, which are described in Exhibit "F" attached hereto and incorporated herein for all purposes.

C. Rules and Regulations Governing Grease and Lint Trap. The District hereby adopts the Rules and Regulations Governing Grease and Lint Trap which are described in Exhibit "G" attached hereto and incorporated herein for all purposes.

D. Penalties. The Board hereby sets the following civil penalties for breach of any rule of the District: Unless the Board determines that there are extenuating circumstances warranting a lesser penalty, the violator shall pay the District twice the costs that the District has sustained due to the violation, up to \$5,000, but in no event will the penalty be less than \$1,000. A penalty under this section is in addition to any other penalty provided by the law of this state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorney's fees shall be fixed by the court. For purposes hereof, each day's violation shall be considered a separate violation.

## VIII. REIMBURSEMENT OF NON-SCHEDULED COSTS.

Whenever the District incurs any non-scheduled out-of-pocket cost (including any such cost billed to the District by its operator, attorneys, or engineers) arising out of (1) the failure of a customer to comply with the District's rules and regulations, as stated in this Rate Order or as otherwise announced, or (2) the request of a customer for an inspection or other service call

which is the result of the customer's improper maintenance, or (3) efforts to collect amounts due and owing to the District and not paid to the District on a timely basis, or (4) any other negligent or improper action on the part of the customer, the District may bill the customer, and the customer shall promptly reimburse the District for such cost.

IX. GENERAL POLICIES.

A. Definitions.

1. "*Residential Connection*" shall mean any user of the District's water and sewer system that consists of one residence designed for use and occupancy by a single family unit.

2. "*Commercial Connection*" shall mean any user of the District's water and sewer system that is not a Residential Connection including, but not limited to, commercial establishments, churches, and schools; provided, however, that for purposes of Section IV.A. of this Rate Order, Humble ISD schools shall not be treated as commercial connections.

B. All Services Charged. At no time shall the District render water and/or sewer services without charge to any person, firm, corporation or organization. Service will not begin until the appropriate deposit and fees have been paid by MONEY ORDER OR CASHIERS CHECK.

C. Other Utilities. Prior to installing underground cables in the area of District water supply and sanitary sewer collection lines, representatives of utility companies shall contact the District's operator to file such companies' construction plan and schedule and to review the engineering plans illustrating the location of District lines.

D. Future Adjustments. The District reserves the right to increase rates and fees from time to time when, in the opinion of the Board of Directors, such increases are required to cover the costs of administration, efficient operation, and adequate maintenance of the District's facilities.

E. NO CASH PAYMENTS ACCEPTED. For the safety of the District and its employees, no banking services will be provided at the office. The District will only accept MONEY ORDERS OR CASHIERS CHECKS in the exact amounts due for payment of services, required deposits, and fees.

F. Medical Considerations. In cases of medical conditions as reason for delayed or non-payment of services, the resident must provide from the attending physician, a written statement documenting a bona fide medical condition exists and how such condition led to delayed or non-payment.

G. Payment Plans. Payment plans can be arranged in hardship cases with the approval of the Board. If a plan is approved by the Board, the plan must be followed as per agreed arrangement. If the approved plan is not complied with or interrupted, the plan will be terminated and the resident must then pay the outstanding balance, including all fees, to be

reconnected. No door tags or disconnect fees will be assessed if the resident follows the approved payment plan.

H. Request for Termination of Service. The person who signed for activation of service is the only acceptable person who can terminate. Exceptions are estate executors and others with legal power of attorney for such person.

I. Meter Tampering. In case of meter tampering, which means that someone other than the District Operator, lays their hands on the water meter in order to alter the lawful use of that meter, a tampering fee of \$200 will be assessed, in addition to any other criminal and civil penalties and any other costs associated with returning that meter to its original state. Such fee must be paid before resuming service.

J. Implementation of Order. This Order clarifies the Board's previous order and takes effect immediately. The President and Vice President of the Board of Directors of the District, or either of them, and the Secretary or Assistant Secretary of the Board, or either of them, are authorized to evidence adoption of this Order on behalf of the Board and to do all things proper and necessary to carry out the intent hereof.

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HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 109

Mail to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPLICATION FOR SANITARY SEWER SERVICE  
(Please print or type)

MAKE CHECK PAYABLE TO: Harris County Municipal Utility District No. 109

\_\_\_\_\_  
(Name of Applicant) (Lot) (Block) (Section)

\_\_\_\_\_  
(Sewer Service Address) (Phone) (City) (State) (Zip)

Date: \_\_\_\_\_ Requested by: \_\_\_\_\_  
(Signature)

Date Applicant requests service initiated: \_\_\_\_\_

Address to which Bills are to be mailed: \_\_\_\_\_

MAIL REFUND TO: \_\_\_\_\_  
(Name) (Address)

Applicant must attach sketch of building layout and proposed location of water service line.

FOR DISTRICT USE ONLY

Date Application Received: \_\_\_\_\_

Date Construction Authorized: \_\_\_\_\_

Connection Information:

WYE Location \_\_\_\_\_

Stack Location \_\_\_\_\_

Manhole Location \_\_\_\_\_

Date Sanitary Sewer Tap Made: \_\_\_\_\_

Date of Inspection: 1st \_\_\_\_\_ 2nd \_\_\_\_\_ 3rd \_\_\_\_\_

Date Permit Granted: \_\_\_\_\_

Certified as properly made by \_\_\_\_\_  
(District Operator)



Sample Service Inspection Certification

Name of PWS: \_\_\_\_\_  
 PWS I.D. #: \_\_\_\_\_  
 Location of Service: \_\_\_\_\_

I \_\_\_\_\_, upon inspection of the private plumbing facilities connected to the  
 aforementioned public water supply do hereby certify that, to the best of my knowledge:

	Compliance	Non- Compliance	Certificate of Compliance on File
(1) No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service Lines	Lead	<input type="checkbox"/>	Copper	<input type="checkbox"/>	PVC	<input type="checkbox"/>	Other	<input type="checkbox"/>
Solder	Lead	<input type="checkbox"/>	Lead Free	<input type="checkbox"/>	Solvent Weld	<input type="checkbox"/>	Other	<input type="checkbox"/>

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

\_\_\_\_\_  
 Signature of Inspector

\_\_\_\_\_  
 Registration Number

\_\_\_\_\_  
 Title

\_\_\_\_\_  
 Type of Registration

\_\_\_\_\_  
 Date

Sample Service Agreement

- I. **Purpose.** The Name of Water System is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the Name of Water System will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **PLUMBING RESTRICTIONS.** The following undesirable plumbing practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the Name of Water System (the "Water System") and Name of Customer (the "Customer").
- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.

