

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

DECEMBER 19, 2017

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, December 19, 2017, 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:

Thomas Eisterhold	President
Monte Lee Cooper	Vice President
Tim Evans	Assistant Secretary
Ed Jensen	Secretary/Treasurer/Investment Officer
Annette Bethany	Director/Records Management Officer

All members of the Board were present, with the exception of Director Bethany, thus constituting a quorum. Also attending all or portions of the meeting were: Chris Oliver of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Tina Buchanan of Equi-Tax, Inc., tax assessor-collector and bookkeeper for the District ("Equi-Tax"); Sergio Van Dusen of Vogt Engineering, L.P., engineer for the District ("Engineer"); Marisa L. Roberts, Legal Assistant of Johnson Petrov LLP, attorney for the District ("Attorney"); and Susie and Chris Paddack; Mark and Debbie Wells; Mike and Cheryl Kiger; Debbie Jensen; Marsha Evans; Henry Roth; Norma Martin; Lance Rumfield; Timothy Rumfield; Tom Emanis; and Andy and Terri Ferguson; residents of the District.

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 November 21, 2017, a copy of which was previously distributed to the Board. Upon motion by Director Cooper, 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 November 21, 2017, as presented.

2. Bookkeeper's Report/Investment Report/Tax Assessor-Collector's Report/Energy Usage Report. Ms. Buchanan 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. Buchanan next reported that TexPool is paying 1.0506% interest and the net asset value is 0.99991. She also presented and reviewed the Energy Usage Report. Ms. Buchanan noted that the membership renewal fee for the Association of Water Board Directors in the amount of \$650.00 was paid.

Upon motion by Director Jensen, seconded by Director Cooper 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 11457 through 11485 from the Operating Account, with check number 11481 to Annette Bethany being voided and 3) authorize the payment of one (1) check numbered 2372 from the Tax Account.

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

a. Mr. Oliver reported the average daily flow at the sewer plant during the previous month was 64,000 G.P.D. noting that the flow as down because many residents had still not returned to their homes since Hurricane Harvey. He also reported the pumped to billed ratio was 94.7% at the water plant.

Mr. Oliver next presented the Monthly Light Fixture Review, a copy of which is attached to the Operator's Report. He also presented twenty-one (21) termination notices for nonpayment. Director Eisterhold stated he would like to see the cutoff date extended. Discussion ensued regarding the number of terminations on the cutoff list. Director Cooper made a motion to extend the cutoff date until January 3, 2018, the motion was seconded by Director Jensen after full discussion and the question being put to the Board, all members of the Board present voted to extend the cutoff date until January 3, 2018.

Upon motion by Director Cooper, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report.

4. Engineer's Report. The Engineer's Report was presented by Mr. Van Dusen, a copy of which is attached as Exhibit "C".

a. Ongoing District Projects or Service Requests.

- i. Mr. Van Dusen gave an update on Rudy Playtez (18718 Casper Drive) stating that the duplex plans have been finalized and sent to Harris County for review and approval.
- ii. Inventory of Aging Assets List will continue after the Lemm Gully Project is completed.
- iii. Next, Mr. Van Dusen reported that on November 29, 2017, Eagle Water arranged for the televising of the sanitary sewer line crossing Lemm Gully, which showed several sags and tears in the lining. He noted that these issues do not require immediate attention and that the line is in adequate condition to expose and encase. When asked the life-expectancy of the lines as a result of the sags and tears, he stated 5-6 years.

b. Long Range Water Plan.

- i. Mr. Van Dusen reported Vogt Engineering received a request for material specifications for the LAS tank. Once the material specifications are received from the supplier, Vogt Engineering will provide same to the TCEQ. He anticipates TCEQ approval sometime in January 2018.
- ii. Mr. Van Dusen next reported that he attended the special meeting of Harris County Water Control Improvement District No. 110 on November 30, 2017 and that the 110 Board had emphasized their

requirements for a service water line interconnect to be a metered interconnect line that leads directly to the WCID 99 water plant, the use of chloramines as a disinfectant and agreement on a structure for fees.

Upon motion by Director Cooper, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

5. Public Comment.

Director Eisterhold reviewed the draft special meeting minutes of Harris County Water Control Improvement District No. 110, a copy of which is attached hereto as Exhibit "D".

Next, Director Eisterhold opened the floor to Chris and Susie Paddock if they had a comment. Mrs. Paddock asked about the interconnect with WCID 110, stating that WCID 99's water demand is approximately 2% of what WCID 110 produces and would WCID 110 be able to provide water to the District indefinitely or would the District be able to function on another well if one failed. It was explained that in the winter months, the District operates on one (1) well, but in the summer months, during a higher peak time, the District utilizes both the large and small well.

Director Eisterhold opened the floor to Mark and Debbie Wells. Mr. Wells asked when will the WCID 99 water well issue be communicated to the District's customers. He also asked if a Bond election is needed to maintain the District's facilities, as he understood the District's system is 40 to 50 years old.

Discussion ensued regarding the chloramine conversion, the condition of the District's facilities and whether WCID 110 could provide water to the District should one of its wells fail. The District's Engineer, Mr. Van Dusen explained that the District's facilities are monitored and watched closely for any potential issues. He further explained that the long-range water plan between WCID 99 and WCID 110 are not considered an emergency, but a plan in the event of an emergency.

