

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 17, 2020

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 and by Teleconference, on Tuesday, March 17, 2020, 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, thus constituting a quorum. Also attending all or portions of the meeting were: Karen Long of Equi-Tax, Inc., bookkeeper for the District ("Equi-Tax"); Zachary A. Petrov, attorney and Marisa L. Roberts, legal assistant, attorneys for the District ("Johnson Petrov" and/or "Attorney"); and Mrs. Pam Kimbrough, a resident of the District.

Attendees by Teleconference:

Director Evans; Mike Plunkett of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Patricia Hall of Equi-Tax, Inc., tax assessor-collector for the District ("Equi-Tax"); Sergio Van Dusen, P.E. and Caitlin Bobb, EIT of Vogt Engineering, L.P., engineer for the District ("Engineer"); Chris Daniel, Triton Consultants; Mark Michna, Acclaim Energy Advisors; Andrew P. Johnson, attorneys for the District ("Johnson Petrov" and/or "Attorney"); Mike Kiger, George Galindo and Tom Riddle, 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 regular meeting minutes held on February 18, 2020, and special meeting minutes of March 2, 2020; copies of which were previously distributed to the Board. Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the regular meeting minutes held on February 18, 2020, and special meeting minutes of March 2, 2020.
2. Constable's Report. There was not a representative present at tonight's meeting.
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 "A."

Ms. Long reported that TexPool is paying 1.5908% interest and the net asset value is 1.00024%.

b. Adopt Budget for FYE March 31, 2021. Ms. Long presented Draft Budget No. 3 for fiscal year ending March 31, 2021, a copy of which is attached to the Bookkeeper's Report.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the Order Adopting Budget for Fiscal Year Ending March 31, 2021.

c. Authorize filing of Texas Unclaimed Property Report. This item was tabled until the April board meeting.

Upon motion by Director Fritsche seconded by Director Richardson, after full discussion and with all Directors present unanimously 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 12255 through 12286 from the Operating Account; and 3) authorized the payment of one (1) check numbered 2399 to Equi-Tax, Inc.

4. Proposal from Auditor for fiscal year ended March 31, 2020. Ms. Roberts presented to the Board a copy of the Audit Continuance letter prepared by McCall Gibson for the audit fiscal year ended March 31, 2020, a copy of which is attached hereto as Exhibit "B". Ms. Roberts noted that the fee range is \$11,500 to \$12,500, which is a \$500 increase from the prior year.

Upon motion by Director Fritsche seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board accepted the Audit Continuance letter prepared by McCall Gibson for the audit fiscal year ended March 31, 2020.

5. Engagement of Equi-Tax, Inc. Ms. Hall reviewed the engagement letter, which was provided at the February board meeting, a copy of which is attached hereto as Exhibit "C". Ms. Hall stated that certified property values would be available sometime in May, 2020.

Upon motion by Director Fritsche seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board accepted engagement of Equi-Tax, Inc.

a. The Board next discussed adopting a Resolution Implementing Penalty on 2019 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Mr. Petrov stated that since the District did not collect taxes in the past 20+ years, there are no penalties to assess at this time.

d. Next, the Board discussed adopting a Resolution Authorizing Petition Challenging Appraisal Records, a copy of which is attached as Exhibit "C-1." Upon motion by Director Fritsche, seconded by Director Richardson after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Petition Challenging Appraisal Records.

e. Lastly, the Board discussed an Order Determining Ad Valorem Tax Exemptions. Mr. Petrov stated that since this would be the first year implementing a tax, it was recommended that the Board wait to consider such exemptions. No action was taken.

6. Operator's Report. Mr. Plunkett presented the Operations Report, a copy of which is attached hereto as Exhibit "D." Mr. Plunkett also stated that Eagle Water Management will continue operations as normal during this time. He also responded to questions from the Board.

Mr. Plunkett reported the average daily flow at the sewer plant during the previous month was 66,000 G.P.D. He also reported the pumped to billed ratio was 92.88% at the water plant. That there were no excursions reported.

Mr. Plunkett next presented the Monthly Light Fixture Review, a copy of which is attached to the Operator's Report. He requested the Board's authorization to halt terminations since water is an essential resource as well as for health and safety reasons during this COVID-19 pandemic. Mr. Plunkett also requested the Board authorization to turn over four (4) closed accounts to a collection agency, the highest is \$265. Discussion ensued.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board authorized halting terminations, although those accounts will continue to accrue penalties and interest during the COVID-19 pandemic, as well as authorization to turn over four (4) closed accounts to a collection agency.

Then, Mr. Plunkett presented a cost estimate for Booster Pump #2 in the amount of \$6505 from NTS. Mr. Plunkett also updated the Board on the service repairs at Silverton and the sink hole at Challe Circle W.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the Operator's Report, including Booster Pump #2 cost estimate of \$6505 from NTS.

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

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

Mr. Van Dusen reported that on February 27th, Vogt Engineering and Johnson Petrov met with DreamLab's Engineer, Attorney and Developer and presented the draft proposed water easement and sanitary easement. Johnson Petrov will assist Vogt Engineering with these easements.

Next, he updated the Board on the proposed WWTP, reported that Vogt Engineering received the final survey and he expects Terracon begin clearing a path and to start the boring sometime next week. Blyel is conducting the hydrologic and hydraulic report for the proposed Wastewater Treatment Plant.

