

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

AUGUST 20, 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 7:00 p.m., at 19423 Lockridge Drive, Spring, Texas 77373, on Tuesday, August 20, 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"); Karen Long of Equi-Tax, Inc., tax assessor-collector and bookkeeper for the District ("Equi-Tax"); Sergio Van Dusen, P.E. 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 July 16, 2019, and the special meeting minutes of July 24, 2019; August 13, 2019; and August 15, 2019; copies of which were previously distributed to the Board. Upon motion by Director Fritsche, seconded by Director Jensen, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting held on July 16, 2019; minutes of the special meetings of July 24, 2019; and August 13, 2019, as presented and Director Evans requested corrections to the August 15, 2019 minutes.

2. Constable's Report. Sgt. Ryan, a representative of the Harris County Constable's Office ("HCCO") updated the Board on the current activities in the District.

3. Bookkeeper's Report/Investment Report/Tax Assessor-Collector's Report/Energy Usage Report. Ms. Long 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 "B." She also reported that she received a check in the amount of \$325,000 from DreamLabs.

Ms. Long next reported that TexPool is paying 2.3876% interest and the net asset value is 1.00005%.

Upon motion by Director Jensen, seconded by Director Fritsche, after full discussion and with all Directors present voting aye, the Board 1) approved the Bookkeeper's Report, Investment Report, Tax Assessor-Collector's Report, and Energy Usage Report, as presented, 2) authorized the payment of checks numbered 12035 through 12061 from the Operating Account; and 3) authorized the payment of one (1) check numbered 2392 from the Tax Account.

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.

Mr. Plunkett reported the average daily flow at the sewer plant during the previous month was 75,000 G.P.D., and no permit excursions were noted. He also reported the pumped to billed ratio was 91.52% at the water plant. He also reported that the Waste Water Treatment Plant ("WWTP") repairs are still pending. Mr. Plunkett also presented seven (7) accounts to be turned over to collections.

Upon motion by Director Cooper, seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board approved forwarding the seven (7) accounts to collections.

Director Jensen asked if there was sand in the water line, referring to Mickey Cooper, who had attended the town hall meeting and stated he thought there was sand in the water line. Mr. Plunkett responded saying it's probably the hot water heater. Director Fritsche stated he spoke to the Coopers and it was their hot water heater, they were having a new one installed.

Mr. Plunkett next reported that seventeen (17) delinquency notices were sent out to customers and sixteen (16) remain unpaid to date.

Upon motion by Director Jensen, seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report and approved termination of the accounts on the delinquent list.

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

Mr. Van Dusen reviewed the engineer's report with the Board.

Mr. Van Dusen stated he would like to move forward with the WWTP options. He presented a list of pros and cons for both Option 2 (Retrofit) and Option 3 (New Plant). He explained that the estimates do not include a complete list of repairs, for example, it does not include the cost for the electrical components. He then presented and reviewed a chart showing the age of the assets based on value, noting that 74% of the District's facilities are 30 years or older and 51% are 40 to 49 years old. Director Evans asked what so pressing, to which Mr. Van Dusen responded, yes, the process for getting the plans approved is pressing. Mr. Johnson reminded the Board that there is only two (2) years remaining on the life expectancy of some of the facilities, and it takes one (1) year for design and one (1) year for construction. Director Fritsche requested Vogt Engineering prepare a time schedule, including costs for each option.

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

6. Update on Spring Independent School District (Spring ISD).

a. Mr. Johnson reported that a follow-up meeting with Gary Hutton of Spring ISD is scheduled for August 22, 2019 at 9:30 a.m. The District's engineers, Mr. Van Dusen and Ms. Bobb, and Directors Fritsche and Evans will also attend.

b. Update on Annexation and Service to DreamLab Development Tract.

Mr. Johnson reminded the Board that they approved the DreamLab Annexation Agreement (the "Agreement") at the July 24, 2019 meeting and DreamLab has signed the Agreement and delivered a check in the amount of \$325,000.00. He stated the funds will be used for the costs of the Election and annexation expenses. If the Bond election passes, the District will have funds for repairs, etc., but if the Bond election fails, the District will need to return a portion of the funds, minus a portion of the Election costs and annexation costs.

Mr. Johnson next stated that Johnson Petrov has received multiple Public Information Act Requests. He explained some of the guidelines mandated by the Texas Attorney General and stated that each request will be responded to timely.

Director Fritsche reviewed and discussed his understanding the Agreement. He also stated if the bond election fails, the Agreement becomes null and void.

c. Amending Rate Order.

Director Fritsche discussed the need to amend the rate order by adding a multi-family rate, include the cost of security for each apartment unit, as well as a \$12.00 charge to commercial accounts. No action was taken at this time.

7. New Business.

a. Proposals for consultant regarding election. David Aitken IV the CEO of Triton Consulting Group, LLC ("Triton") introduced himself to the Board. He gave an overview of his experience and stated he has been working with Districts for approximately seventeen (17) years. He requested the Board appoint two (2) directors that he would consult with in order to prepare bond election education materials and schedule a town hall meeting. Directors Fritsche and Jensen offered to consult with Triton.

