

# HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

## MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 19, 2019

The Board of Directors (the "Board" or "Directors") of Harris County Water Control and Improvement District No. 99 (the "District") met in regular session, at 6:30 p.m., at 19423 Lockridge Drive, Spring, Texas 77373, on Tuesday, March 19, 2019, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Monte Lee Cooper	President
Billy Ray Fritsche	Vice President
Tim Evans	Assistant Secretary
Ed Jensen	Secretary/Treasurer/Investment Officer
Charles Leroy Richardson	Director/Operations Maintenance Officer

All members of the Board were present, thus constituting a quorum. Also attending all or portions of the meeting were: Mike Plunkett of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Michelle Lofton and Karen Long of Equi-Tax, Inc., tax assessor-collector and bookkeeper for the District ("Equi-Tax"); Sergio Van Dusen and Caitlin Bobb EIT of Vogt Engineering, L.P., engineer for the District ("Engineer"); Andrew P. Johnson III, attorney and Marisa L. Roberts, Legal Assistant of Johnson Petrov LLP, attorney for the District ("Attorney"); and several residents of the District and members of the public (see Sign-In Sheet).

The President, after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may regularly come before it.

1. Minutes. The Board reviewed the minutes of the regular meeting held on February 19, 2019, a copy of which was previously distributed to the Board. Upon motion by Director Fritsche, seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting held on February 19, 2019.

2. Bookkeeper's Report/Investment Report/Tax Assessor-Collector's Report/Energy Usage Report. Ms. Lofton presented to and reviewed with the Board, the Bookkeeper's Report, Investment Report, Tax Assessor-Collector's Report, and Energy Usage Report for the previous month, copies of which are attached hereto collectively as Exhibit "A."

a. Ms. Lofton next reported that TexPool is paying 2.3950% interest and the net asset value is 0.99995%. She also presented and reviewed the Energy Usage Report.

b. Ms. Lofton presented Draft Budget No. 3 for fiscal year ending March 31, 2020, a copy of which is attached to the Bookkeeper's Report. She stated that the Board needed to approve the budget at tonight's meeting. At that time, Director Fritsche began discussions regarding the upcoming repairs to the Sewer Treatment Plant (the "STP") and a possible rate increase due to the increased costs of repairs in the District. He also compared the District's rates to neighboring districts and stated that the Board might want to consider annexing more property

and/or consider a future bond election. President Cooper redirected the Board back to the Bookkeeper's report and stated those issues will be discussed later in the meeting.

Upon motion by Director Fritsche, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the Order Adopting Budget for Fiscal Year Ending March 31, 2020, a copy of which is attached hereto as Exhibit "A-1."

c. Ms. Lofton stated that the District will have unclaimed property to report, but requested this item be placed on the May agenda.

Upon motion by Director Jensen, seconded by Director Fritsche after full discussion and the question being put to the Board, all members of the Board present voted to 1) approve the Bookkeeper's Report, Investment Report, Tax Assessor-Collector's Report, and Energy Usage Report, as presented, 2) authorize the payment of checks numbered 11888 through 11913 from the Operating Account; and 3) authorize the payment of one (1) check numbered 2387 from the Tax Account.

3. Operator's Report. Mr. Plunkett presented the Operations Report, a copy of which is attached hereto as Exhibit "B," and responded to questions from the Board.

a. Mr. Plunkett reported the average daily flow at the sewer plant during the previous month was 81,000 G.P.D. He also reported the pumped to billed ratio was 91.22% at the water plant, no sludge was hauled away and no permit excursions were noted. Additionally, he reported that the fire hydrant inspections had been completed and he recommended that the hydrants be painted. He also reported that a replacement hydrant was needed off Cypresswood.

Director Jensen stated he reviewed the Engineer's asset list, he toured the STP, and took pictures of several housekeeping/safety issues. He requested that those issues be addressed and taken care of as soon as possible.

Mr. Plunkett next presented the Monthly Light Fixture Review, a copy of which is attached to the Operator's Report. He reported thirty-one (31) delinquency notices were sent out to customers while eighteen (18) remain unpaid to date.

Upon motion by Director Jensen, seconded by Director Fritsche after full discussion and the question being put to the Board, all members of the Board present approved the Operator's Report.

4. Engineer's Report. The Engineer's Report was presented and reviewed by Mr. Van Dusen, a copy of which is attached as Exhibit "C". He also stated that an Out-of-District Service request from 23503 W. Hardy Road was received and he requested the Board's authorization on same. Director Jensen inquired about the bidding process. Mr. Van Dusen responded saying that the state requires the project be advertised in the newspaper twice, sealed bids are received, Vogt reviews the bids submitted, the apparent winning bidder is evaluated by the Engineer and the bid tabulation and low bidder is submitted to the Board for approval.

Upon motion by Director Evans, seconded by Director Fritsche after full discussion and the question being put to the Board, and with all Directors present voting aye, Board approved the Engineer's Report.

5. New Business/Annual Agenda.

a. Discussion and possible action regarding DreamLabs Development.

