

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

JUNE 16, 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., by Teleconference, on Tuesday, June 16, 2020, pursuant to notice of said meeting posted in accordance with the Governor's Executive Orders regarding holding Open Meetings via Teleconference for the protection of public health and safety during the COVID-19 pandemic; 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 by teleconference were: Michael Others of McCall Gibson Swedlund Barfoot PLLC ("Auditor"); Karen Long of Equi-Tax, Inc., bookkeeper for the District ("Equi-Tax"); Patricia Hall and Debbie Bessire of Equi-Tax, Inc., tax assessor-collector for the District ("Equi-Tax"); Andrew P. Johnson, III, Zachary A. Petrov, attorneys and Marisa L. Roberts, legal assistant, attorneys for the District ("Johnson Petrov" and/or "Attorney"); Doug Jacobson of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Chris Daniels of Triton Consulting Group; Jamal Singleton of Direct Waste Solutions, Inc.; Sergio Van Dusen, P.E. and Caitlin Bobb, EIT of Vogt Engineering, L.P., engineer for the District ("Engineer" and/or "Vogt"); and George Galindo and Laurie Garza, 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 May 19, 2020 and the special meeting minutes of May 27, 2020; copies of which were previously distributed to the Board.

Upon motion by Director Jensen, seconded by Director Richardson, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes held on May 19, 2020 and the special meeting minutes held on May 27, 2020.

2. Auditor's Report. Mr. Others presented a draft of the audit for the fiscal year ended March 31, 2020, copies of which are attached hereto as Exhibit "A." Mr. Others reported that the Auditor will issue a clean opinion and that McCall Gibson will file the audit with the TCEQ as required. He also noted that the District has approximately ten (10) months of operational reserves. He then responded to questions from the Board.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present voting aye, the Board approved the audit for fiscal year ended March 31, 2020 subject to a certain correction, and authorized the legally required filing of the audit.

3. Constable's Report. There was not a representative of the Constable's Office present.

4. Bookkeeper's Report/Investment Report/Energy Usage Report. Ms. Long presented to and reviewed with the Board, the Bookkeeper's Report, Investment Report and Energy Usage Report for the previous month, copies of which are attached hereto collectively as Exhibit "B."

a. Ms. Long reported that TexPool is paying 0.2685% interest and the net asset value is 1.00035%.

b. Ms. Long also reviewed the Texas Unclaimed Property Report, a copy of which is attached to the Bookkeeper's Report. She explained that the report is to be filed annually with the State by July 1st for accounts that are one (1) or more years old will be escheated to the State. She reported that there are five (5) accounts totaling \$6,514.60, the largest being for LARG Management Group LLC in the amount of \$6,239.40. She stated that she and Ms. Roberts have attempted to contact representatives of LARG Management unsuccessfully.

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, and Energy Usage Report, as presented, 2) authorized the payment of checks numbered 12343 through 12370 from the Operating Account; and 3) file the Texas Unclaimed Property Report.

5. Tax Assessor-Collector's Report. Ms. Hall stated that she expects to have certified values by July 25, 2020. She also stated that she is waiting for the Waiver of Special Appraisal to complete setting up the account. Mr. Johnson stated that we should have it soon. She also asked for the Board's approval on the Wells Fargo Account Access Authorization Agreement, which is needed to safe guard funds, until such time as they are transferred to the District's operating account.

Upon motion by Director Fritsche, seconded by Director Evans, after full discussion and with all Directors present unanimously voting aye, the Board approved the Tax Assessor-Collector Report and the Wells Fargo Account Access Authorization Agreement.

6. Operator's Report. Mr. Jacobson presented the Operations Report, a copy of which is attached hereto as Exhibit "C."

Mr. Jacobson reported the average daily flow at the sewer plant during the previous month was 65,000 G.P.D. He also reported the pumped to billed ratio was 91.60% at the water plant. There were no solids handled and no excursions reported for the month of May.

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

Discussion ensued regarding hardship cases and terminations. Director Richardson inquired about offering payment plans. Director Fritsche made a motion, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye,

the Board authorized Eagle Water to proceed with terminations for non-payment and to offer payment plans to hardship cases.

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

7. 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 updated the Board regarding the water line extension and will be coordinating with Eagle regarding same. He anticipates an August bid and construction to start in September.

Mr. Van Dusen stated he received the preliminary design back from WaterEngineers and will be working out details with them.

Next, Mr. Van Dusen updated the Board on Casper Drive. He stated Vogt videos the condition of the road each month and stated that it is getting noticeably worse. He is also coordinating the road repairs with the Jason Brock, the project manager for Harris County Flood Control District ("HCFCD"). Vogt will continue to monitor and keep track of damage to the road. He also stated that HCFCD has made a commitment via an email to repair the road.

Mr. Van Dusen received feedback from the TCEQ regarding the Bond Application and they are actively reviewing the application.

He reported that the trees in Lemm Gully have been removed.

He next updated the Board on the Sanitary Sewer Crossing at Lemm Gully. He reported that the Board met on site and authorized the survey and Vogt will look at cost savings and different methods of constructing same.

Mr. Van Dusen stated that Vogt has provided the auditor with engineering confirmation form. He also stated that he received questions from KUO & Associates regarding Linwood Estates and has responded. He plans to meet with them to get a better understanding of the details of the project.