- B. The Customer shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the Water System's normal business hours.
- C. The Water System shall notify the Customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately correct any undesirable plumbing practice on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

Customer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109  
RULES AND REGULATIONS GOVERNING  
WATERWORKS AND SANITARY SEWER SYSTEM

The following Rules and Regulations (the “Rules and Regulations”) shall govern the installation of connections or taps to the District’s waterworks and sanitary sewer system, the limitations on flow of waste into the sanitary sewer system, protection of all facilities which are part of the District’s waterworks and sanitary sewer system, and prohibited plumbing practices:

I. INSTALLATION OF CONNECTIONS TO DISTRICT’S WATERWORKS SYSTEM

A. Water Service Lines and Water Taps

1. A “Water Service Line” is defined herein as the water line from the property line of the property to be served with water to the District’s waterworks system.
2. A “Residential Water Tap” is defined herein as the connection of either of the follow to a District water line: (a) a 1” Water Service Line to serve two (2) single-family residences, which is known as a “Double Tap”; or (b) a 3/4” Water Service Line to serve one (1) single-family residence, which is known as a “Single Tap.” All Residential Water will be installed by the standard City of Houston “long” or short” residential water service line connection, including a 3/4” x 5/8” meter and box complete in place.
3. A “Commercial Water Tap” is defined herein as the connection of a 3/4” or larger Water Service Line to a District water line to serve one (1) or more structures other than a single-family residence.

B. Water Tap Materials — Only the following types of pipe and fitting materials shall be approved for the installation of Water Taps, including Residential Water Taps and Commercial Water Taps:

1. Rockwell meters/Commercial turbo meters or other meters approved by the District’s engineer
2. Brass curb stops, corp stops, and U-branch and related fittings manufactured by Ford, Hays or Muller
3. Polyethylene water service pipe, 3/4” to 2”
4. Cast iron or vinyl iron (C-900) water service pipe, larger than 2”

5. Water main pipe of the type originally installed
6. Plastic meter box up to 2” meter
7. Concrete meter box up to 2” meter
8. Concrete meter box, where traffic use is specified
9. Concrete meter vault per City of Houston Specifications for 3” and larger meter.

## II. INSTALLATION OF CONNECTIONS TO DISTRICT’S SANITARY SEWER SYSTEM

### A. Sewer Service Lines and Sewer Taps

1. A “Sewer Service Line” is defined herein as the sewer line from the foundation of a building, including houses and commercial structures, to the District’s sanitary sewer system.
2. A “Sewer Tap” is defined herein as the physical connection of a Sewer Service Line to the District’s sanitary sewer system. Without the written consent of the District’s Board of Directors, only one Sewer Tap shall be permitted for each building.
3. The following types of pipe and fitting materials shall be approved for the construction of Sewer Service Lines. Pipe and fittings in each individual Sewer Service Line must consist of the following material or other material approved by the District’s engineer:
  - a. Vitrified clay pipe conforming to ASTM Specification C700 with joint coupling conforming to ASTM Specifications C425 or C594 and installed according to ASTM C12.
  - b. Cast iron soil pipe, standard wright, conforming to ASTM Specification A74 with rubber gasket joint coupling conforming to ASTM Specification C564.
  - c. Poly-vinyl-chloride (“PVC”) pipe conforming to ASTM Specification D3034 or ASTM Specification F789 (with UL Listing) and installed according to ASTM D2321.
  - d. Ductile-iron Pipe conforming to ANSI A21.51 with rubber gasket joints conforming to ANSI A21.11, and installed according to manufacturer’s recommendations.
4. The minimum sizes of Sewer Service Lines shall be as follows:

Residential - 4-inches in diameter  
Commercial - 6-inches in diameter

A 4-inch sewer service line shall serve no more than one single family residential lot and a 6-inch sewer service line shall serve no more than two single family residential lots.

5. The minimum grades for Sewer Service Lines shall be as follows:
  - a. 4-inch pipe - one-foot drop per hundred feet (1%)
  - b. 6-inch pipe - 0.70 foot drop per hundred feet (0.70%)
  - c. 8-inch pipe - 0.70 foot drop per hundred feet (0.70%)
6. The maximum grades for Sewer Service Lines shall be as follows:
  - a. 4-inch pipe - two and one-half feet drop per hundred feet (2.5%)
  - b. 6-inch pipe - one and one-half feet drop per hundred feet (1.5%)
  - c. 8-inch pipe - one foot drop per hundred feet (1%)
7. All Sewer Service lines shall be constructed to true alignment and grade. Warped and sagging Sewer Service Lines will not be permitted.

B. Connections of Building Sewer Outlets to Service Lines

1. On all building waste outlets, the building tie-on connections shall be made directly to the stub-out from the building plumbing at the foundation.
2. Water-tight adapters of a type compatible with the materials being joined shall be used at the point of connection of a Sewer Service Line to the building plumbing. No cement grout materials shall be permitted.
3. Unless an exception is permitted by the District's Operator, existing "wye" and stack connections must be utilized for connection of a Sewer Service Line to the District's sanitary sewer system.

