

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

FEBRUARY 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, February 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, with the exception of Director Jensen, 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 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"); Michael Others of McCall, Gibson & Company, PLLC, auditor for the District ("Auditor" and/or "McCall Gibson"); 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 January 15, 2019, and the special meeting minutes of January 29, 2019, copies of which were previously distributed to the Board. Upon motion by Director Evans, seconded by Director Fritsche, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting held on January 15, 2019, and the special meeting minutes of January 29, 2019, subject to certain corrections.

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 2.3892% interest and the net asset value is 0.99995%. She also presented and reviewed the Energy Usage Report.

b. Ms. Lofton next reviewed a proposed budget for FYE 3/30/20 and stated that the budget will need to be adopted at the next meeting.

Upon motion by Director Fritsche, seconded by Director Richardson 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 11855 through 11886 from the Operating Account; and 3) authorize the payment of one (1) check numbered 2386 from the Tax Account.

3. Mr. Others presented an Audit Continuance letter for the fiscal year ending March 31, 2019 audit, a copy of which is attached hereto as Exhibit "B". Mr. Others noted that a fee range of \$11,000 to \$12,000.

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

a. Mr. Plunkett reported the average daily flow at the sewer plant during the previous month was 92,000 G.P.D. He also reported the pumped to billed ratio was 93.30% at the water plant, no sludge was hauled away and no permit excursions were noted.

Mr. Plunkett next presented the Monthly Light Fixture Review, a copy of which is attached to the Operator's Report. He reported thirty-two (32) delinquency notices were sent out to customers while twenty (20) remain unpaid to date.

Mr. Plunkett stated that blower #1 needed to be repaired and provided a quote for the Board's consideration. He also requested the Board authorize Eagle Water and Vogt Engineering to resubmit the plans for conversion to the TCEQ to include 2025 as the projected start date.

Upon motion by Director Fritsche, seconded by Director Richardson after full discussion and the question being put to the Board, all members of the Board present voted to authorize Eagle Water and Vogt Engineering to resubmit the plans for conversion to the TCEQ to include 2025 as the projected start date.

Lastly, Mr. Plunkett provided an Electronic Payment Services Contract from BBVA Compass Bank whereby customers could pay by check over the phone or through Western Union at either H.E.B. or Kroger.

Upon motion by Director Fritsche, seconded by Director Richardson after full discussion and the question being put to the Board, all members of the Board present approved the Operator's Report, authorized repair of Blower #1, and for Johnson Petrov to review the Electronic Payment Services Contract from BBVA Compass Bank.

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

Mr. Van Dusen reviewed the Engineering Report. He provided the Asset Management List showing the items that are in immediate need of repair and/or replacement with the next 18-months, especially if the District provided sewer service the DreamLab development.

Mr. Johnson discussed with the Board various options for financing the stated repairs, including loan and grant options as well as discussions on partnering with DreamLab to share those costs. He noted that the deadline to submit an application to the Texas Water Development Board maybe coming up very soon, perhaps as early as March 15th and that a Letter of Intent to the TWDB would be required.

Upon motion by Director Fritsche, seconded by Director Evans after full discussion and the question being put to the Board, all members of the Board authorized Vogt Engineering to prepare the Letter of Intent as may be required.

Upon motion by Director Fritsche, seconded by Director Richardson after full discussion and the question being put to the Board, all members of the Board authorized Vogt Engineering, Johnson Petrov to negotiate a potential agreement with DreamLab with Director Fritsche being appointed liaison.

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

6. New Business/Annual Agenda.

a. Amendment to District's Rate Order to include security fee.

Director Fritsche asked if he and Mark Wells could be liaisons with the Harris County Constable to which Mr. Johnson responded, yes. Ms. Roberts presented an Amendment to the District's Rate Order, by increasing the sewer rate from \$48.50 to \$60.50 in order to include the cost of the Law Enforcement Contract with the Harris County Constable, Precinct 4.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present voting aye, with the exception of Director Evans, who was opposed, the Board approved the Amendment to the District's Rate Order by increasing the sewer rate from \$48.50 to \$60.50 in order to include the cost of the Law Enforcement Contract with the Harris County Constable, Precinct 4.

b. Consideration of Out-of-District Customer Request – Roth Self Storage. Ms. Roberts stated that Carol Roth contacted her stating that they sold the Roth Storage at 1325 Lemm #2 to Omar Flores. Mr. Flores requested serve to 1325 Lemm #2 as well as a request for service to 1305 Lemm #2. He also wrote a check to the District for \$8,500 to cover the deposit of \$750 each for both properties as well as \$7,000 for service to 1305 Lemm#2, with the understanding that additional fees may apply for tap fees. Mr. Flores acknowledged he understood. Copies of the Out-of-District Service Contracts are attached hereto as Exhibit "E."