He also reported that the Bond Application Report has been submitted to the TCEQ, and stated that it typically takes 3-4 months to receive feedback from TCEQ and 5-6 months for TCEQ approval. He also mentioned there could be delays in the TCEQ's review as a result of circumstances beyond their control.

Mr. Van Dusen also reported that the Emergency Repairs Transmittal Letter for the Sanitary Sewer Crossing at Lemm Gully has also been submitted to the TCEQ.

Mr. Van Dusen also presented a draft Annual Report on the status of District's Utility Systems as of Fiscal Year End, March 31, 2020, which was tabled until the April Board meeting to allow the Board time to review.

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

8. a. Presentation by Acclaim Energy.

Next, Mr. Michna, a representative of Acclaim Energy, who provided a copy of his report to Johnson Petrov, explained to the Board, the opportunity to extend their current contract, which ends July 31, 2024 at a rate of \$0.04440/kWh by aggregating with other members and procuring more purchasing power, which would give the District an approximate 10% savings over the five (5) year extension (Term: 8/1/2024 thru 4/30/2029). A copy of the report is attached hereto as Exhibit "F."

Upon motion by Director Cooper, seconded by Director Fritsche, after full discussion and the question being put to the Board, all members of the Board authorized Acclaim to obtain 48-month term contract from Hudson Energy not exceed 5% of the estimated rate of 0.04430, effective August 1, 2020.

b. Amended Rate Order. Mr. Petrov stated that the District's rate order will need to be amended to show the costs for the pond maintenance, as well as the water and sewer rates to be assessed for the reserved capacity to service the DreamLab complex, whether occupied or unoccupied. Mr. Johnson stated that the District will need bids for such maintenance to be considered at the next Board meeting. Mr. Plunkett stated he would obtain the bids. Mr. Van Dusen stated he will provide data regarding same.

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 Johnson Petrov to prepare a letter to for the District to assume maintenance for the detention pond from DreamLab.

c. DreamLab Development. Mr. Petrov stated that the Capacity Letter and Deed Restrictions, a draft of which is in the Annexation, Service and Financing Agreement, will need to be finalized and signed, so that DreamLab can proceed with application process.

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 the President to sign the Capacity Letter and for Johnson Petrov to record the Deed Restrictions and to make certain corrections to the Utility Commitment as it applies to multi-family.

d. Emergency Management Procedures. Mr. Petrov reviewed with the Board the options for conducting a meeting by Teleconference. He explained that the Governor had recently suspended application of certain provisions of the Open Meetings Act in order to make holding teleconference and video conferencing meetings easier in response to the coronavirus situation.

9. Update regarding annexation request by Spring ISD. No update at this time.
10. Election Agenda.
 - a. Update on May 2, 2020 Director's Election. Mr. Petrov reported that as of this date, there are no changes to the May election. Early voting starts on April 20.
11. Public Comment.

Members of the public were given an opportunity to speak and express any concerns.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 8:43 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
March 17, 2020**

Num	Name	Description	Amount
12255	Center Point Energy 4610018-0	Utilities	-25.41
12256	CFI Services Inc	Maintenance & Repairs	-444.85
12257	Deluxe for Business	Checks	-453.14
12258	DXI Industries, Inc.	Chemicals	-294.66
12259	Eagle Water Management, Inc.	Operator Fee	-38,405.30
12260	ETI Bookkeeping Services	Bookkeeping Fee	-700.00
12261	Harris County Treasurer	Security	-6,046.00
12262	Lawns & More	Mowing	-360.00
12263	Magna Flow Environmental, Inc.	Sludge Hauling	-2,695.00
12264	North Harris County Regional Water Autho	NHCRWA Fee	-12,477.85
12265	Reliant Energy 1 499 574-0	Utilities	-12.61
12266	Reliant Energy 1 500 965-7	Utilities	-1,351.85
12267	Reliant Energy 1 505 184-0	Utilities	-1,665.89
12268	Source Point Solutions, Inc.	STP Maintenance	-1,474.00
12269	Texas Commission on Environmental Quality	Water System Fee	-62.86
12270	Verizon	Telephone	-63.69
12271	Vogt Engineering	Engineering Fee	-16,317.00
12272	Waste Connections of Texas	STP Dumpster	-251.66
12273	Casey Nicolel Blecher	Customer Deposit Refund	-149.46
12274	Donald M Young	Customer Deposit Refund	-96.98
12275	Gaston M Popovich	Customer Deposit Refund	-57.26
12276	Jonathan Ramirez	Customer Deposit Refund	-47.66
12277	Direct Waste Solutions	Garbage Collection	-9,139.00
12278	Billy R Fritsche	Director Fee	-138.52
12279	Charles L Richardson	Director Fee	-300.22
12280	VOID	VOID	0.00
12281	Monte L Cooper	Director Fee	-138.52
12282	Timothy P. Evans	Director Fee	-138.52
12283	Billy R Fritsche	Director Fee	-138.53
12284	Charles L Richardson	Director Fee	-118.53
12285	Monte L Cooper	Director Fee	-138.53
12286	Timothy P. Evans	Director Fee	-138.53
Total			-93,842.03

PASSED AND APPROVED on the 21st day of April, 2020.


Secretary
Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, Investment Report,
Tax Assessor-Collector's Report, Energy Report
- B - Proposal from McCall Gibson
- C - Engagement of Equi-Tax, Inc
- C-1 - Resolution Authorizing Petition Challenging Appraisal Records
- D - Operations Report
- E - Engineer's Report
- F - Presentation by Acclaim Energy

**Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session March 17, 2020**