C. Fittings and Cleanouts

1. No bends or turns at any point will be greater than 45 degrees.

2. Each horizontal Sewer Service Line will be provided with a cleanout at its upper terminal, and each such run of piping which is more than 90 feet in length will be provided with a cleanout for each 90 feet, or fraction thereof, in the length of such piping.
3. Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of “wye” branch and end-of-the-line cleanouts, cleanouts will be installed vertically above the flow line of the pipe.
4. Cleanout will be fitted with an airtight mechanical plug.

### III. INSTALLATION AND REPAIR OF WATER TAPS

- A. An “Application for Water Tap” must be filed with the District’s operator prior to the installation of a Water Tap. All tap and inspection fees and deposits, as described in the Rate Order should accompany such Application.
- B. Water Taps to the District’s waterworks system shall be installed only by the District’s Operator.
- C. The District’s Operator shall install Water Taps and set meters at a location on adjoining property lines, whenever possible, and as designated by the District’s Operator, with the meter box being located in the easement adjacent to the property line and with two (2) meters per box, where necessary.
- D. The District’s Operator shall be responsible for all repairs to the maintenance of all Water Taps, pursuant to the terms and provisions of the Contract between the District and the District’s Operator.

### IV. INSTALLATION OF SEWER TAPS AND PERMITS

- A. Application for Sanitary Sewer Service. An “Application for Sanitary Sewer Service,” must be filed with the District’s Operator prior to construction of a Sewer Service Line. All inspection fees and deposits, as described in the Rate Order, should accompany such application. Construction of any Sewer Service Line must not begin until authorized by the District’s Operator.
- B. Sewer Service Line
  1. When a Sewer Service Line and Tap is complete, and prior to backfilling such Sewer Service Line trench, the applicant for sewer service shall request an inspection of the installation of the Sewer Service Line and Tap. Requests for Sewer inspections shall be

made to the District's Operator at least 24 hours in advance of the connections and inspections.

2. The Sewer Tap shall be made only by use of an adapter of a type compatible with materials being joined. The Sewer Tap shall be water-tight. No cement grout materials shall be permitted.
3. Backfilling of a Sewer Service Line trench must be accomplished within 24 hours of inspection and approval by the District's Operator. No debris shall be permitted in a Sewer Service Line trench.
4. After the Sewer Tap is made and the inspection performed, the District's Operator shall issue a Sewer Tap Permit to the applicant, confirming that all requirements of these Rules and Regulations have been met.

#### V. FEES AND CHARGES

The District's fees and charges shall be established by its Order Amending Consolidated Rate Order, and all amendments thereto.

#### VI. LIMITATIONS ON FLOW OF WASTE

- A. No waste material which is not biologically degradable will be permitted to be discharged into the District's sanitary sewer system, including mud and debris accumulated during Sewer Service Line installation.
- B. No downspouts, yard or street drains or gutters will be permitted to be connected into the District's sanitary sewer facilities.
- C. Swimming pool connections will not be made to the District's sanitary sewer system.

#### VII. PROTECTION OF DISTRICT'S WATERWORKS AND SANITARY SEWER SYSTEM.

- A. It shall be unlawful for any person, unless authorized in writing by the District's Operator, to tamper or interfere with, obstruct access to, or injure, deface, or destroy any facilities that are a part of the District's waterworks and sanitary sewer system, including, with respect to the waterworks system, water plants, flushing valves, valve boxes, and water lines up to the meter box and including meters; provided, however, that duly authorized members of the Atascocita Volunteer Fire Department shall have the right to use such flushing valve for fire protection purposes.
- B. It shall be unlawful for any person to connect any building to the waterworks system without a meter or to have a straight line connection to

a building without being metered. It shall also be unlawful to draw water from the waterworks system without being metered, including the unauthorized use of a flushing valve or unmetered water taps.

- C. It shall be unlawful for any person to deposit, throw, drain, discharge, or otherwise cause to be injected into any sewer, manhole, catch basin, flush tank, or other facility that is a part of the District's waterworks and sewer system any debris or foreign substance that would interfere with the proper and routine functioning thereof. Each such discharge shall constitute a separate violation, and in the event a discharge is continuous, each day such discharge continues shall constitute a separate violation.

#### VIII. PROHIBITION ON USE OF LEAD

- A. The use of pipes and pipe fittings that contain more than 8.0 percent lead or solders and flux that contain more than 0.2 percent lead is prohibited for installation or repair of the District's water system and for installation or repair of any plumbing in a residential or nonresidential facility providing water for human consumption and connected to the District's water system.
- B. This requirement may be waived for lead joints that are necessary for repairs to cast iron pipe.

#### IX. PROHIBITION ON DIRECT OR CROSS CONNECTIONS

- A. No establishment in the District shall contain an actual or potential contamination or system hazard without an air gap separation between the drinking water supply and the source of potential contamination. Where the containment air gap is impractical, reliance may be placed on individual "internal" air gaps or mechanical backflow prevention devices. Under these conditions, additional protection shall be required at the meter in the form of a correctly operating backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. Such backflow prevention devices must be tested and repaired as necessary, as specified in the Order.
- B. Water from a condensing, cooling or industrial process or any other system of nonpotable usage over which the District does not have sanitary control cannot be returned to the District's potable water supply.
- C. Overhead bulk water dispensing stations must be provided with an air gap between the filling outlet hose and the receiving tank to protect against back siphonage and cross-contamination.

REGULATIONS OF COMMERCIAL AND INDUSTRIAL WASTES

The Board of Directors of the District hereby establishes and promulgates the following policies, rules and regulations concerning domestic and industrial wastes:

I. Definitions. Unless the context requires otherwise, the terms and phrases used herein shall have meanings as follows:

(1) The term “B.O.D.” means the five-day, 20 degree Centigrade biochemical oxygen demand expressed in milligrams per liter as determined by the procedures specified in the latest edition of Standard Methods, or such other manual of operations as the District may adopt from time to time, or as determined in accordance with the latest rules of the Texas Commission on Environmental Quality.

