

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

May 9, 2023

The Board of Directors (“Board”) of Harris County Water Control and Improvement District No. 113 (“District”) met on May 9, 2023, at 12903 Cricket Hollow Lane., Cypress, Texas, pursuant to the duly posted notice of said meeting with a quorum of directors present as follows:

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

and the following absent:

Carolyn Maniscalco, Vice President.

Also in attendance were Mr. Scott Shelnett of Municipal Operations & Consulting, Inc.; Ms. Michelle Guerrero of Bob Leared Interests; Mr. Christopher T. Burke of Burke Engineering, LLC; and Mr. Wm. Scott Smith and Mr. Douglas McNiel of Smith, Murdaugh, Little & Bonham L.L.P.

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

1. As no members of the public were in attendance, there were no public comments.
2. Minutes of the April 11, 2023 meeting were presented. It was noted that Mr. Lonnie Wright, not Mr. Scott Shelnett, attended the April meeting for Municipal Operations & Consulting, Inc. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes of the April 11, 2023 meeting subject to the above edit.
3. Mr. Wm. Scott Smith presented the updated Attorney contract. First Mr. Smith informed the Board that Smith, Murdaugh, Little & Bonham, L.L.P. is seeking a new Attorney contract because Ms. Lisa Stephens, the firm’s previous representative who attended the District’s meetings, is no longer with the firm. Mr. Smith introduced Mr. Douglas McNiel, an associate at the firm, and proposed that, under the supervision of Mr. Smith, Mr. McNiel will serve as the firm’s representative for the District. Then, Mr. Smith informed the Board that the updated Attorney contract proposes a monthly flat fee as opposed to an hourly billing rate. A discussion ensued regarding the advantages of a flat fee versus an hourly billing rate. After the discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the updated Attorney contract.
4. Ms. Michelle Guerrero presented the tax assessor-collector’s report. The 2022 taxes were 96.682% collected. Upon motion duly made, seconded, and unanimously

carried, the Board approved the tax assessor-collector's report and the checks drawn on the tax fund.

5. The Board reviewed the draft operating budget for the fiscal year ending May 31, 2024 and the Resolution Adopting Operating Budget for the fiscal year ending May 31, 2024. First, the Board requested that this discussion take place in April as opposed to May in the upcoming years. Then, the Board and the consultants discussed the draft operating budget for the fiscal year ending May 31, 2024. Mr. Smith noted that the budget needs to include \$5,000 for the three Director elections taking place in 2024. He did note that it is likely the actual cost will be less than \$5,000. Then, the District's engineer, Mr. Christopher T. Burke, and Ms. Guerrero noted that the draft budget does not account for the District's maintenance and operations tax set at \$0.647. Mr. Burke also noted that the District's bookkeeper, Mr. Bob Ideus, who drafted this draft budget included the wrong amount for lab fees. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the draft operating budget for the fiscal year ending May 31, 2024 and the Resolution Adopting Operating budget for the fiscal year ending May 31, 2024 , subject to the changes discussed, including the election costs, the \$0.647 maintenance and operations tax, and the lab fees.

6. A confirmation engagement letter had been received from the District's auditor for preparation of the audit for the fiscal year ending May 31, 2023. Upon motion duly made, seconded, and unanimously carried, the Board approved said confirmation letter of engagement.

7. Mr. Scott Shelnutt presented the operator's report. There were 421 total connections in the District. Collections for the month were at \$28,769.15 with current billings at \$29,200.36. The report showed water accountability at 86.22% during the period March 15, 2023 – April 14, 2023. Total water plant pumpage for the prior month was 4,121,000 gallons. There were no permit violations at the wastewater treatment plant reported. The Board then reviewed the delinquent list and the three accounts that were set to be shutoff on April 25, 2023. Of those three accounts, two paid before the shutoff date and one remains shutoff.

Completed and pending action items were reviewed. Mr. Shelnutt provided an update on the survey of the District's fire hydrants. He requested that the Board authorize \$4,700 of district funds to complete the needed maintenance and repairs of the District's fire hydrants. Lastly, Mr. Shelnutt presented the draft of the District's annual drinking water quality report. The report indicated no violations and included other detailed information. Upon motion duly made, seconded,

and unanimously carried, the Board approved the operator's report as presented and authorized \$4,700 of District funds to complete the needed maintenance and repairs of the District's fire hydrants.

8. Mr. Smith informed the Board that the representative for the District's garbage collector GFL Environmental, Mr. David Selesky, has offered to attend the District's June meeting to discuss the recent fee increase. The Board noted that they are overall pleased with the service and do not see a need for Mr. Selesky to attend the meeting.

9. Christopher T. Burke presented the engineer's report. Mr. Burke provided updates on the District's facilities and ongoing and upcoming projects. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's report as presented.

10. The Board then reviewed the bookkeeper's report. The District's Operating Fund contained \$2,112,042.37. The District's Construction Fund contained \$102,259.87. The District's Bond Fund contained \$93,082.89. Upon motion duly made, seconded, and unanimously carried, the Board approved the attached bookkeeper's report and approved payment of the checks listed thereon.

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

Secretary

A handwritten signature in black ink, appearing to be 'C. T. Burke', is written over a horizontal line. The signature is stylized and cursive.

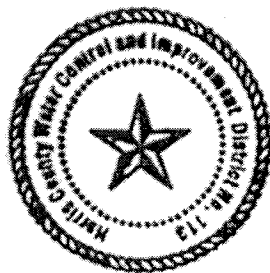
HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113


NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested members of the public that the Board of Directors of the captioned District will hold a public meeting at **12903 Cricket Hollow Lane, Cypress, Texas**. The meeting will be held at **7:00 p.m. on Tuesday, May 9, 2023**.

The subject of the meeting is to consider and act on the following:

1. Public Comment
2. Minutes of the April 11, 2023 meeting
3. Attorney Contract
4. Tax assessor/collector's report; payment of bills; tax collections
5. Review draft operating budget; Resolution Adopting Operating Budget for the Fiscal Year Ending May 31, 2024
6. Confirm Engagement of Auditor for Fiscal Year Ending May 31, 2023
7. Operator's report; status of operation of District facilities; authorize maintenance and repairs, as necessary; customer correspondence; termination of service to delinquent accounts; Consumer Confidence Report
8. Residential Solid Waste Collection Contract fee increase
9. Engineer's report; review and authorize proposed maintenance and repairs; authorize advertisement for bids, award of contracts and approve change orders, as necessary; Capital Improvement Plan, authorize additional design and construction as appropriate
10. Bookkeeper's report; payment of bills; investment of District Funds





Wm. Scott Smith
Attorney for the District