

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

May 13, 2025

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 113 ("District") met on May 13, 2025, 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:

Carolyn Maniscalco, Vice President
David Robicheaux, Secretary
Scott McCorkle, Assistant Secretary

and the following absent:

Darren Hoyland, President.

Also present were Ms. Michelle Guerrero of Bob Leared Interests; Mr. Scott Shelnuitt of Municipal Operations & Consulting, Inc.; Mr. Christopher T. Burke of Burke Engineering; and Mr. Douglas McNiel, attorney for the District.

The Vice 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. Hearing none, the Board continued with the meeting.

2. The Board considered the minutes of the meeting of April 8, 2025. Upon motion by Director McCorkle, seconded by Director Robicheaux, the Board unanimously approved the minutes as presented.

3. The Board agreed to table the appointment of a new director to allow for additional discussion.

4. The Board tabled the Order Appointing Director.

5. Ms. Michelle Guerrero presented the tax assessor-collector's report reflecting the District's 2024 taxes are 94.821% collected. Ms. Guerrero presented two checks for the Board's review and approval and one wire transfer was made. After discussion, upon motion by Director McCorkle, seconded by Director Robicheaux, the Board voted unanimously to approve the tax assessor-collector's report.

6. There was no delinquent tax report reviewed.

7. Mr. Scott Shelnuitt presented operator's report which reflected 420 total connections in the District. Collections for the month were at \$29,462.81 with current billings at

\$31,585.84. The report showed 420 connections in the District. The report showed water accountability at 88.97% during this period. Total water plant pumpage for the prior month was 3,3736,000 gallons. There were no permit violations reported at the wastewater treatment plant. The operator did not recommend placing any delinquent accounts onto the District's list of uncollectible accounts. The operator briefly discussed an issue faced by Municipal Utilities Operations & Consulting, Inc. (MOC) where an employee was terminated due to potential criminal actions and collusions with North Water District Lab Services. The matter is subject to an on-going criminal investigation. MOC no longer uses North Water District Lab Services. There is no evidence to suggest that the District suffered any impacts from the incident. The Board thanked the operator for his candor. After discussion, upon motion by Director Robicheaux, seconded by Director McCorkle, the Board voted unanimously to approve the operator's report.

8. Then, the operator also reviewed the annual consumer confidence report, showing the District in full compliance, and informed the Board that the report will be provided to District customers via direct link on the utility bill. After discussion, upon motion by Director McCorkle, seconded by Director Robicheaux, the Board voted unanimously to approve the consumer confidence report.

9. Mr. Christopher T. Burke presented the engineer's report. Mr. Burke provided updates on ongoing District projects, including the sanitary sewer rehabilitation project. Mr. Burke presented pay estimate No. 3 & final in the amount of \$30,955.55 to CZ Construction, LLC for Phase 1C & 2C repairs to the sanitary sewer system. The engineer then told the Board that he is reviewing the fuel capacity requirements for the generator at the District's water plant. After further discussion, upon motion by Director McCorkle, seconded by Director Maniscalco, the Board voted unanimously to approve the engineer's report as presented and approved pay estimate No. 3 & final.

10. Mr. Douglas McNeil gave a brief attorney's report. The attorney mentioned that his office has been reviewing the costs and benefits of cyber-incident insurance policies. The District will discuss obtaining a cyber-incident insurance policy at its June meeting. The attorney then informed the Board that his office is requesting a 3% increase in attorney's fees to be reflected in the District's operating budget for fiscal year ending May 31, 2026. The Board agreed to the fees in principle but requested that the attorney hold off implementing the fees until the full Board is present at the June meeting and formally approves the increase.

11. The Board then reviewed the bookkeeper's report which reflected the District's operating fund contained \$2,640,698.07, the construction fund contained \$112,755.48, and the bond fund contained \$128,703.27. Upon motion by Director Robicheaux, seconded by Director McCorkle, the Board voted unanimously to approve the bookkeeper's report and approved payment of the checks listed thereon.

12. The Board then reviewed the Resolution Adopting Operating Budget for fiscal year ending May 31, 2026. Upon motion by Director Robicheaux, seconded by Director

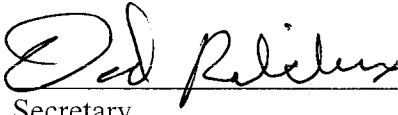
McCorkle, the Board voted unanimously to approve the Resolution Adopting Operating Budget for fiscal year ending May 31, 2026.

13. The attorney noted that with approval of the District's operating budget for fiscal year ending May 31, 2026, the District is required to update the transparency report required by Tax Code Section 26.18. Upon motion by Director Robicheaux, seconded by Director McCorkle, the Board voted unanimously to authorize the attorney to update the compliance document.

14. The Board then reviewed auditor continuance letter prepared by McCall Gibson Swedlund Barfoot Ellis, PLLC, the District's auditor. No objections were raised in regard to the continuation of the District's audit contract.

15. There was no executive session held.

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

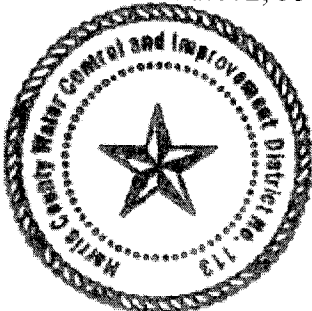

Secretary

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 **14707 Dale Hollow Lane, Cypress, Texas**. The meeting will be held at **7:00 p.m. on Tuesday, May 13, 2025**.

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

1. Public Comment
2. Minutes of the April 8, 2025 meeting
3. Discuss appointment of new director
4. Order Appointing Director; approve qualifications, statement of appointed officer, oath of office, questionnaire regarding potential conflicts of interest and memorandum regarding completion of Public Information Act/Open Meetings Act training
5. Tax Assessor/Collector's report; status of tax collections; payment of expenses from tax account
6. Delinquent Tax Report
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. Consumer Confidence Report
9. 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
10. Attorney report
11. Bookkeeper's report; payment of bills; investment of District Funds
12. Resolution Adopting Operating Budget for F.Y.E. 5/31/2026
13. Tax Code Section 26.18 filing after adopting F.Y.E. 2026 budget
14. Review auditor continuance letter
15. Executive (closed) Session Pursuant to Texas Government Code §§ 551.071, 551.072, 551.074 and 551.076



Douglas C. McNiel
Attorney for the District