

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113
Minutes of Meeting of Board of Directors
May 10, 2022

The board of directors (“Board”) of Harris County Water Control and Improvement District No. 113 (“District”) met on May 10, 2022 at 12903 Cricket Hollow Ln., Cypress, Texas, pursuant to the duly posted notice of said meeting with a quorum of directors present as follows:

Ken Atchison, President
Carolyn Maniscalco, Vice President
Darren Hoyland, Secretary
Scott McCorkle, Director
David Robicheaux, Director

and the following absent:

None

Also, in attendance were Scott Shelnett, Michelle Guerrero, Chris Burke, and Lisa Stephens.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. Minutes of the April 12, 2022 meeting were presented. Upon motion duly made by Director McCorkle, seconded by Director Robicheaux and unanimously carried, the minutes of said meeting were approved as presented.

2. It was noted that the May 7, 2022 Directors Election had been canceled because there had been no candidates in opposition to the incumbent directors. Certificates of Election were presented and executed by the President certifying that the directors whose terms expired were deemed elected on May 7, 2022. The newly elected directors each presented an executed oath of office, statement of qualifications, statement of director and director conflict disclosure statement.

3. Michelle Guerrero presented the tax assessor-collector’s report. Payments for the 2021 taxes totaling \$4,260.93 were received during the month of April. After an adjustment due to collections of -\$1,593,41, the 2021 taxes were 99.616% collected. Ms. Guerrero advised the Board that after the District’s attorney had reviewed a proposed Depository Pledge Agreement (“DPA”) with Wells Fargo, it was determined that it would be in the District’s best interest to enter into a DPA with Allegiance Bank instead. Ms. Guerrero said a DPA and signature cards would be presented at the June meeting. Upon motion then duly made by Director Maniscalco, seconded by Director McCorkle and unanimously carried, the Board approved the tax assessor-collector’s report and the checks drawn on the tax fund.

4. The Board next reviewed a draft budget for the fiscal year ending May 31, 2023. After discussion, the Board agreed that many adjustments were needed. Upon motion then made Director Hoyland, seconded by Director Maniscalco and unanimously carried, the Board adopted the attached budget provided there are adjustments made in June.

5. A confirmation engagement letter had been received from the District's auditor for preparation of the audit for the fiscal year ending May 31, 2022. Upon motion duly made by Director Hoyland, seconded by director Maniscalco and unanimously carried, the Board approved said confirmation letter of engagement.

6. Scott Shelnutt presented the operator's report. There were 420 total connections in the District. Collections for the month were at \$25,849.73 with current billings at \$28,462.42. The report showed water accountability was at 90.42% during the period March 16, 2022 through April 14, 2022. Total water plant pumpage for the prior month was 4,058,000 gallons. There were no permit violations at the wastewater treatment plant reported. The Board reviewed the delinquent list and requested the operator to proceed as necessary in accordance with the District's rate order. The Board reviewed the Consumer Confidence Report. Completed and pending action items were reviewed. Upon motion then made by Director Hoyland, seconded by Director Robicheaux and unanimously carried, the Board approved the operator's report as presented, including approval of the Consumer Confidence Report.

7. Chris Burke then presented the engineer's report. Mr. Burke reported on the status of the Water Plant and the Sanitary Sewer System. After discussion, upon motion duly made by Director Hoyland, seconded by Director McCorkle and unanimously carried, the Board approved the engineer's report as presented.

8. The Board then reviewed the bookkeeper's report. Upon motion duly made by Director Hoyland, seconded by Director McCorkle and unanimously carried, the Board approved the attached bookkeeper's report and approved payment of the checks listed thereon.

9. Lisa Stephens mentioned that there remained a small amount of administrative funds available to the District from the FEMA claim filed after Hurricane Harvey, and an updated Designation of Subrecipient Agent ("DSA") was needed. There was no opposition to this and the DSA was signed on behalf of the District.

10. With there being no further business to come before the Board, the meeting was adjourned.



Secretary

May 10, 2022

Harris County WCID 113
Operating Budget
FYE 5-31-23

*Approved @
5-10-2022 mtg
[Signature]*

----- Draft -----

REVENUES

Water revenue
 Sewer revenue
 NHC Regional Water Authority fees
 Penalty and interest
 Tap revenue
 Maintenance tax
 Interest income
 Total operating revenues

Proposed 5-31-23
\$60,000.00
\$95,000.00
\$210,000.00
\$7,000.00
\$625,000.00
\$3,000.00
\$1,000,000.00

Budget 5-31-22

\$65,000.00
\$96,000.00
\$230,000.00
\$7,000.00
\$2,000.00
\$600,000.00
\$5,000.00
\$1,005,000.00

EXPENDITURES

Director fees
 Operator fees
 Repairs and maintenance
 Office expense
 Security monitoring at plants
 Lab
 Sludge removal
 Utilities
 Legal
 Legal - digital records conversion
 Engineering - general
 Engineering - wwtp permit renewal
 Bookkeeping
 Insurance
 Permits
 Audit
 Sewer inspections
 Chemicals
 Miscellaneous
 Payroll taxes
 Garbage collection
 Election
 NHC Regional Water Authority fees
 Total operating expenditures

\$10,000.00
\$45,000.00
\$150,000.00
\$15,000.00
\$6,000.00
\$16,000.00
\$12,000.00
\$60,000.00
\$45,000.00
\$3,000.00
\$25,000.00
\$12,000.00
\$11,200.00
\$21,000.00
\$3,000.00
\$14,000.00
\$4,000.00
\$10,200.00
\$5,000.00
\$765.00
\$83,000.00
\$0.00
\$210,000.00
\$761,165.00

\$10,000.00
\$45,000.00
\$150,000.00
\$14,000.00
\$6,000.00
\$14,000.00
\$10,000.00
\$56,000.00
\$45,000.00
\$3,000.00
\$25,000.00
\$12,000.00
\$11,200.00
\$19,500.00
\$3,000.00
\$12,000.00
\$2,000.00
\$10,200.00
\$5,000.00
\$765.00
\$82,000.00
\$10,000.00
\$230,000.00
\$775,665.00

Excess revenues (expenditures) from operations

\$238,835.00

\$229,335.00

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