

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

MAY 16, 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, May 16, 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 Cooper, 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"), and Marisa L. Roberts, Legal Assistant of Johnson Petrov LLP, attorney for the District ("Attorney"); Damien Johnson, website designer; Chris and Susie Paddock; Debbie Jensen; Jerry Ainsworth, all 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 April 18, 2017, a copy of which was previously distributed to the Board. Upon motion by Director Bethany, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of April 18, 2017 as revised by Director Bethany.

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 0.7121% interest and the net asset value is 1.00006. The Investment Officer signed the Investment Report. She also presented and reviewed the Energy Usage Report.

Upon motion by Director Jensen seconded by Director Evans 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 11243 through 11266 from

the Operating Account, and 3) authorize the payment of one (1) check numbered 2365 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 83,000 G.P.D. and the pumped to billed ratio was 102.52% at the water plant.

Mr. Oliver next presented the Monthly Light Fixture Review, a copy of which is attached to the Operator's Report.

b. Mr. Oliver reported that the annual Load Bank Tests on the generator were scheduled for Thursday. Mr. Oliver also presented twenty-two (22) termination notices for nonpayment.

Mr. Oliver reported that a vent on the lid of the Challe Circle W Lift Station pit is too small and that a replacement has been ordered (*see* item. 4.d. of the Engineer's Report).

Director Evans noted that for the past two (2) years he does routine inspections at the Water Plant, Sewer Plant and the Challe Circle W Lift Station and that upon such inspections he has never encountered any vandalism, if anything, maybe a lock was left unlocked.

Upon motion by Director Evans, 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. Mr. Van Dusen recommended that the District develop an asset report, which would be generated from the Operator's Log of asset inventory and recommended that the inventory list be expanded to include the age, life expectancy and cost of replacement. Director Eisterhold inquired about the length of time to prepare such asset report.

b. Next, Mr. Van Dusen reviewed the Annual Report, a copy of which is attached to the Engineer's Report.

c. Mr. Van Dusen reported that Vogt Engineering contacted Purdue, Brandon, Fielder, Collins and Mott, delinquent tax attorneys for Spring ISD regarding possible condemnation of Reserves A and B along in Spring Park Village subdivision. The Board stated they would first need to discuss their options for a long-range water plan with WCID 110 with North Harris County Regional Water Authority (the "NHCRWA") and possibly be placed on a future NHCRWA agenda. The Board also needs to confirm what the required specs are for such line. Mr. Van Dusen stated he would check the NHCRWA website.

d. Mr. Van Dusen reported that a site visit was conducted at the Challe Circle W. lift station on May 11, 2017 and that a 30" riser was added to the lift station at the original rim elevation. The elevation is now adequate. The control panel ports were observed and are in good condition. A vent was placed on the lid of the lift station pit, however, it is too small. Per the lift station loads, and TCEQ maximum vent rate of 600 feet per minute, the vent must be at least 5" in diameter. Vogt Engineering recommended a minimum of 5" diameter vent be placed on the lift station.

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

5. Annual Agenda/Miscellaneous Business.

a. Ethics Policy and Fees of Office. The Board tabled this item and did not take any action at this time.

b. Communications with District Customers. Director Evans introduced Damien Johnson, the website designer. Mr. Johnson presented an overview of the set-up of the website. Ms. Roberts agreed to forward various documents to Mr. Johnson to upload to the website at the direction of the Board. Next, Director Eisterhold reviewed the Website Contract, a copy of which is attached hereto as Exhibit "D". Upon motion by Director Evans, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the Website Contract subject to certain revisions.

c. Ratify removal of graffiti from sound wall at freeway. Director Jensen presented photos of the graffiti on the sound wall at the freeway taken on April 25, 2017 and May 4, 2017, copies of which are attached hereto as Exhibit "E". Director Bethany made a motion to ratified approving the removal such graffiti in the amount of \$885 each time for a total cost of \$1770. The motion was seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board ratified approving the removal such graffiti in the amount of \$885 each time for a total cost of \$1770.

d. Review agreement between WCID 99 and NHE Civic Club ("Civic Club") for graffiti removal. The Board reviewed a Letter Agreement dated April 21, 2009 between the District and the Civic Club regarding Graffiti Removal to the sound wall off the freeway. A copy of the Letter Agreement ("Agreement") is attached hereto as Exhibit "F". Director Bethany stated that at the time the Agreement was made, the Civic Club had limited resources and therefore, on some occasions the graffiti to the sound wall was not removed in a timely manner. Director Evans made a motion to terminate the Agreement with the Civic Club and to authorize Johnson Petrov to submit a sixty (60) day written notice to the Civic Club's president, Mark Wells, by email, regular mail and certified mail. The motion was seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board terminated the Agreement with the Civic Club and authorized Johnson Petrov to submit a sixty (60) day written notice to the Civic Club's president, Mark Wells, by email, regular mail and certified mail.

