

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

June 10, 2025

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 113 ("District") met on June 10, 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:

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

and the following absent:

None.

Also present were Mr. Makonen A. Campbell a District resident; 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 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 May 13, 2025. Upon motion by Director McCorkle, seconded by Director Robicheaux, the Board unanimously approved the minutes as presented.

3. The Board considered the appointment of Mr. Makonen A. Campbell to fulfill the District's vacant director position. Mr. Campbell has attended several meetings and expressed an interest in serving on the Board. After discussion upon motion by Director McCorkle, seconded by Director Robicheaux, the Board unanimously approved the appointment of Mr. Makonen A. Campbell to the vacant position on the Board of Directors.

4. There was presented for Board consideration the attached Order Appointing Directors. Mr. Makonen completed a qualification letter. After discussion, upon motion duly made by Director McCorkle, seconded by Director Robicheaux, and unanimously carried, the Board adopted the attached Order Appointing Director, approved the qualification as well as the oath of office for Director Makonen, and declared Mr. Makonen to be fully qualified to serve as a member of the Board of Directors. Director Makonen also completed a

questionnaire regarding potential conflicts of interests. Following the oath of office, Mr. Makonen participated as a director for the remainder of the meeting. It was noted that Mr. Makonen will be unable to sign checks until additional paperwork is processed.

5. Ms. Michelle Guerrero presented the tax assessor-collector's report reflecting the District's 2024 taxes are 95.209% collected. Ms. Guerrero presented five checks for the Board's review and approval and zero wire transfers were made. Ms. Guerrero noted that District's 2025 preliminary value is roughly \$137,200,000, which is a three percent increase from the prior year. After discussion, upon motion by Director Robicheaux, seconded by Director McCorkle, the Board voted unanimously to approve the tax assessor-collector's report.

6. The Board reviewed a Delinquent Tax Report prepared by Perdue, Brandon, Fielder, Collins & Mott L.L.P.

7. Mr. Scott Shelnutt presented operator's report which reflected 420 total connections in the District. Collections for the month were at \$31,118.62 with current billings at \$31,699.48. The report showed 420 connections in the District. The report showed water accountability at 90.37% during this period. Total water plant pumpage for the prior month was 4,188,000 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 informed the Board that he has completed preventative maintenance on the District's generator in preparation for hurricane season. After discussion, upon motion by Director Robicheaux, seconded by Director McCorkle, the Board voted unanimously to approve the operator's report.

8. 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 then discussed the District's conversion to surface water. He mentioned the importance of communicating the conversion with the public and the Board agreed to hold townhall meetings in order to make sure the residents are aware of the conversion. After further discussion, upon motion by Director McCorkle, seconded by Director Makonen, the Board voted unanimously to approve the engineer's report as presented.

9. Mr. Douglas McNiel gave a brief attorney's report. 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. After discussion, upon motion by Director Robicheaux, seconded by Director McCorkle, the Board voted unanimously to approve the fee increase.

10. The Board then reviewed the bookkeeper's report which reflected the District's operating fund contained \$2,574,309.20, the construction fund contained \$113,155.81, and the bond fund contained \$129,137.05. 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.

11. The Board reviewed the Annual Director Conflict Disclosures. The attorney requested that the Directors complete the disclosures and return them to him.

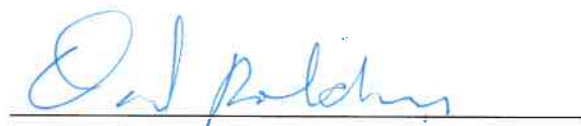
12. The Board considered the ethics letter and update by the District's investment officer, Mr. Bob Ideus. Mr. Ideus submitted the required disclosure which indicated that he had no such relationships to disclose. The attorney noted that this document would be filed with the Texas Ethics Commission and in the District's records as required by law. Upon by Director Maniscalco, seconded by Director Robicheaux, the Board unanimously approved and accepted the ethics letter and update by the investment officer.

13. The attorney then reported that the District's annual critical load and emergency operations information filing has been filed by the operator's office.

14. The Board reviewed the cyber liability insurance proposal prepared by the District's insurance broker McDonald & Wessendorf Insurance. The Board discussed the high premium costs and the policy aggregate limits. Three policies were presented a \$250,000 limit for a premium of \$1,390, a \$500,000 limit for a premium of \$1,692 and a \$1,000,000 limit for a premium of \$2,013. It was noted that the District's bookkeeper currently does not carry a cyber liability policy, but he is considering purchasing one. After an in-depth discussion, Directors Robicheaux, McCorkle, and Makonen voted to table the discussion of the cyber liability policy until the bookkeeper makes a decision on purchasing such a policy. Directors Hoyland and Maniscalco voted against the motion, noting that they would move forward with purchasing a policy without waiting on the District's bookkeeper. Additionally, it was noted that the Board will ask the District's bookkeeper to diversify its investments.

15. There was no executive session held.

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



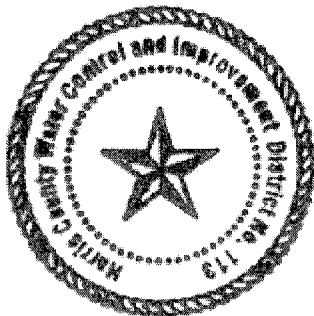
Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113
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, June 10, 2025**.

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

1. Public Comment
2. Minutes of the May 13, 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. 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. Attorney report
10. Bookkeeper's report; payment of bills; investment of District Funds
11. Annual review of Director Conflict Disclosures
12. Review annual ethics letter and update by Investment Officer
13. Annual update to Critical Load (Electricity) Submission and Emergency Operations Information
14. Review proposal for cyber security coverage
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