(2) The term “C.O.D.” means the measure of the oxygen-consuming capacity of inorganic and organic matter present in water or waste, expressed in milligrams per liter as the amount of oxygen consumed from a chemical oxidant as determined by Standard Methods, or such other manual of operations as the District may adopt from time to time, or as determined in accordance with the latest rules of the Texas Commission on Environmental Quality.

(3) The term “customer” means any person who is served by the Waste Disposal System.

(4) The term “discharge” includes the terms deposit, conduct, drain, emit, throw, run, seep or otherwise release or dispose of, or to allow, permit, or suffer any of such acts or omissions.

(5) The term “grease” means fats, waxes, oils and other similar non-volatile material and waste which are extracted by hexane from a solidified sample using the Soxhlet method.

(6) The term “industrial waste” means the liquid and water-carried waste resulting from any process of industry, manufacturing, trade, business or commercial enterprise, other than normal domestic wastewater, including any mixture of industrial waste with water or normal domestic wastewater, and such other waste as the District deems appropriate.

(7) The term “industrial waste charge” means the charge made to those persons who discharge or are responsible for the discharge of industrial waste into the Waste Disposal System.

(8) The term “infiltration water” means water which leaks into the District’s Waste Disposal System or its customers’ sanitary sewer collection systems.

(9) The term “normal domestic wastewater” means waste, excluding industrial waste, discharged by a person into the Waste Disposal System or into a customer’s sanitary sewer collection system in which the average concentration of total suspended solids is not more than 250 mg/kg and B.O.D. is not more than 250 mg/kg.

(10) The term “overload” means the imposition of organic or hydraulic loading on the Waste Disposal System in excess of either its designed hydraulic capacity, its installed rated capacity or its organic loading capacity.

(11) The term “person” means any individual, public or private corporation, district, authority, political subdivision or other agency or entity of the State of Texas or of the United States of America; the State of Texas or the United States of America; any incorporated city, town or village, whether operating under general law or under its home rule charter; and any copartnership, association, firm, trust, estate or any other entity whatsoever.

(12) The term “pH” means the common logarithm of the reciprocal of the hydrogen ion concentration expressed in grams per liter of solution.

(13) The term “properly shredded garbage” means solid waste from the preparation, cooking and dispensing of food and from the handling, storage and sale of produce that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sanitary sewers, with no particle greater than one-half (1/2) inch in any dimension.

(14) The term “sanitary sewer collection system” means the sanitary sewer system(s) now owned or operated or to be constructed or acquired by customers of the District, including sanitary sewers (but excluding storm sewers), manholes, intercepting sewers, pumping works and all other plants, works and equipment for the collection and transportation of waste to the District’s Waste Disposal System.

(15) The term “slug” means any discharge of waste which, in the concentration of any given constituent or in the quantity of flow, exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration or flow during normal operation.

(16) The term “Standard Methods” means the examination and analytical procedures set forth in the latest edition of “Standard Methods for the Examination of Water and Wastewater” as prepared, approved and published jointly by the American Public Health Association, the American Waterworks Association and the Water Pollution Control Federation.

(17) The term “storm sewer” means sewers which carry storm and surface waters and drainage, and into which waste is not intentionally discharged.

(18) The term “total suspended solids” means those solids that either float on the surface or are in suspension in waste or other liquids, expressed in terms of milligrams per liter.

(19) The term “trap” means a device designed to skim, settle or otherwise remove grease, oil, sand, flammable wastes or other substances which may be harmful to either the Waste Disposal System or its treatment processes.

(20) The term “waste” means normal domestic wastewater and industrial waste collected by a public sanitary sewer collection system, together with such infiltration water as may be present.

(21) The term “Waste Disposal System” means all or any part of any disposal system or disposal facilities constructed or acquired by the District for receiving, transporting, treating and disposing of waste collected by the sanitary sewer collection systems of the District’s customers, together with such extensions, enlargements and modifications as may be required in the future or as may be necessary to comply with any regulatory requirements.

(22) The term “wastewater service charge” means the charge to all users of the District’s Waste Disposal System whose wastes do not exceed the concentrations established herein as representative of normal domestic wastewater.

II. Prohibited Discharges. All waste discharged into the District’s Waste Disposal System shall conform to the requirements hereof and shall consist only of waste amenable to biological treatment or other processes employed by the District from time to time. No person may discharge into the District’s Waste Disposal System any waste which by itself or by interaction with other waste may:

- (1) Injure or interfere with the processes or physical properties or facilities of the District’s Waste Disposal System;
- (2) Constitute a hazard to humans or animals; or
- (3) Create a hazard in receiving waters of the effluent of the Waste Disposal System.

Discharges prohibited by the foregoing parameters include, but are not limited to, slugs and materials which exert or cause: excessive discoloration or concentrations of suspended solids, B.O.D., C.O.D. or chlorine demands in excess of the ability of the Waste Disposal System to adequately treat and dispose of such waste in compliance with applicable regulatory requirements . Prohibited discharges also include, but are not limited to, the following materials which, if present in sufficient quantities, may cause or result in a violation of the foregoing parameters: ashes, cinders, sand, mud, grass clippings, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood or wood products, garbage (other than properly shredded garbage), blood, entrails, hair, flesh, paper or paper products, chemical or paint residues, or bulk solids.