6. Public Comment. Mr. Jerry Ainsworth reported to the Board that a tree located on the District's property at the Water Plant is protruding onto his property. He wishes to build a cedar fence in front of the District's cyclone fence to obscure the view of the tree. Mr. Oliver stated he would take a look at the tree.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 8:24 p.m.

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

**Harris County WCID #99 GOF
Checks Presented
May 16, 2017**

| Num | Name | Description | Amount |
|------------------|---|-------------------------------------|------------|
| 11243 | AT&T 281-288-3728 | 6-6351 Telephone | -130.67 |
| 11244 | AT&T 281-288-5820 | 6-6351 Telephone | -130.67 |
| 11245 | AT&T 281-288-5942 | 6-6351 Telephone | -128.51 |
| 11246 | Center Point Energy | 6-6512A Gas | -35.15 |
| 11247 | Reliant Energy 1 499 574-0 | 6-6512 Electricity | -47.48 |
| 11248 | Reliant Energy 1 500 965-7 | 6-6512 Electricity | -1,843.60 |
| 11249 | Reliant Energy 1 505 184-0 | 6-6512 Electricity | -1,945.85 |
| 11250 | Waste Connections of Texas | 6-6235 STP Maintenance & Cap Imp | -177.78 |
| 11251 | Accurate Meter & Backflow, LLC | 6-6275 Sewer Inspection Fees | -175.00 |
| 11252 | CFI Services Inc | 6-6235 STP Maintenance & Cap Imp | -1,288.66 |
| 11253 | DXI Industries, Inc | | -266.81 |
| | | 6-6242 STP Chemicals | -216.81 |
| | | 6-6142 WP Chemicals | -70 |
| 11254 | Eagle Water Management, Inc | | -10,206.65 |
| | | 6-6170 Water/Sewer Taps & Transfers | -120.00 |
| | | 6-6235 STP Maintenance & Cap Imp | -666.35 |
| | | 6-6135 WP Maintenance & Cap Imp | -2,042.00 |
| | | 6-6182 Check Lines for Customers | -37.50 |
| | | 6-6135C WP Mowing / Clean Up | -265.00 |
| | | 6-6224 STP Lab Fees | -2,338.00 |
| | | 6-6124 WP Lab Fees | -25.30 |
| | | 6-6323 Operators Fee | -4,600.00 |
| | | 6-6183 Door Hanger Notice | -32.50 |
| | | 6-6126 Permits, Fees, Inspections | -80.00 |
| 11255 | ETI Bookkeeping Services | 6-6333 Bookkeeping | -700.00 |
| 11256 | Exterior Options Pressure Cleaning | 6-7395 Misc | -1,770.00 |
| 11257 | G-M Inspection Services, Inc | 6-6135 WP Maintenance & Cap Imp | -1,000.00 |
| 11258 | Johnson Petrov LLP | 6-6320a Legal Fee (99) | -1,991.37 |
| 11259 | Lawns & More | | -345.00 |
| | | 6-6135C WP Mowing / Clean Up | -110.00 |
| | | 6-6235A STP Mowing / Clean Up | -235.00 |
| 11260 | Neil Technical Services Corp | | -1,772.50 |
| | | 6-6135 WP Maintenance & Cap Imp | -172.50 |
| | | 6-6235 STP Maintenance & Cap Imp | -1,600.00 |
| 11261 | North Harris County Regional Water Author | 6-6127 NHCROWA Fees Expense | -15,639.70 |
| 11262 | Vogt Engineering | 6-6322a Engineering Fee (99) | 596.25 |
| 11263 | Annette Bethany | Director Fee | -265.57 |
| 11264 | Monte L. Cooper VOID | Director Fee | -138.52 |
| 11265 | Thomas Esterhold | Director Fee | -138.52 |
| 11266 | Timothy P. Evans | Director Fee | -323.22 |
| | | | -41,077.49 |

PASSED AND APPROVED on the 20th day of June, 2017.



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 - Website Contract
- E - Photos of Graffiti on the sound wall
- F - Letter Agreement with the Civic Club

Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session May 16, 2017

