

# **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**

## **MINUTES OF MEETING OF BOARD OF DIRECTORS**

**NOVEMBER 14, 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 3:00 p.m., at 19423 Lockridge Drive, Spring, Texas 77373, on Thursday, November 14, 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"); Sergio Van Dusen, P.E. of Vogt Engineering, L.P., engineer for the District ("Engineer"); Andrew P. Johnson III, Zachary Petrov, attorneys 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. Order Canvassing Returns and Declaring Results of Bond Election and Maintenance Tax Election (collectively, the "Election"), a copy of which is attached hereto as Exhibit "A". Mr. Johnson announced that the Election held in the District on Tuesday, November 5, 2019, for the purpose of authorizing issuance of bonds in the amount of \$16,000,000 for the water, sewer, and drainage improvements, reflected as Proposition A on the Election Ballot; and for authority to levy an operation and maintenance tax at a rate not to exceed 40 cents (\$0.40) per one hundred dollars (\$100) valuation of taxable property, reflected as Proposition B on the Election Ballot. Mr. Johnson then presented to and reviewed with the Board the official election results as received by the Ballot Board, a copy of which is attached to the Order. He explained that that the Election resulted in a vote of 242 votes for Proposition A, and 48 against Proposition A, thus Proposition A passed. He further stated that the Election also resulted in a vote of 226 votes for Proposition B, and 63 votes against Proposition B, thus Proposition B passed as well.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present voting aye, the Board adopted the Order Canvassing Returns and Declaring Results of the Election.

2. Update status on repair of eight (8") inch carbon steel sewer line at Whitewood and Lockridge. Director Jensen asked Mr. Plunkett to remind the Board of the issue, to which Mr. Plunkett stated the corrosion of the cast iron pipe in sanitary sewer lines at Whitewood Drive and the intersection of Lockridge which is restricting the flow and causing the line to back-up.

Mr. Plunkett reviewed two (2) written estimates, one from CZ Construction, LLC, in the amount of \$14,405.00 and another from Vortex in the amount of \$24,535.00. Mr. Plunkett also stated that this is the same sewer line that would serve the future apartment complex. Discussion ensued regarding staying with an 8" line or going to a 10" line. Mr. Plunkett stated that this needs immediate attention and he recommended CZ Construction, LLC, a family run business, in the amount of \$14,405.00.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present voting aye, the Board approved the estimate with CZ Construction, LLC, in the amount of \$14,405.00, and to start the repairs as soon as possible. Mr. Plunkett was also instructed to determine the additional cost of upsizing the line under the street from an 8" to a 10" line.

3. Review and possible update of twenty (20) year capital projects plan and determine path forward.

- a. Mr. Van Dusen reviewed his written report, a copy of which is attached hereto as Exhibit "B." He agrees that the repairs to the sanitary sewer lines along Whitewood Drive and the intersection of Lockridge is indeed a matter of increased urgency.
- b. Next, Mr. Van Dusen recommends that the Board move forward with the Lemm Gully Project. Discussion ensued regarding the costs of the project, cash flow and the need for obtaining a survey. Director Jensen stated that the District does not currently have the money to complete the job. Mr. Johnson stated the District could either use cash or borrow on a three (3) year Revenue Anticipation Note or a Bond Anticipation Note. He suggested consulting with the District's Financial Advisor. Mr. Van Dusen recommended adjusting the timeline and cash flow timeline. No action was taken.
- c. He then discusses his recommendation for replacement of the existing Wastewater Treatment Plant ("WWTP"). He reviews the pros and cons and states that a new plant will not only meet future treatment requirements, but will be more energy efficient, and reduce operation costs. This item will be on the December 17, 2019 agenda for further discussion.
- d. Mr. Van Dusen requested the Board's authorization to prepare a bond report for submission to the TCEQ. This item was tabled.

Mr. Johnson then reported that he had received a call from the Texas Secretary of State's office. He went on to explain that a new law that had gone into effect September 1<sup>st</sup> that requires a joint election with Harris County (the "County").

He also pointed out that the District, through his office, had requested a joint election contract from the County in July, was informed that the County did not have a contract ready at that time, and when his office checked back with the County, it was informed that it was too late, all contracts were in place and the District could not have a joint election with the County. Mr. Johnson indicated that he planned to visit with the Attorney General's Office of Public Finance and determine whether the potential solution would be administrative through the attorney general's office or judicial through the courts. Either way, a solution should not significantly delay the District's plans and would be secured at no cost to the District.

4. Public Comment.

Mr. Galindo stated with the District's increase in operating expenses, does the District keep the DreamLabs \$325,000 until the completion of the annexation? Mr. Johnson stated that the existing contract permits the District to retain and use the DreamLabs deposit, assuming the election passes, and the annexation is complete by December 31.

Ms. Judice asked why start borrowing money, where's the bond money? Mr. Johnson stated that the bond money is available, but would take several months to obtain and publicly sell the bonds, so that the real issue is cash flow and whether sufficient cash is on hand or short term borrowing should be efficiently used to pay for emergency repairs.

Ms. Judice stated she was upset at the thought of possibly having another election. Mr. Johnson stated that he is of the opinion that any election issues will be quickly resolved.

Mr. Hickman asked about workers entering his property for repairs. Mr. Plunkett explained the location of the clean out is on the side of his house. Discussion ensued about the costs related to the cleanout.

Upon motion by Director Fritsche, seconded by Director Evans, after full discussion and with all Directors present voting aye, the Board approved an amount not to exceed \$1,000 for the clean out at the Hickman residence.

The President thanked the Election Judge and Clerks for their work during the Election.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,**  
the meeting was adjourned.

**PASSED AND APPROVED** on the 17<sup>th</sup> day of December 2019.



Secretary  
Board of Directors

**EXHIBITS:**

- A - Order Canvassing Returns and Declaring Results of the Election
- B - Engineering Report

**Minutes recorded by Marisa L. Roberts  
Johnson Petrov LLP  
Special Session November 14, 2019**