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

8. New Business.

a. Direct Waste Solutions. Director Fritsche stated that residents had posted on Facebook regarding residual trash left on the street. Director Fritsche contacted Mr. Singleton. Mr. Singleton explained the issue and stated that the issue has been resolved.

Upon motion by Director Jensen, seconded by Director Fritsche, after full discussion and with all Directors present voting aye, the Board accepted the Trash Collection Report from Direct Waste Solutions.

b. Resident Communications to/from the District. Director Fritsche asked residents to send pictures of any trash related issues to help Mr. Singleton on resolving those issues. The District does not have a way to receive attachments, so Director Fritsche suggested that residents can do so thru the two subdivision Facebook accounts.

9. Old Business.

a. Update regarding water line repair at 19100 Challe Circle East. Mr. Jacobson stated that Eagle Water will make the appropriate adjustments to the invoice and that the line has been repaired. Director Richardson then stated that a neighbor reported the issue of the water bubbling out of the ground to Eagle Water. Tackle Construction ("Tackle") was sent out to address the issue. Tackle did not repair the water line in a timely fashion. Director Richardson reported that it was sometime after midnight before the water line was repaired. Eagle Water is waiting to receive for the invoice from Tackle for the repair of the water line.

b. Rate Order. Mr. Petrov stated that a revised rate order was previously sent to the Board for review. He reviewed the proposed revisions for the multi-family commercial rates as well as minor water and sewer rate revisions, such as disconnection fees and account set-up, deposits, security fees, etc. Mr. Petrov asked the Board to review the changes and address it at the July Board meeting. He also suggested changing commercial tap fees, which are currently costs plus 20%. The Water Code allows District's to charge up to 3x the actual costs for a tap fee. Should the charges increase more than 3x the actual costs, then this is considered an impact fee, which would require TCEQ approval.

c. Update regarding annexation request by Spring ISD.

Mr. Johnson stated that he is working on the memorandum explaining the requested fees. He hopes to have more information at the next meeting.

d. Update regarding DreamLab.

Mr. Johnson stated that we are still waiting for the signed Waiver of Special Appraisal and the Restrictions. He also stated that their attorney was asking for something that was an improvement that was not agreed to. Mr. Petrov stated that the owner of DreamLab did agreed with Johnson Petrov in an email.

10. Public Comment.

There was no public comment.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 7:55 P.M.

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

Checks Written on Operations Account #0751-690363

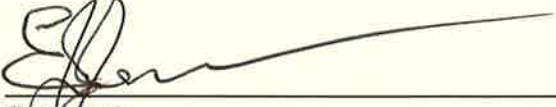
Harris County WCID #99 GOF

Checks Presented

June 16, 2020

| Num | Name | Description | Amount |
|--------------|---|--|-------------------|
| 12343 | Houston Trees & Landscaping | Tree Removal-Lemm Gully* presented 6-1 | -3,750.00 |
| 12344 | Billy R Fritsche | Director Fee | -138.53 |
| 12345 | Charles L Richardson | Director Fee | 300.22 |
| 12346 | VOID | VOID | 0.00 |
| 12347 | Timothy P. Evans | Director Fee | 138.53 |
| 12348 | Billy R Fritsche | Director Fee | -138.52 |
| 12349 | Charles L Richardson | Director Fee | -118.53 |
| 12350 | Monte L Cooper | Director Fee | -138.52 |
| 12351 | Timothy P. Evans | Director Fee | -138.52 |
| 12352 | Center Point Energy 4610016-0 | Utilities | -27.54 |
| 12353 | CFI Services Inc | Maintenance & Repairs | -444.85 |
| 12354 | Direct Waste Solutions | Garbage Collection | -9,157.50 |
| 12355 | DXI Industries, Inc. | Chemicals | -4 1.99 |
| 12356 | Eagle Water Management, Inc. | Operator Fee | 11,819.82 |
| 12357 | ETI Bookkeeping Services | Bookkeeping Fee | -700.00 |
| 12358 | Harris County Teasure | Security | -6,046.00 |
| 12359 | Lawns & More | Mowing | 360.00 |
| 12360 | Magna Flow Environmental, Inc. | Sludge Hauling | -2,695.00 |
| 12361 | Neil Technical Services Corp | Maintenance & Repairs | -5,410.00 |
| 12362 | North Harris County Regional Water Author | NHCRWA Fee | -23,681.35 |
| 12363 | Reliant Energy 499 574-0 | Utilities | -14.06 |
| 12364 | Reliant Energy 1 500 965-7 | Utilities | -1,899.17 |
| 12365 | Reliant Energy 1 505 184-0 | Utilities | -1,815.26 |
| 12366 | TTN The Texas Network LLC | Website | -750.00 |
| 12367 | Verizon | Telephone | -63.39 |
| 12368 | Vogt Engineering | Engineering Fee | -7,815.00 |
| 12369 | Waste Connections of Texas | STP Dumpster | -311.16 |
| 12370 | Gary Bensema | Customer Deposit Refund | -250.00 |
| Total | | | -78,533.46 |

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



Secretary
Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, Investment Report,
Energy Report
- B - Tax Assessor-Collector's Report
- C - Operations Report
- D - Engineer's Report

**Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session June 16, 2020**