III. Chemical Discharges. The following chemicals shall not be admissible into the District’s Waste Disposal System:

(1) Cyanides or cyanogen compounds capable of liberating hydrocyanic gas upon acidification when present in concentrations in excess of 2 mg/kg by weight as cyanide (CN);

(2) Fluorides other than those contained in the local public water supply for the area which is the source of the discharge;

(3) Gasoline, cleaning solvents, benzene, naphtha, fuel oil or other flammable or explosive liquids, solids or gases;

(4) Substances causing C.O.D. overload;

(5) Acids or alkalis having pH values lower than 6.0 or higher than 10.0, iron pickling wastes or concentrated plating solutions whether neutralized or not;

(6) Grease, whether emulsified or not, containing substances which may solidify or become viscous at temperatures between 32 degrees and 150 degrees Fahrenheit (0 and 65 degrees Centigrade) or which exceeds on analysis an average of 100 mg/kg of soluble matter;

(7) Dissolved sulfides whose concentrations exceed 0.1 mg/kg; or

(8) Any other corrosive, explosive, malodorous or objectionable chemicals in liquid, solid or gaseous form.

IV. Heavy Metals and Toxic Matter. The following metals and toxic materials shall not be admissible into the District's Waste Disposal System:

(1) Objectionable or toxic substances exerting an excessive chlorine requirement to such a degree that any such material received in the composite waste at the waste treatment works exceeds the limits established from time to time by the District for such materials;

(2) Obnoxious, toxic or poisonous solids, liquids, or gases in quantities sufficient to violate the provisions of Part II hereof;

(3) Any substance having corrosive properties capable of causing damage or hazard to structures, equipment or personnel operating the Waste Disposal System;

(4) All waste or other substances containing phenols, hydrogen sulfide or other taste or odor producing substances exceeding the concentration limits established from time to time by the District or which, after treatment of the composite waste, exceeds applicable regulatory requirements;

(5) Antimony, beryllium, bismuth, cobalt, molybdenum, tin, uranyl ion, rhenium, strontium, tellurium, and such other heavy metals as may be prohibited from time to time by the District;

(6) The following heavy metals or the salts thereof in solution or suspension which upon analysis by Standard Methods exceed the concentrations listed below:

<u>Element</u>	<u>mg/kg</u>	<u>Element</u>	<u>mg/kg</u>
Arsenic	0.05	Lead	0.1
Barium	5.0	Manganese	1.0
Boron	1.0	Mercury	0.005
Cadmium	0.02	Nickel	1.0
Chromium	5.0	Selenium	0.02
Copper	1.0	Silver	0.1
Zinc	5.0		

or

(7) Any other heavy metals or toxic materials except upon the conditions of pretreatment, concentration, volumes and other applicable standards prescribed by the District or by applicable statutes, laws, rules or regulations.

V. Garbage. No person may discharge garbage into the Waste Disposal System unless it is properly shredded garbage. The District may review and approve the installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower (0.76 H.P. metric) or greater.

VI. Drainage and Storm Water. No person may discharge into the Waste Disposal System drainage or storm waters.

VII. Temperature. No person may discharge into the Waste Disposal System liquid or vapors having a temperature higher than 150 degrees Fahrenheit (66 degrees Centigrade), or any substance which causes the temperature of the composite waste received in the treatment works influent to increase at the rate of 10 degrees Fahrenheit or more per hour or to exceed an influent temperature of 110 degrees Fahrenheit.

VIII. Radioactive Waste. No person may discharge into the Waste Disposal System radioactive materials or isotopes with a transient concentration higher than 100 microcuries per liter.

IX. Supervision. If the District or its designated representative determines that a discharge or a proposed discharge into the Waste Disposal System may deleteriously affect the Waste Disposal System or receiving waters, or create a hazard to life or health, or create a public nuisance, it may require:

- (1) Pretreatment to an acceptable condition for discharge into the Waste Disposal System;
- (2) Control over the quantities and rates of discharge; and

(3) Waste surcharge payments sufficient to compensate the District for the cost of handling and treating the waste.

If pretreatment or control is required by the District, it shall review and approve the design and installation of the equipment and processes in conformity with all applicable laws and regulatory requirements. Any person responsible for discharges requiring such pretreatment or control facilities shall provide and maintain such facilities in effective operating condition. Waste surcharge payments shall be determined by the District on an as needed basis.

X. Traps. Discharges requiring a trap include, but are not limited to, grease, oil, sand or flammable waste. Any person responsible for a discharge requiring a trap shall, as required by the District, provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, and maintain the trap in effective operating condition.

XI. Industrial Waste Charges. In addition to the wastewater service charges made by the District, the District shall make to customers discharging industrial waste into their sanitary sewer collection systems or into the Waste Disposal System the industrial waste charges provided for herein. If the District determines that the volume or the character of industrial waste to be treated by the District's Waste Disposal System will not cause overloading of the Waste Disposal System, the person responsible for the discharge of industrial waste shall nevertheless pay equitable industrial waste charges sufficient to provide payment for the amortization of all capital expenses for the collection and treatment of industrial waste (including new capital expenses and a proportionate share of the value of the existing Waste Disposal System used in handling and treating the industrial waste, but taking into account amortization costs resulting from annual tax payments) and operation and maintenance costs including salaries and wages, power cost, cost of chemicals and supplies, allowances for maintenance, depreciation, overhead and administrative and general expense. For such purposes, amortization shall be considered to be completed in a thirty-year period. Industrial waste charges shall be calculated by the following formula:

$$X = aA + bB + cC$$

Where X = charges to industrial user, \$/yr.

a = unit cost of transportation and treatment chargeable to volume, \$/1000 gal.

b = unit cost of treatment chargeable to B.O.D., \$/lb.

c = unit cost of treatment chargeable to suspended solids (including sludge), \$/lb.

A = volume of waste from industrial user, 1000 gal./yr.

B = amount of B.O.D. from industrial user, lbs./yr.

C = amount of suspended solids from industrial user, lbs./yr.

The initial coefficients of charge for use in the foregoing formula shall be determined at such time as the District determines that the volume or characteristics of industrial waste discharged into the District's Waste Disposal System necessitates additional treatment. Thereafter, the District shall review and, if appropriate, adjust the industrial waste charges at least annually to reflect changes in the characteristics of the industrial waste based upon the results of sampling and testing. The District shall also review at least annually the basis for determining industrial waste charges and shall adjust the unit treatment costs in the above formula to reflect increases or decreases in the waste treatment costs based upon the previous year's experience. Increases in industrial waste charges shall be retroactive for two billing periods and shall continue for six (6) billing periods unless subsequent tests determine that the charges should be further increased. The District shall bill its customers in a manner which will show industrial waste charges as a separate item from wastewater service charges.

