

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

September 12, 2023

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 113 ("District") met on September 12, 2023, at 12903 Cricket Hollow Lane, Cypress, Texas, 77429, 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

and the following absent:

Carolyn Maniscalco, Vice President
Scott McCorkle, Director.

Also in attendance were Mr. Scott Shelnett of Municipal Operations & Consulting, Inc.; Ms. Michelle Guerrero of Bob Leared Interests; Ms. Chase Eastland of Masterson Advisors LLC; Mr. Christopher T. Burke of Burke Engineering, LLC; and Mr. Douglas McNiel, attorney for the District.

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

1. The Board opened the floor for public comment. As no members of the public were in attendance, there were no public comments.

2. The Board considered the minutes of the meeting of August 8, 2023, and upon motion duly made by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the minutes were approved as presented.

3. Ms. Michelle Guerrero presented the tax assessor-collector's report reflecting the District's 2022 taxes are 98.762% collected. She presented three checks for the Board's review and approval and one wire transfer was made or presented. Lastly, she requested the Board approving placing two delinquent accounts onto the District's uncollectible list. Upon motion made by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the Board approved the tax assessor-collector's report, the checks and wire transfer drawn on the tax fund, and the placement of the two delinquent accounts onto the District's uncollectible list.

4. Ms. Chase Eastland presented the report regarding the District's tax rate to the Board. Mr. Howell suggested the District be labeled a Developed District and levy a total tax of \$0.60 comprised of a \$0.52 operations and maintenance tax and a \$0.080 debt service tax. The attorney then presented the Resolution (1) Finding District Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2023 Tax Rate

and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the Resolution (1) Finding the District Tax Rate to be \$0.60 and labeling the District a Developed District, (2) Calling Public Hearing on October 10, 2023 for the 2023 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing.

5. Mr. Scott Shelnutt presented the operator's report which reflected 421 total connections in the District. Collections for the month were at \$48,142.70 with current billings at \$50,072.06. The report showed water accountability at 82.06% during the period. Total water plant pumpage for the prior month was 8,769,000 gallons. There were no permit violations reported at the wastewater treatment plant.

Next, Mr. Shelnutt updated the Board that four meters were replaced in month of August. He then informed the Board that the District's Loftin Equipment Co. for generator maintenance and annual service is set to expire and Loftin is increasing its rates. The operator is evaluating the District's options and looking for quotes from different companies. The operator will provide another update in the coming months. Lastly, the operator and the Board discussed the District's drought contingency plan. Director Hoyland noted that there may be confusion caused by the slightly different requirements in the District's plan and the North Harris County Regional Water Authority's ("North Authority's") plan. Director Hoyland suggested that the District amend its plan to mimic the North Authority's plan in order to avoid confusion. The directors also discussed how to enforce the drought contingency plan. Upon motion made by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the Board approved the operator's report and amended the drought contingency plan so the language mimics that of the North Authority.

6. Mr. Chris Burke presented the engineer's report. First, he provided an update on the water valve replacements on Telge—the engineer is working with the operator to coordinate and will proceed with replacements sometime in the future. Next, Mr. Burke presented the cost estimate for the phase 1C and 2C repairs to the sanitary sewer system. The engineer estimates these costs will be around \$247,020.20. The Board and the engineer discussed how these repairs will be paid for. Mr. Burke requested authorization for his office to proceed with designing the repairs to the sanitary sewer system. Upon motion made by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the Board authorized the engineer to proceed with designing the repairs to the sanitary sewer system.

Next, Mr. Burke discussed the District's options for replacing the waste water treatment plant diesel tank. Municipal Operations & Consulting, Inc. ("MOC") has committed to making the District whole from the damage it caused to the waste water treatment plant diesel tank. MOC located a suitable used tank; however, there are questions regarding its age, condition, and warranty status. The Board acknowledged MOC's commitment to fixing the situation. After discussion, the Board and the engineer concluded that the optimal path for the District is to split the cost of a new tank with MOC. The engineer will take this offer to MOC and provide an update to the Board at the District's next meeting.

Lastly, Mr. Burke provided his thoughts on the District's sewage rate. He discussed the actual costs of operating the District's sewage system and various options the District has for covering the costs. Director Atchison noted that the North Authority recently lowered its rates. Mr. Burke suggested that the District amend its base sewage rate to \$39.34 per connection—composed of a \$14.62 sewage charge and a prevailing garbage rate, which is currently \$24.72. After discussion, upon motion made by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the Board amended its sewage rate to \$39.34 per connection—composed of a \$14.62 sewage charge and a prevailing garbage rate, which is currently \$24.72.

7. The Board then reviewed the bookkeeper's report which reflected the District's operating fund contained \$1,999,696.23, the construction fund contained \$100,623.83, and the bond fund contained \$42,461.04. Upon motion by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the Board approved the bookkeeper's report and approved payment of the checks listed thereon.

8. The Board undertook the review of the District's rate order and fee schedule during the engineer's report.

9. Mr. Douglas McNiel presented the Amendment of Statement of Directors to the Board. After brief review and discussion, upon motion duly made and seconded, the Board unanimously adopted the Amendment of Statement of Directors.

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

Secretary

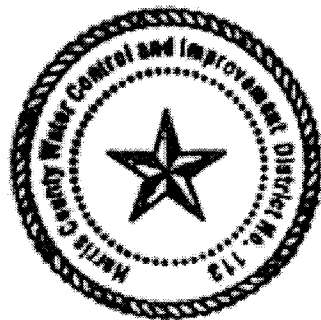



HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113
AMENDED NOTICE OF PUBLIC MEETING

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 **12706 Shady Knoll Lane, Cypress, Texas**. The meeting will be held at **7:00 p.m. on Tuesday, September 12, 2023**.

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

1. Public Comment
2. Minutes of the August 8, 2023 meeting
3. Tax assessor/collector's report; status of tax collections; payment of expenses from tax account
4. Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2023 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing
5. Operator's report; status of operation of District facilities; authorize maintenance and repairs, as necessary; customer correspondence; termination of service to delinquent accounts; amend Drought Contingency Plan as needed
6. Engineer's report; review and authorize proposed maintenance and repairs; approve award of construction contracts; approve change orders, pay estimates, and advertisement for bids, as necessary; status of District facilities; Capital Improvement Plan, authorize additional design and construction as appropriate
7. Bookkeeper's report; payment of bills; investment of District Funds
8. Review District's rate order and fee schedule
9. Approve New Amendment to the Statement of Directors





Douglas C. McNiel
Attorney for the District