Upon motion by Director Cooper, seconded by Director Richardson, after full discussion and with all Directors present voting aye, the Board authorized Directors Fritsche and Jensen to work with Triton on the election matters.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present voting aye, the Board approved the Communications and Maintenance Agreement with Triton.

b. Mr. Johnson presented and reviewed the with the Board the Legislative Update for the 86th Texas Legislature (2019), which summarizes the actions of the recently concluded legislative session, with particular attention to changes in law that directly affect the District. He also reviewed the memo regarding Senate Bill 239, which included new language to be included on the water bill.

8. Public Comment.

Ms. Kimbrough asked who would maintain digital recordings of meetings. Mr. Johnson responded saying the District would be the custodian of record and that the recordings are only required for tax hearings, upon request. She then asked about the penalty for a Board member that gives District information to a resident without going through the law office, to which Mr. Johnson responded, it depends on whether the information given was presented in a public session or an executive session and whether or not there were damages as a result.

Ms. Paddock asked would a penalty apply if the damaged was a reputation and not necessarily a financial damage. Mr. Johnson stated the damage would be minimal, if any.

Mr. Wells stated he requested information regarding Tim Evan's candidacy. He stated that he had no knowledge of a vacancy on the Board or that a director could be appointed without an election. Mr. Johnson explained that if a candidate applies and they run unopposed, the election can be cancelled. Mr. Johnson also talked about apathy and that many times, people don't participate because of a lack of interest.

Director Evans stated that before he was appointed to the Board, he received a letter from the water board regarding a vacancy on the Board because someone had either resigned or passed away. He stated that he and Director Cooper had responded to the letter.

Mrs. Fritsche stated she was happy to have water and sewer.

Mr. Galindo stated that he had prepared a written comment to the bond election, but now the District has hired a spokesperson, but that he was just glad the information will get out to the residents.

Mr. Rumsfield thanked the Board. He asked for clarification on how the tax rate is calculated and asked the Board to just make certain that everyone understands the tax rate.

Mrs. Rumsfield stated she and her family have lived here a long time and she just hopes everyone can find a way to get along. She said she is also happy to have water, sewer and no septic system.

Mr. Timmy Rumsfield asked who would be responsible for maintaining the 8 foot fence. Mr. Johnson stated that DreamLab will maintain the fence.

Mr. Emanis stated let's not call the Board and/or attorneys names, let's come together. He stated he appreciated the Board and the attorneys.

Mr. Vance asked how did the District arrive at \$16 million. Mr. Van Dusen explained as the District's engineer, he reviewed the District's assets, conducted research for comparable equipment in like Districts and prepared an estimate of costs over a 20-year span. Director Cooper stated, think of the \$16 million as a line of credit.

Ms. Skrehot commented that transparency is a requirement. The District needs the financial support from DreamLab.

Ms. Ferguson thanked the Board for their commitment and hard work and for making the community better.

Mrs. Paddack asked if the Spring ISD water rates had been increased. Mr. Johnson said, yes.

Mr. Ghinelli asked if the apartments were "Class A." Mr. Johnson explained the deed restrictions and upscale amenities is a requirement of the contract with DreamLab.

Ms. Kimbrough discussed the importance of keeping the entrance on Dresher closed.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 9:13 p.m.

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
August 20, 2019**

Num	Name	Description	Amount
2035	Bily R F Ische	Director Fee	-138.52
12036	Charles L Richardson	Director Fee	-118.52
12037	Monte L Cooper	Director Fee	138.52
12038	Timothy P. Evans	Director Fee	-138.52
12039	Charles L Richardson	Director Fee	-184.70
12040	Center Point Energy	Utilities	-39.56
12041	CFI Services nc	WP Maintenance	2,044.56
12042	Direct Waste Solutions	Garbage Collection	9,435.00
12043	DXI Industries, Inc.	Chemicals	-177.33
12044	Eagle Water Management, nc	Operator Fee	-12,565.36
12045	Elite Pumps & Mechanical Services	STP Maintenance	-750.00
12046	ET Bookkeeping Services	Bookkeeping Fee	-1,024.87
12047	Harris County Treasurer	Security	5,764.00
12048	Lawns & More	Mowing	-720.00
12049	McCa I Gibson Swedlund Barfoot PLLC	Auditor Fee	-3,700.00
12050	North Harris County Regional Water Author	NHCRWA Fee	-22,861.30
12051	Reliant Energy 1 499 574-0	Utilities	-16.85
12052	Reliant Energy 1 500 965-7	Utilities	-1,669.04
12053	Reliant Energy 1 505 184-0	Utilities	1,643.60
12054	Source Point Solutions, Inc.	STP Maintenance	1,360.00
12055	Venzon	Telephone	-64.08
12056	Vogl Engineering	Engineering Fee	-11,268.99
12057	Waste Connections of Texas	STP Dumpster	-222.71
12058	Bonit Bennet	Customer Deposit Refund	-53.02
12059	Mike Hendricks	Customer Deposit Refund	-48.78
12060	Natividad Guerrero Jr	Customer Deposit Refund	-23.59
12061	Stefanie Marie Kornegay	Customer Deposit Refund	-57.86
Total			-76,229.28

July 3, 2019

PASSED AND APPROVED on the 17th day of September, 2019.



Secretary
Board of Directors

EXHIBITS:

- A - Audit Report FYE 3/31/19.
- B - Bookkeeper's Report, Investment Report,
Tax Assessor-Collector's Report, Energy Report
- C - Operations Report
- D - Engineer's Report
- E - Director Fritsche's Review of the Rate Order

**Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session August 20, 2019**

[DISTRICT SEAL]