It was asked why is the District taking so long to decide where and when to install this water line. It was also asked if the District can install a replacement water well. Mr. Van Dusen answered yes, the District does have an option to install a replacement a water well, and he further explained that it's not an urgent matter because the District facilities are currently operational. He further explained the role that the North Harris County Regional Water Authority (the "NHCRWA") has played in the Board's discussions, one being that the NHCRWA has, on more than one occasion, changed the anticipated date that they would provide surface water to the District, the most recent time frame being 2025.

Director Cooper stated that the Board wants to put in a line that would be satisfactory with all parties (WCID 110, NHCRWA and WCID 99).

Mrs. Debbie Johnson suggested a newsletter to communicate with the District's customers about the chloramine conversion and she presented some information from the Center for Disease Control ("CDC").

Mr. Henry Roth thanked the Board for their work in the District.

Director Eisterhold opened the floor to Andy and Terri Ferguson. Mrs. Ferguson asked about the three (3) conditions that WCID 110 gave to WCID 99 in order to provide emergency water. She also stated that the District's customers need more than 2 weeks notice. She asked whether or not the Board felt that since the District had not worked with Developers or serviced outside the District if they felt that hurt the District financially. She also expressed concern regarding proper pressure for extinguishing a fire or other potential issues.

It was explained that WCID 110 had the capacity to provide water if the following conditions were met: i) WCID 99 converted to a chloramine disinfection system, ii) Constructed an 8-inch water line from the WCID 99 ground storage tank to the water line on Cypresswood Drive, and iii) WCID 99 paid for the water at a cost which included the RWA surface water fee, the District's water production cost based on the amount of water delivered to WCID 99, and maintenance and operation costs based on the amount of water to be provided, and a base rate for water based on 1,000 gallons.

Election Agenda:

Director Eisterhold adjourned the meeting before the Election Agenda was discussed. These items will be discussed at the January 2018 meeting.

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
WCID #99
December 19, 2017**

Item	Payable To:	Check #	Amount	STP/WP	Account/Invoice#	For:
1	AT&T	11457	136.41	WP	281-288-3728-078-0	Fault Monitoring Line
2	AT&T	11458	136.41	STP	281-288-5820-614-4	Fault Monitoring Line
3	AT&T	11459	133.65	STP/LS	281-288-5942-008-2	Fault Monitoring Line
4	Center Point Energy	11460	33.52	STP	4610016-0	Gas for Generator
5	Reliant Energy	11461	10.96	LS/STP	1 499 574 - 0	Electricity
6	Reliant Energy	11462	1,581.18	WP	1 500 965 - 7	Electricity
7	Reliant Energy	11463	1,934.16	STP	1 505 184 - 0	Electricity
8	Waste Connections of Texas	11464	177.78	STP	Inv# 1493033	Dumpster
9	Association of Water Board Directors	11465	650.00	STP	Inv# 167854	2017 Membership Dues
10	CFI Services, Inc	11466	684.96	STP	300.00 Inv# 58031	Maintenance
				WP	384.96 Inv# 57793	Maintenance
11	DLD Services	11467	2,835.00	WP	2485.00 Inv# DF2311	Maintenance
				STP	350.00 Inv#DF2312	Maintenance
12	DXI Industries	11468	70.00	WP	Inv# DE050008535-17	Chemicals
13	Eagle Water Management, Inc.	11469	8,770.05		October 2017	Operations & Maintenance
14	E T I Bookkeeping Services	11470	700.00		Inv# 8098	Bookkeeping Fees
15	Johnson Petrov LP	11471	2,693.03		Inv# 1895	Legal Fee
16	Lawns & More	11472	690.00	STP	470.00 Inv# 1638	Mowing Contract - October
				WP	220.00 Inv# 1638	Mowing Contract - October
17	Neil Technical Services, Corp	11473	355.00	STP	Inv# 77383	Maintenance
18	NHCRWA	11474	12,316.30	WP	November 2017	Water Usage Monthly Billing
19	Vogt Engineering	11475	10,110.00		Inv# 2510 555.00	Engineer Fee
					Inv# 2508 37.50	Engineer Fee- Deposit Activity
					Inv# 2507 4627.50	Engineer Fee - Lemm Gully
					Inv# 2509 4890.00	Engineer Fee - Investigate WS
20	Allen Pettigrew	11476	100.43		310 North Hill Dr E	Deposit Refund
21	Margaret Silva	11477	63.72		642 Silverton Street	Deposit Refund
22	Robert Wayne Allen	11478	150.00		18903 Casper Drive	Deposit Refund
23	Brian W. Stott	11479	150.00		646 Ames Street	Deposit Refund
24	Troy Lee Greene	11480	150.00		18827 Casper Drive	Deposit Refund
25	Annette Bethany	11481	265.57		Director Fees	Monthly Mtg / Additional Fees
26	Edward Jensen	11482	-		Director Fees	Monthly Mtg - To Withholding
27	Monte L Cooper	11483	138.52		Director Fees	Monthly Mtg
28	Thomas Eisterhold	11484	138.52		Director Fees	Monthly Mtg
29	Timothy Evans	11485	323.22		Director Fees	Monthly Mtg / Additional Fees

Note: Check No. 11481 to Annette Bethany in the amount of \$265.57 was voided.

PASSED AND APPROVED on the 16th day of January, 2018.



Secretary
Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, Investment Report,
Tax Assessor-Collector's Report, Energy Report
- B - Operations Report
- C - Engineer's Report
- D - Draft Special Meeting Minutes of WCID 110

Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session December 19, 2017