XII. Disconnection of Service. In the event a customer of the District's Waste Disposal System fails to make timely payment of the District's wastewater service charges or industrial waste charges, or in the event waste is discharged into the District's Waste Disposal System in violation of the provisions hereof, the District reserves the right to disconnect the customer from the Waste Disposal System and to continue disconnection until such time as payment has been made or adequate assurances or pretreatment or control facilities have been installed to permit compliance with the provisions hereof.

XIII. Sampling; Testing; Inspection; Right of Entry. The District or its duly authorized agent or representative may enter at reasonable times and upon proper notice any lands or premises served or proposed to be served by the Waste Disposal System for the purposes of carrying out and determining compliance with the provisions hereof. Sampling and testing shall be conducted in accordance with customarily accepted methods, reflecting the effects of constituent wastes upon the Waste Disposal System and the existence of hazards to health, life, limb, or property. Examination and analysis of the characteristics of water and waste shall be conducted in accordance with Standard Methods (or such other manual of operations as the District may adopt from time to time, or as determined in accordance with the latest rules of the Texas Commission on Environmental Quality) and shall be determined from suitable samples taken at control points selected by the District. The cost of the District's sampling and testing shall be charged to the customer.

XIV. Effect of Regulations; Amendment. The provisions hereof are to be deemed and construed as regulatory requirements supplementary and in addition to all laws, rules, regulations, ordinances or licenses now in effect or hereafter passed, adopted or promulgated by any regulatory agency, federal, state or local, having jurisdiction over the District's Waste Disposal System including, without limitation, the Federal Water Pollution Control Act Amendments of 1972, the Texas Water Quality Act, the rules and regulations of the Environmental Protection Agency concerning effluent limitations, guidelines and pretreatment standards for meat products point sources, as published in 38 Federal Register 29858, et seq., on October 29, 1973, and the rules and regulations of the Environmental Protection Agency concerning industrial waste discharges into municipal systems, as published in 38 Federal Register 30982, et seq., on November 8, 1973. The provisions hereof are subject to amendment, repeal or alteration from time to time by the Board of Directors of the District.

XV. ENFORCEMENT OF THESE RULES AND REGULATIONS AND PENALTIES

A. Enforcement

- (1) Pursuant to Section 54.206, Texas Water Code, the Rules and Regulations shall be recognized by the courts of the State of Texas as if they were penal ordinances of a city.
- (2) Pursuant to Section 54.209, Texas Water Code, enforcement of the Rules and Regulations shall be by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office is located.

B. Penalties

- (1) Water and sanitary sewer service shall not be provided by the District until the requirements with respect to Water Taps and Sewer Taps and inspections have been met and, with respect to Sewer Taps, a written permit or permits have been granted.
- (2) Breach of the Rules and Regulations shall result in the payment of a fine to the District by the offending party in the amount of \$200 per violation and payment to the District of any costs incurred by the District in connection with any repairs or corrections necessitated by any such breach.

RULES AND REGULATIONS GOVERNING  
GREASE AND LINT TRAPS IN FOOD HANDLING  
ESTABLISHMENTS, PUBLIC CAR WASHES,  
AUTOMOTIVE SERVICING AND/OR REPAIR ESTABLISHMENTS,  
PUBLIC WASHATERIAS AND HAIR CUTTING SHOPS

Section 1. “Establishment” means any business within the District which shall process, prepare or serve food and which processing, preparing or serving results in a discharge of water into the sewer system of the District during any part of such operation or service, and shall also mean public car washes, automotive servicing and/or repair establishments, public washaterias and hair cutting shops which discharge water into the sewer system of the District during any of said operations.

Section 2. Each Establishment shall be required to have a grease and/or lint trap (“Trap”) which fulfill the requirements of these Rules and Regulations and which shall be in compliance with requirements as established by the City of Houston (“CofH”). Specifications and requirements for such Trap shall be as follows:

- A. Each small food Establishment with no fixed seating, including, but not limited to sandwich or coffee shops, donut shops, small bakeries and pastry shops and other small Establishments processing, preparing, or serving food, either individually, bulk or carry out, shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 533-S.
- B. Each food Establishment where food is served to customers on premises and where the occupant load is less than 100 occupants, shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 534-S.
- C. Each food Establishment where food is served to customers on premises and where the occupant load is more than 100 and less than 300 occupants, shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 531-S.
- D. Each food Establishment where food is served to customers on premises and where the occupant load is more than 300 occupants, shall have a Trap designed by a registered professional engineer and submitted to the Engineer for the District for his approval.
- E. Each public car wash and automobile servicing and/or repair establishment of six (6) bays or less shall have a Trap constructed pursuant to specifications as set out in CofH Drawing No. 359-S-1.
- F. Each public car wash and automobile servicing and/or repair establishment of more than six (6) bays shall have a Trap designed by a registered professional engineer and submitted to the Engineer for the District for his approval.

- G. Each public washateria shall have a Trap constructed pursuant to the applicable drawing attached hereto. The drawing and therefore the specifications which are applicable shall be determined by the size of the washateria as follows:
  - (1) For washaterias having 10 or less machines, see CofH Drawing 533-S.
  - (2) For washaterias having 11 to 20 machines, see CofH Drawing 534-S.
  - (3) For washaterias having more than 20 machines, see CofH Drawing 531-S.
- H. Each hair cutting shop shall have a Trap constructed pursuant to specifications as set out in CofH Drawing 533-S.
- I. Any Commercial type laundry shall have a Trap designed by a registered professional engineer and submitted to the Engineer for the District for his approval.

