

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

October 10, 2023

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 113 ("District") met on October 10, 2023, at 14707 Dale 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
Carolyn Maniscalco, Vice President
Darren Hoyland, Secretary
Scott McCorkle, Director
David Robicheaux, Director

and the following absent:

None.

Also in attendance were Ms. Michelle Townes of McCall Gibson Swedlund Barfoot, PLLC; 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. Douglas McNeil, 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 September 12, 2023, and upon motion duly made by Director Hoyland, seconded by Director McCorkle, 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 five checks for the Board's review and approval and no wire transfers were 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 McCorkle, 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.

Then, Ms. Guerrero presented the report from the District's delinquent tax attorney. The report recommended two accounts be placed on the District's water termination list. After discussion, upon motion made by Director Hoyland, seconded by Director Maniscalco, and unanimously carried, the Board approved placing the two delinquent accounts onto the District's water termination list.

4. The Board opened a public hearing for the proposed 2023 tax rate at 7:21pm. Hearing no public comments, the Board closed the public hearing for the proposed 2023 tax rate at 7:23pm.

5. After discussion upon motion duly made by Director McCorkle, seconded by Director Hoyland, and unanimously carried, the Board approved the attached Order adopting a total 2023 District tax rate of \$0.60 composed of an \$0.08 debt service tax and a \$0.52 operations and maintenance tax.

6. The Board reviewed the updates to the Amendment to Statement of Directors to the Board. After brief review and discussion, upon motion duly made by Director Hoyland, seconded by Director Maniscalco, and unanimously carried, the Board adopted the updated Amendment of Statement of Directors.

7. Mr. Scott Shelnett presented the operator's report which reflected 421 total connections in the District. Collections for the month were at \$48,407.78 with current billings at \$58,713.19. The report showed water accountability at 85.04% during the period. Total water plant pumpage for the prior month was 6,642,000 gallons. There were no permit violations reported at the wastewater treatment plant.

Mr. Shelnett reviewed the status of ongoing and completed projects with the Board. Six meters were replaced, and two mainline breaks were repaired. Then, Mr. Shelnett recommended that the Board place two delinquent accounts onto the District's uncollectible accounts list. After discussion, upon motion made by Director Maniscalco, seconded by Director McCorkle, and unanimously carried, the Board approved the placement of the two delinquent accounts on to the District's uncollectible list. Lastly, Mr. Shelnett presented proposals from Lofitin Power Systems and Generator Service Industrial for planned maintenance and annual service of the District's generators. After discussion, upon motion made by Director Hoyland, seconded by Director Maniscalco, and unanimously carried, the Board approved the proposal from Generator Service Industrial subject to the attorney's final review of the contract. After discussion, upon motion made by Director Hoyland, seconded by Director Maniscalco, and unanimously carried, the Board approved the operator's report.

8. 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 reviewed the North Harris County Regional Water Authority's (NHCRWA) plans for the District's conversion to surface water. The engineer and the Directors discussed the need to maintain the District's water quality, and Mr. Burke informed them that he is actively researching filtration methods.

Mr. Burke discussed the District's options for replacing the wastewater treatment plant diesel tank. Municipal Operations & Consulting, Inc. (MOC) has committed to making the District whole from the damage it caused to the wastewater 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. Upon motion made by Director Hoyland, seconded by Director Robicheaux, and unanimously carried, the Board approved the engineer's report.

9. Mr. Burke presented the NHCRWA's request for right of entry to the District's facilities for surveying purposes. Mr. Burke informed the Board that he will request the NHCRWA alert the District before accessing the facilities and that he expects the survey to take half a day or, at most, a full day. After discussion, upon motion made by Director Hoyland, seconded by Director McCorkle, and unanimously carried, the Board authorized the NHCRWA's right of entry to the District's facilities for surveying purposes.

10. The Board considered an increase in the engineer's fees. After discussion, upon motion made by Director Hoyland, seconded by Director Maniscalco, and unanimously carried, the Board approved the increase in the engineer's fees.

11. 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.


12. The Board tabled the discussion of the District's budget for Fiscal Year Ending May 31, 2024.

13. Ms. Townes presented the audit report for the fiscal year ended May 31, 2022. The report includes an unmodified audit opinion. Upon motion duly made Director Hoyland, and seconded by Director McCorkle, and unanimously carried, the Board approved the audit and authorized its distribution to the appropriate parties.

14. The Board reviewed its investment policy noting that no changes to the policy are necessary at this time. The Board unanimously adopted the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives.

15. The Board reviewed its investments for compliance with Senate Bill 253. At this time, the District is currently in compliance with all regulations.

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


Secretary

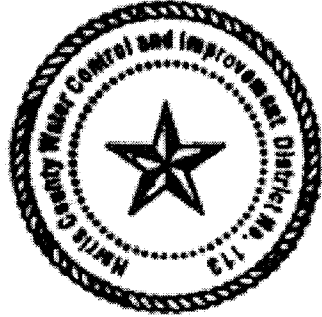
**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113
NOTICE OF PUBLIC MEETING**

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 **14707 Dale Hollow Lane, Cypress, Texas**. The meeting will be held at **7:00 p.m. on Tuesday, October 10, 2023**.

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

1. Public Comment
2. Minutes of the September 12, 2023 meeting
3. Tax assessor/collector's report; status of tax collections; payment of expenses from tax account
4. Public Hearing on proposed 2023 Tax Rate
5. Order Approving Tax Roll and Levying Debt Service Tax and Maintenance and Operation Tax
6. Amendment to Statement of Directors
7. 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
8. 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
9. Consideration of NHCRWA Right of Entry
10. Consideration of Engineer's Fees
11. Bookkeeper's report; payment of bills; investment of District Funds
12. Amend Budget for Fiscal Year Ending May 31, 2024
13. Audit Report for Fiscal Year Ended May 31, 2023; Audit Filing Affidavit
14. Resolution Approving Review of Investment Policy, Strategies & Objective
15. Review of Investments for Compliance with SB 253 (TX Gov't Code Chapter 2271)

16. Continuing Disclosure Compliance



A handwritten signature in black ink, appearing to read "Douglas C. McNeil", written over a horizontal line.

Douglas C. McNeil
Attorney for the District