Upon motion by Director Fritsche, seconded by Director Evans, after full discussion and with all Directors present voting aye, Board approved the Out-of-District Customer Service Contracts for 1325 Lemm #2 and 1305 Lemm #2.

c. Update regarding proposed WWTP at 708 E. Cypresswood Drive. See Engineer's Report, above.

d. Update regarding repair/replacement of fence around the Water Plant.

The Board thanked the Civic Club for offering to contribute \$12,000 towards the repair/replacement of the fence around the Water Plant, but the Board decided it was best handled by the District.

Upon motion by Director Evans, seconded by Director Fritsche after full discussion and the question being put to the Board, all members of the Board present determined that the repair/replacement of the fence around the Water Plant would be paid by the District.

e. Approve Insurance proposal. Ms. Roberts presented the insurance renewal proposal from McDonald & Wessendorff, which had been previously distributed to the Board via

email and a copy of which is attached hereto as Exhibit "F". Upon motion by Director Fritsche, seconded by Director Richardson, after review and discussion with all Directors present voting aye, the Board approved the Insurance renewal in the amount of \$14,845. An additional fee of \$ 1,050 will be billed to the District to include coverage for the Law Enforcement Agreement with Harris County Constable, Precinct 4.

f. Update regarding payment options for customers. Discussed under the Operator's Report.

7. Public Comment.

None.

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

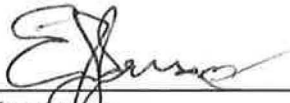
Checks Presented

February 19, 2019

Num	Name	Description	Amount
11854	Accurate Meter & Mfg. Co. LLC	Water Meter Maintenance	172.00
11855	Center Point Energy	Utilities	36.03
11857	CFI Services Inc.	WVP Maintenance	-1,907.03
11858	Direct Waste Solutions	Garbage Collection	-9,213.00
11859	DXI Industries, Inc.	Chemicals	-117.33
11860	Eagle Water Management, Inc.	Operator Fee	-13,610.63
11861	Elite Pumps & Mechanical Services	STP Maintenance	-2,167.50
11862	ETI Bookkeeping Services	Bookkeeping Fee	-750.00
11863	Harris County Treasurer	Security	-5,764.00
11864	Harris County Treasurer	Security	-5,764.00
11865	Lawns & More	Mowing	-360.00
11866	Neil Technical Services Corp	STP Maintenance	-287.50
11867	North Harris County Regional Water Authority	NHCRWA Fee	-10,363.20
11868	Reliant Energy 1 499 574-0	Utilities	-33.97
11869	Reliant Energy 1 500 965-7	Utilities	-1,599.01
11870	Reliant Energy 1 505 184-0	Utilities	-2,070.73
11871	Texas Commission on Environmental Quality	2018 Assessment Fee	-529.98
11872	UNCOV/AR Studio Design LLC	Web Design and Maintenance	-270.00
11873	Verizon	Telephone	-63.27
11874	Vogl Engineering	Engineering Fee	-7,743.75
11875	Waste Connections of Texas	STP Dumpster Fee	-222.71
11876	Beverly Sims	Customer Deposit Refund	-69.76
11877	Johnson Petrov LLP	Legal Fee	-5,182.04
11878	Billy R Fritsche	Director Fee	-138.52
11879	Charles L Richardson	Director Fee	-138.52
11880	Monte L Cooper	Director Fee	-138.52
11881	Timothy P. Evans	Director Fee	-138.52
11882	Billy R Fritsche	Director Fee	-138.52
11883	Charles L Richardson	Director Fee	-138.52
11884	Monte L Cooper	Director Fee	-138.52
11885	Timothy P. Evans	Director Fee	-138.52
11886	Charles L Richardson	Director Fee	-138.52
Total			-69,568.14

January 31, 2019

PASSED AND APPROVED on the 19th day of March, 2019.



Secretary
Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, Investment Report,
Tax Assessor-Collector's Report, Energy Report
- B - Audit Continuance letter for the fiscal year ending March 31, 2019
- C - Operations Report
- D - Engineer's Report
- E - Out-of-District Service Contracts (1305 and 1325 Lemm #2)
- F - McDonald & Wessendorff Renewal

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