Section 3. Each Establishment shall clean traps periodically as necessary to maintain and be in compliance with standards as set out herein and in any event shall clean such trap not less than once each week if such Trap is designated pursuant to CofH Drawing 534-S or 539-S-1, and not less than once each month if such Trap is designated pursuant to CofH Drawing 533-S or 531-S.

Section 4. Each Establishment subject to the conditions hereof shall:

- A. Maintain a sampling well with easy access for inspectors. The sampling well to be installed per applicable CofH Drawing No. 516-S or 516-S-1.
- B. Maintain records on premises of all gallonage removed from the Trap.
- C. Maintain records on premises of all trip tickets in connection with disposal from the trap.
- D. Make available the records required in Section 4B and C above, to inspectors for the District when requested and as authorized hereinbelow.

Section 5. The District, from time to time as it deems necessary, may have its designated representative inspect any Trap subject hereto, which inspection however shall be during the normal business hours of the Establishment being inspected. During such inspection, the representative shall have the right to inspect the sampling well and take samples therefrom and to inspect all records maintained in connection with the Trap as required herein. The cost of each such inspection shall be charged to the Establishment.

Section 6. No Establishment subject to these Rules and Regulations shall allow a discharge into the sewer system, when such discharge shall consist of more than two hundred (200) milliliters of grease or oil per one (1) liter of discharged water.

RATES FOR RESIDENTIAL CUSTOMERS

Monthly Water Service Rates  
(per meter per month)

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$10.00
10,001 gallons to 20,000 gallons	\$1.25 per 1,000 gallons;
20,001 gallons to 30,000 gallons	\$1.50 per 1,000 gallons;
30,001 gallons to 40,000 gallons	\$1.80 per 1,000 gallons; and
40,001 gallons and above	\$2.50 per 1,000 gallons

Effective July 1, 2014, the District will add a surcharge to the monthly water service rate equal to the groundwater pumpage fee that is charged by the North Harris County Regional Water Authority (the “Authority”), as revised yearly, less \$0.25 per 1,000 gallons of water used. This fee will be a separate line item on the District’s water bills, and will adjust at the same time the fee charged by the Authority changes.

Monthly Sewer Service Rates

<u>Gallons</u>	<u>Amount</u>
Minimum 30,000 gallons	\$16.00
30,001 gallons to 40,000 gallons	\$1.00 per 1,000 gallons
40,001 gallons and above	\$2.00 per 1,000 gallons

RATES FOR HUMBLE ISD SCHOOL CUSTOMERS  
AND COMMUNITY IMPROVEMENT ASSOCIATION CUSTOMERS

Monthly Water Service Rates  
(per meter per month)

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$10.00
10,001 gallons to 20,000 gallons	\$1.25 per 1,000 gallons;
20,001 gallons to 30,000 gallons	\$1.50 per 1,000 gallons;
30,001 gallons to 40,000 gallons	\$1.80 per 1,000 gallons; and
40,001 gallons and above	\$2.50 per 1,000 gallons

Effective July 1, 2014, the District will add a surcharge to Humble ISD's and the Community Improvement Association's monthly water service rate equal to the groundwater pumpage fee that is charged by the North Harris County Regional Water Authority (the "Authority"), as revised yearly, less \$0.25 per 1,000 gallons of water used. This fee will be a separate line item on the District's water bills, and will adjust at the same time the fee charged by the Authority changes.

Monthly Sewer Service Rates\*

<u>Gallons</u>	<u>Amount</u>
Minimum 30,000 gallons	\$16.00
30,001 gallons to 40,000 gallons	\$1.00 per 1,000 gallons
40,001 gallons and above	\$2.00 per 1,000 gallons

\* As provided in Section IV.C. of this Order, no sanitary sewer charge shall be made for sprinkler system connections.

## RATES FOR COMMERCIAL CUSTOMERS

### Monthly Water Service Rates (per meter per month)

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$22.00
10,001 to 20,000 gallons	\$2.00 per 1,000 gallons
20,001 to 40,000 gallons	\$3.00 per 1,000 gallons
40,001 and above	\$4.00 per 1,000 gallons

Effective July 1, 2014, the District will add a surcharge to the monthly water service rate equal to the groundwater pumpage fee that is charged by the North Harris County Regional Water Authority (the "Authority"), as revised yearly, less \$0.25 per 1,000 gallons of water used. This fee will be a separate line item on the District's water bills, and will adjust at the same time the fee charged by the Authority changes. .

### Monthly Sewer Service Rates

<u>Gallons</u>	<u>Amount</u>
Minimum 10,000 gallons	\$28.00
10,001 gallons and above	\$1.50 per 1,000 gallons

### DELINQUENT LETTER CHARGE

Delinquent Letter charge - \$10.00 per letter

Disconnection of Service Letter Fee - \$10.00 per letter

Door hanger disconnection notification fee - \$10.00 per door hanger

### CHARGES FOR RECONNECTION

Disconnect Fee - \$50.00

Reconnect Fee - \$50.00 (to be paid prior to reconnecting)

Removal of Meter/Reinstallation of Meter - \$100.00 (to be paid prior to reinstallation)

Illegal Connection Fee - \$200.00

### SECURITY DEPOSITS

Application and New Account Set-Up Fee - \$25.00

Homeowner - \$100.00

Renter of residential property - \$200.00

Commercial customer-twice the estimated average monthly usage, as estimated by the District's operator

### RETURNED CHECK CHARGE

Returned check charge - \$35.00

### GREASE AND LINT TRAP INSPECTION FEE

Grease and lint trap inspection fee - \$40.00

\* \* \* \*

**NOTE:** Any health hazard condition such as an ongoing water line leak or an unauthorized sewer discharge (i.e. homeowner sewer back-up discharging onto the ground), will result in termination of water service and the removal of the homeowner's or business' water meter.

**NOTE:** The maintenance of all water and sewer pipes and fittings installed by a builder is the responsibility of the property owner.

