

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

July 8, 2025

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 113 ("District") met on July 8, 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
Makonen A. Campbell, Director

and the following absent:

None.

Also present were Ms. Mary Scerbo a resident of the District; Ms. Michelle Guerrero of Bob Leared Interests; Mr. Scott Shelnutt of Municipal Operations & Consulting, Inc.; 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. Ms. Mary Scerbo introduced herself to the Board and requested a refund from the Board for washing machine maintenance and repair she claims was necessitated by damage from the District's water line. After discussion, the Board agreed that the operator will investigate Ms. Scerbo's claim and report back to the Board at the August meeting.

2. The Board considered the minutes of the meeting of June 10, 2025. Upon motion by Director McCorkle, seconded by Director Robicheaux, the Board unanimously approved the minutes as presented.

3. 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. After discussion, upon motion by Director McCorkle, seconded by Director Campbell, the Board voted unanimously to approve the tax assessor-collector's report.

4. There was no Delinquent Tax Report presented.

5. Mr. Scott Shelnutt presented operator's report which reflected 420 total connections in the District. Collections for the month were at \$33,052.21 with current billings at \$34,318.20. The report showed 420 connections in the District. The report showed water accountability at 90.85% during this period. Total water plant pumpage for the prior month was 3,896,000 gallons. There were no permit violations reported at the wastewater treatment plant.

The operator recommended placing one delinquent account, totaling \$235,07 onto the District's list of uncollectible accounts. The operator informed the Board that ten defective water meters were replaced in the month of June. The operator and the Board also discussed the cost of chemicals after the District's conversion to surface water. After discussion, upon motion by Director McCorkle, seconded by Director Campbell, the Board voted unanimously to approve the operator's report and place the one discussed delinquent account on the District's list of uncollectible accounts.

6. There was no engineer's report presented.

7. Mr. Douglas McNiel gave a brief attorney's report. He discussed the changes to the District's agenda. Upon suggestion by Director Hoyland, the agendas will include a section for "other matters."

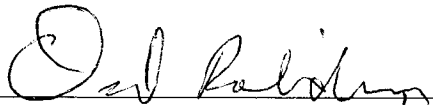
8. The Board then reviewed the bookkeeper's report which reflected the District's operating fund contained \$2,582,553.49, the construction fund contained \$113,543.65, and the bond fund contained \$129,557.41. The attorney then noted that the bookkeeper has suggested moving the District's operating account from Amegy Bank to Central Bank. The bookkeeper has made this suggestion due to his opinion on the quality of customer service at Central Bank as compared to Amegy Bank. Upon motion by Director McCorkle, seconded by Director Campbell, the Board voted unanimously to approve the bookkeeper's report and approved payment of the checks listed thereon and approved closing the District's operating fund with Amegy Bank and opening an operating fund with Central Bank.

9. The Board revisited 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. The attorney noted that after the change from Amegy Bank to Central Bank, the District will have a positive pay system. Lastly, it was mentioned that additional security could be provided by dividing the District's \$2,342,553.49 operating fund investments currently in TexPool, between TexPool and TexStar. The division of the funds would limit the access of a criminal actor to the District's funds. After an in-depth discussion, upon motion by Director Maniscalco, seconded by Director McCorkle, the Board voted unanimously to purchase the policy with a \$1,000,000 limit for a premium of \$2,013 and to divide its operating fund investments between TexPool and TexStar investment accounts.

10. No other matters were discussed.

11. There was no executive session held.

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

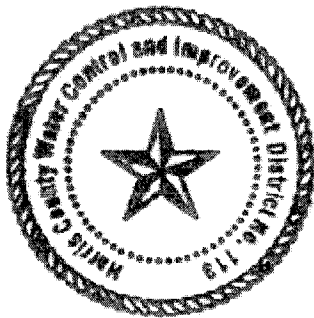

Secretary

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, July 8, 2025**.

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

1. Public Comment
2. Minutes of the June 10, 2025 meeting
3. Tax Assessor/Collector's report; status of tax collections; payment of expenses from tax account
4. Delinquent Tax Report
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. Attorney report
8. Bookkeeper's report; payment of bills; investment of District Funds
9. Consider proposals for cyber security coverage
10. Other Matters: Insurance, Annexation of Land; Contract for Electric Power; Audit Report; Application to Texas Commission on Environmental Quality; Continuing Disclosure; Solid Waste Contract;
11. Executive (closed) Session Pursuant to Texas Government Code §§ 551.071, 551.072, 551.074 and 551.076



Douglas C. McNiel
Attorney for the District