Mr. Johnson explained to the Board several options for their consideration that would address the District's immediate need for repairs at the STP, the request for service from DreamLabs, future water and sewer treatment concerns, as well as options for reducing the overall cost to current residents. Several residents were present and asked questions regarding finance, election, tax and service issues. Mr. Stuart expressed his concerns regarding engaging in a contract that might not have certain safe guards and cause more financial distress to the District. A lengthy discussion ensued regarding financial and service issues.

Mr. Johnson then asked if there were any employee(s) and/or representative(s) of DreamLabs present. There appeared to be no employee and/or representative from DreamLabs present. He then asked the Board to consider moving to Executive Session for further deliberations regarding Real Property.

The President then called to Order an Executive Session, pursuant to Section 551.072 of the Texas Government Code concerning Deliberation Regarding Real Property at 7:55 p.m. Everyone departed the meeting with the exception of the Board, Sergio Van Dusen, Mike Plunkett, Andrew P. Johnson, III and Marisa Roberts. As of 9:19 p.m., the President declared the Executive Session was ended and the public session resumed.

Residents and members of the public re-entered at that time.

Mr. Johnson stated that no decisions were made in Executive Session. He also reminded the Board that they had authorized \$250,000 for immediate repairs at the STP at the February Board meeting and he asked for the Board to appoint a member of the Board to volunteer as a liaison. Director Richardson volunteered to be a liaison. Next, Mr. Johnson then requested authorization to proceed with contract negotiations with DreamLabs.

Upon motion by Director Fritsche, seconded by Director Richardson after full discussion and the question being put to the Board, and with all Directors present voting aye, Board approved Director Richardson as the liaison and authorized Mr. Johnson to proceed with contract negotiations with DreamLabs.

b. Discussion and possible action regarding 10-year management plan. Discussed above.

c. Update regarding payment options for customers (BBVA Compass Bank). Johnson Petrov reviewed the contracts and submitted the recommended changes to Eagle Water to forward to BBVA.

6. Public Comment.

Several residents made comments. Mr. Galindo inquired about the most recent minutes not being posted on the District's website. Ms. Roberts stated that she will contact Damien Johnson regarding updating the District's website. Ms. Sodders asked for an update on the fence at the Water Plant. Director Fritsche stated that the Board is in the process of obtaining bids that meet certain specs.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,**  
the meeting was adjourned.

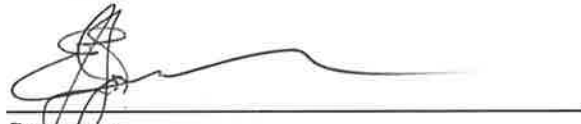
**Pay the Bills:** As previously approved by the Board, the following bills were paid:

**Checks Written on Operations Account #0751-690363**

**Harris County WCID #99 GOF  
Checks Presented  
March 19, 2019**

Num	Name	Description	Amount
11888	Billy R Friteche	Director Fee	-138.53
11889	Charles L Richardson	Director Fee	-118.53
11890	Monte L Cooper	Director Fee	-138.53
11891	Timothy P. Evans	Director Fee	-138.53
11892	Charles L Richardson	Maintenance Log	-184.70
11893	Center Point Energy	Utilities	-28.19
11894	Direct Waste Solutions	Garbage Collection	-9,213.00
11895	DXI Industries, Inc.	Chemicals	-421.97
11896	Eagle Water Management, Inc.	Operator Fee	-19,272.82
11897	Elite Pumps & Mechanical Services	STP Maintenance	-10,779.25
11898	ETI Bookkeeping Services	Bookkeeping Fee	-700.00
11899	Harris County Treasurer	Security	-5,764.00
11900	Johnson Petrov LLP	Legal Fee	-8,695.88
11901	Lawns & More	Mowing	-380.00
11902	McDonald & Wessendorff Insurance	Insurance	-1,050.00
11903	Neil Technical Services Corp	STP Maintenance	-1,050.00
11904	North Harris County Regional Water Author	NHCRWA Fee	-10,815.40
11905	Reliant Energy 1 499 574-0	Utilities	-17.10
11906	Reliant Energy 1 500 965-7	Utilities	-1,353.07
11907	Reliant Energy 1 505 184-0	Utilities	-1,948.99
11908	Source Point Solutions, Inc.	Sanitary Sewer Blockage Relief	-1,072.00
11909	Verizon	Telephone	-63.27
11910	Vogt Engineering	Engineering Fee	-8,086.25
11911	Waste Connections of Texas	STP Dumpster Fee	-222.71
11912	Clifford Ray Hall Jr	Customer Deposit Refund	-250.00
11913	Roth Self Storage	Customer Deposit Refund	-588.78
<b>Total</b>			<b>-82,467.50</b>

**PASSED AND APPROVED** on the 16th day of April, 2019.

  
Secretary  
Board of Directors

**EXHIBITS:**

- A - Bookkeeper's Report, Investment Report,  
Tax Assessor-Collector's Report, Energy Report
- A-1 - Order Adopting Budget for Fiscal Year Ending March 31, 2020
- B - Operations Report
- C - Engineer's Report

**Minutes recorded by Marisa L. Roberts  
Johnson Petrov LLP  
Regular Session March 19, 2019**