**Harris County Municipal Utility District No. 109**  
**Summary of Capital Improvement Plan**  
**2024-2033**

Project No.	Improvement	Code	Priority	1 Year 2024	2 Years 2025	3 Years 2026	4 Years 2027	5-6 Years 2028-2029	7-8 Years 2030-2031	9-10 Years 2032-2033
<b>000</b>	<b>GENERAL DISTRICT</b>									
001	Annual CIP Inspection Report	A	1		\$12,000		\$12,000	\$12,000	\$12,000	\$12,000
002	Electrical Inspections	A	1			\$15,000			\$15,000	
<b>100</b>	<b>WATER PLANT NO. 1</b>									
101	GST, HPT and EST Inspections	E	2	\$17,000	\$17,000	\$17,000	\$17,000	\$34,000	\$34,000	\$34,000
102	Replacement of Ground Storage Tank	A	2		\$858,000					
103	Elevated Storage Tank Rehabilitation	A	2						\$1,005,000	
104	Water Well and Pump Rehabilitation	A	2	\$327,000						
105	Chemical System Upgrades (Chloramines Conversion)	A	3					\$299,000		
106	Booster Pump Replacement	A	2				\$136,000	\$136,000	\$136,000	\$136,000
107	Generator Replacement	A	3							\$494,000
108	Installation and Expansion of Concrete Driveway (Sitework)	O	5		\$86,000					
<b>200</b>	<b>WATER PLANT NO. 2</b>									
201	GST and EST Inspections	E	2	\$16,000	\$16,000	\$16,000	\$16,000	\$32,000	\$32,000	\$32,000
202	Elevated Storage Tank Rehabilitation	A	2						\$1,005,000	
203	Water Well and Pump Rehabilitation	A	2			\$327,000				
204	Chemical System Upgrades (Chloramines Conversion)	A	3					\$299,000		
205	Booster Pump Replacement	A	2							\$108,000
<b>300</b>	<b>LIFT STATION NO. 1</b>									
301	Lift Station Inspection	E	4	\$500	\$500	\$500	\$500	\$1,000	\$1,000	\$1,000
302	Wet Well and Piping Rehabilitation	A	2			\$275,000				
303	Fence Replacement	A	2			\$40,000				
304	Submersible Pump Replacement	A	2			\$115,000				
305	Generator Replacement	A	2							\$160,000
<b>400</b>	<b>LIFT STATION NO. 2</b>									
401	Lift Station Inspection	E	4	\$500	\$500	\$500	\$500	\$1,000	\$1,000	\$1,000
402	Wet Well and Piping Rehabilitation	A	2						\$158,000	
403	Submersible Pump Replacement	A	2							\$63,000
404	Generator Replacement	A	2							\$315,000
<b>500</b>	<b>LIFT STATION NO. 3</b>									
501	Lift Station Inspection	E	4	\$500	\$500	\$500	\$500	\$1,000	\$1,000	\$1,000
502	Wet Well and Piping Rehabilitation	A	2		\$115,000					
503	Fence Replacement	A	2		\$51,000					
<b>600</b>	<b>LIFT STATION NO. 4</b>									
601	Lift Station Inspection	E	4	\$500	\$500	\$500	\$500	\$1,000	\$1,000	\$1,000
602	Wet Well and Piping Rehabilitation	A	2						\$124,000	
603	Submersible Pumps Replacement	A	2			\$49,000				
604	Generator Replacement	A	2							\$108,000
<b>700</b>	<b>LIFT STATION NO. 5</b>									
701	Lift Station Inspection	E	4	\$500	\$500	\$500	\$500	\$1,000	\$1,000	\$1,000
702	Lift Station Rehabilitation	A	2				\$126,000			
703	Submersible Pumps Replacement	A	2				\$49,000			

**Harris County Municipal Utility District No. 109  
Summary of Capital Improvement Plan  
2024-2033**

Project No.	Improvement	Code	Priority	1 Year 2024	2 Years 2025	3 Years 2026	4 Years 2027	5-6 Years 2028-2029	7-8 Years 2030-2031	9-10 Years 2032-2033
704	Generator Replacement	A	2							\$104,000
800	<b>LIFT STATION NO. 6</b>									
801	Lift Station Inspection	E	4	\$500	\$500	\$500	\$500	\$1,000	\$1,000	\$1,000
802	Lift Station Rehabilitation	A	2				\$120,000			
900	<b>LIFT STATION NO. 7 (Barents Drive)</b>									
901	Proposed Lift Station	P	2	\$356,000						
1000	<b>WASTEWATER COLLECTION SYSTEM</b>									
1001	Sewer System Cleaning and Televising - Phase I	E	3				\$118,000			
1002	Sewer System Cleaning and Televising - Phase II	E	3					\$118,000		
1003	Sewer System Cleaning and Televising - Phase III	E	3					\$118,000		
1100	<b>WATER DISTRIBUTION SYSTEM</b>									
1101	Water Valve Survey and Inspection	E	4	\$33,000	\$33,000	\$33,000	\$33,000	\$66,000	\$66,000	\$66,000
1102	Phase I: Lead and Copper Rule Service Line Inventory	E	1	\$13,000						
1103	Phase II: Lead and Copper Rule Service Line Inventory	E	1	\$100,000	\$100,000					
<b>TOTALS</b>				<b>\$ 865,000</b>	<b>\$ 1,279,000</b>	<b>\$ 875,000</b>	<b>\$ 618,000</b>	<b>\$ 1,108,000</b>	<b>\$ 2,566,000</b>	<b>\$ 1,626,000</b>

Notes: All costs include the following fees and contingencies:

- 10% Contingency
- 20% Surveying and Engineering Fee

All costs are stated in 2023 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
Yearly - Planned inspections or work to be done in a yearly basis	4
No priority - Deferred work; not required for basic function; to address potential growth, regulatory	5