

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 28, 2019

The Board of Directors (the "Board" or "Directors") of Harris County Water Control and Improvement District No. 99 (the "District") met in special session, at 11:30 a.m., at 19423 Lockridge Drive, Spring, Texas 77373, on Thursday, March 28, 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, with the exception of Director Richardson, thus constituting a quorum. Also attending all or portions of the meeting were: Sergio Van Dusen and Catlin Bobb, EIT of Vogt Engineering, L.P., engineer for the District ("Engineer"); Zachary A. Petrov and Andrew P. Johnson III, Attorney 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.

Discussion and possible action regarding DreamLabs Development.

Mr. Johnson discussed with the Board his correspondence with DreamLabs and informed the Board that DreamLabs had hired Lynne Humphries of Allen Boone Humphries Robinson LLP to assist DreamLabs with the review of the potential agreements with WCID 99. He stated that DreamLabs needs more time to review this information, but they still want to move quickly. Mr. Johnson presented a Letter Agreement requesting DreamLabs to pay a deposit of \$25,000.00 against the District's expenses to prepare and negotiate a service and/or annexation agreement.

Director Evans inquired about loan applications. Mr. Johnson responded that a loan application previously discussed in prior meetings was not submitted because the qualifications for those loans were for severely disadvantaged communities for which the District would likely not qualify. He also noted that the Texas Water Development Board loans are still available as an option.

Director Jensen inquired about how the tax bonds and revenue bonds work. Mr. Johnson explained the process and the difference between tax bonds and revenue bonds and the debt service tax and M&O tax. Mr. Johnson stated that an election authorizing bonds would be required for either revenue bonds or tax bonds because the District is a Water Control Improvement District and does not have the power to issue revenue bonds without an election, as does a Municipal Utility District. He also stated that, in his opinion, the most efficient financing available for the District at this time is tax bonds.

Executive Session.

The President asked the Board for a motion to enter into Executive Session, pursuant to Section 551.071 of the Texas Government Code concerning discussion with attorney or regarding attorney-client privileged matter, and Section 551.072 of the Texas Government Code concerning Deliberation Regarding Real Property, at 12:34 p.m. Upon motion by Director Fritsche, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board declared a closed or executive session in accordance with the Texas Open Meetings Act.

Everyone departed the meeting with the exception of the Board, Sergio Van Dusen, Catlin Bobb, Zachary Petrov and Andrew P. Johnson III.

As of 1:37 p.m., upon motion by Director Fritsche, seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board declared the Executive Session was ended and the public session resumed.

Residents and members of the public then re-entered.

Resume Meeting.

The President asked for a motion approving the Letter Agreement and authorizing negotiations with DreamLabs upon receipt of a deposit of \$25,000.

Upon motion by Director Fritsche, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the Letter Agreement, a copy of which is attached hereto as Exhibit "A," and authorized the President to execute the letter as the act and deed of the District.

Next, discussion ensued regarding obtaining a second engineering opinion as to the repairs and renovations at the Wastewater Treatment Plant.

Upon motion by Director Evans, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board authorized Director Evans to engage and Engineer and obtain a second engineering opinion as to the repairs and renovations at the Wastewater Treatment Plant.

Public Comment.

Members of the public inquired about how the District would collect taxes, to which Mr. Johnson responded, describing the process for the levy and collection of taxes as well as the deductibility of taxes on Federal Income Tax Returns.


A member of the public asked about the District's bond capacity and about what was discussed during executive session, to which Mr. Johnson responded as to how the bond capacity was calculated and the subjects, which were discussed during executive session.

A member of the public questioned whether there was a conflict with Director Jensen being on the WCID 99 Board and his wife being on the school board. Mr. Johnson responded, no.

Lastly, a resident inquired about the engineering repairs done in 2001 to which Mr. Van Dusen responded.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 1:53 p.m.

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



Secretary
Board of Directors

EXHIBITS:

A – Letter Agreement

**Minutes recorded by Zachary A. Petrov
Johnson Petrov LLP
Special Session March 28, 2019**

