

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113

Minutes of Meeting of Board of Directors

September 9, 2025

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 113 ("District") met on September 9, 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
Scott McCorkle, Assistant Secretary
Makonen A. Campbell, Director

and the following absent:

David Robicheaux, Secretary.

Also present were Ms. Chase Eastland of Masterson Advisors LLC; 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 the meeting.

2. The Board considered the minutes of the meeting of August 12, 2025. Upon motion by Director McCorkle, seconded by Director Campbell, 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 97.380% collected. Ms. Guerrero presented three checks for the Board's review and approval and one wire transfer was made. After discussion, upon motion by Director McCorkle, seconded by Director Maniscalco, the Board voted unanimously to approve the tax assessor-collector's report.

4. Ms. Chase Eastland presented the report regarding the District's tax rate to the Board. Ms. Eastland suggested the District be labeled a Developed District and levy a total tax of \$0.57 comprised of a \$0.50 maintenance and operations tax and a \$0.070 debt service tax. The District's 2025 taxable value is \$131,653,520. The proposed tax rate will be a \$34.00 increase in the tax bill of the average homestead in the District. The proposed maintenance and operations tax is projected to create an operating fund surplus of \$215,319. Ms. Eastland and the Board discussed the District's healthy 32-month operating fund surplus and the flexibility that the surplus gives the District to finance infrastructure projects with cash as opposed to selling bonds.

Ms. Eastland then noted that the District's contract with Masterson Advisors LLC states that Masterson Advisors LLC only gets paid upon the sell of bonds. Because the District will likely not sell bonds for the foreseeable future, Masterson Advisors LLC is requesting the District consider an amendment to the contract allowing for an hourly rate payment structure for tax rate analysis and other issues requiring the input of the financial advisor. Ms. Eastland stated that, barring unusual circumstances she does not foresee the hourly rates exceeding \$1,000 per year. The Board noted that the proposed contract amendment seems fair and requested that the attorney include the amendment on the District's October agenda.

5. 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 2025 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing. After brief review and discussion, upon motion by Director McCorkle, seconded by Director Campbell, the Board unanimously approved the Resolution (1) Finding the District Tax Rate to be \$0.57 and labeling the District a Developed District, (2) Calling Public Hearing on October 14, 2025 at 7:00 p.m., for the 2025 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing.

6. The Board reviewed the delinquent tax report prepared by Perdue, Brandon, Fielder, Collings & Mott L.L.P. After reviewing the report, Ms. Guerrero requested the Board's approval to have the delinquent tax attorney mail water termination letters to eight qualifying delinquent accounts. Director Maniscalco noted that she may be able to provide an updated contact address for at least one of the recipients of the termination letters. After discussion, upon motion by Director McCorkle, seconded by Director Campbell, the Board approved the water termination letters.

7. Mr. Scott Shelnuitt presented the operator's report which reflected 421 total connections in the District. Collections for the month were at \$34,011.67 with current billings at \$34,887.98. The report showed water accountability at 88.77% during this period. Total water plant pumpage for the prior month was 5,254,000 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 the operator performed preventative maintenance on the water plant's mechanical equipment. The operator then updated the Board on the wastewater treatment plant's blower, which has been reinstalled and brought online. The operator filed an insurance claim and the claim remains pending. The operator will inform the Board of the final cost of the blower after the claim has been resolved. Lastly, the operator and the Board discussed the District's water accountability. It was noted that in calendar year 2025, the District's accountability has ranged between 86% and 91%. The operator noted that this is in line with what he would expect to see. The operator stated that one maintenance act he sees increase accountability is valve repair.

After discussion, upon motion by Director McCorkle, seconded by Director Campbell, the Board voted unanimously to approve the operator's report as presented.

8. Mr. Chris Burke presented the engineer's report. Mr. Burke provided updates on ongoing District projects, including the sanitary sewer rehabilitation project. Mr.

Buke then discussed the District's conversion to surface water. The conversion is expected to begin early in 2026 and to be completed by the close of 2026. The conversion will require the District's installation of magnesium oxide at the wastewater treatment plant. The engineer will include this expense in the District's capital improvements plan (CIP). The engineer and the operator are actively working on an updated CIP. Lastly, the engineer explained that, while a utility request is unlikely, he keeps the item on his report due to the possibility of a worthwhile request. After further discussion, upon motion by Director McCorkle, seconded by Director Campbell, the Board voted unanimously to approve the engineer's report as presented.

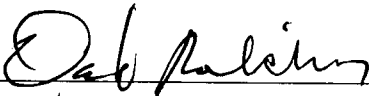
9. Mr. Douglas McNeil gave a brief attorney's report. He reminded the Board that the October 14 meeting will be the tax rate public hearing, and that it is very important the Directors attend.

10. The Board then reviewed the bookkeeper's report which reflected the District's operating fund contained \$2,556,920.65, the construction fund contained \$114,351.68, and the bond fund contained \$62,365.28. Upon motion by Director McCorkle, seconded by Director Maniscalco, the Board voted unanimously to approve the bookkeeper's report.

11. There was no executive session held.

12. No other matters were discussed.

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

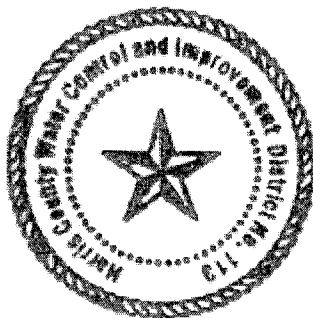

Secretary

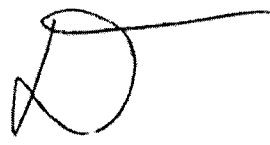
**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 113
NOTICE OF PUBLIC MEETING**

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, September 9, 2025**.

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

1. Public Comment
2. Minutes of the August 12, 2025 meeting
3. Tax Assessor/Collector's report; status of tax collections; payment of expenses from tax account
4. Review proposed tax rate for 2025
5. Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2025 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing
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. Executive (closed) Session Pursuant to Texas Government Code §§ 551.071, 551.072, 551.074 and 551.076
12. Other Matters and pending business: including, Insurance, Annexation of Land; Contract for Electric Power; Audit Report; Application to Texas Commission on Environmental Quality; Continuing Disclosure; Solid Waste Contract





Douglas C. McNiel
Attorney for the District