

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

JANUARY 19, 2021

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, January 19, 2021, 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
George Galindo	Secretary
Thomas Riddle	Assistant 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: Karen Long of Equi-Tax, Inc., bookkeeper for the District ("Equi-Tax"); Debbie Bessire of Equi-Tax, Inc., tax assessor-collector for the District ("Equi-Tax"); Andrew P. Johnson, III and Zachary A. Petrov, attorneys, Marisa L. Roberts, legal assistant, for the District ("Johnson Petrov" and/or "Attorney"); Mike Plunkett of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Sergio Van Dusen, P.E. and Caitlin Bobb, EIT of Vogt Engineering, L.P., engineers for the District ("Engineer" and/or "Vogt"); Deputy Z. Ryan and Lt. Flores of the Harris County Constable's Office ("HCCO"); and John Howell of The GMS Group, L.L.C., financial advisor for the District ("Financial Advisor").

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 December 15, 2020; a copy of which was previously distributed to the Board.

Upon motion by Director Fritsche, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting held on December 15, 2020.

Karen Long entered the meeting at this time.

2. Financial Advisor Report.

Mr. John Howell, the District's Financial Advisor explained the benefit of authorizing the Reimbursement of Capital Expenditures from Proceeds of Tax Exempt Bonds. Mr. Johnson reminded the Board that by authorizing the Resolution, it will allow general operating funds spent on any capital projects to be reimbursed from bond proceeds once available.

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 Reimbursement of Capital Expenditures from Proceeds of Tax Exempt Bonds.

Next, the Board tabled items 2b thru 2d, until a special meeting can be scheduled for February 9th or 10th. Mr. Howell noted that the Preliminary Official Statement is approximately 99% completed. Spring ISD ("SISD") has requested that the Board allow them to pay for past years use of the District's capacity as well as payment for use of capacity going forward over the life of the upcoming bond issue, which means that the bond will be for the full \$7,435,000 million bond issue. He also explained the annual debt service requirements and debt service tax rate. Mr. Howell is working on a credit package that will be sent to Moody's for a credit rating.

Mr. Howell next explained the importance of approving the Attorney General's Bond Transcript Fee in connection with the Series 2021 Bonds, which would be in the amount of approximately \$7,435.00. He also stated that the Board needs to appoint a Paying Agent, and he recommended appointing the Bank of New York. He also stated that this is a great time to sell bonds as a tax exempt borrower.

Mr. Howell then reviewed with the Board a letter pursuant to the Municipal Securities Rulemaking Board ("MSRB") Rule G-23. MSRB regulates firms and banks that underwrite, trade and sell municipal securities, and pursuant to the revised Rule G-23, a broker, dealer, or municipal securities dealer is prohibited from acting as a Financial Advisor or Municipal Advisor to an issuer for a particular issue sold on a negotiated or competitive bid basis and subsequently switching roles to underwrite the same issue. A copy of the Rule G-23 letter is attached hereto as Exhibit "A". Mr. Howell also presented to and reviewed with the Board certain disclosure information required by MSRB Rule G-42 to current clients of The GMS Group, a copy of which is attached hereto as part of Exhibit "A".

Director Riddle inquired about the terms for Spring ISD repayment to the District. Mr. Johnson stated this will be discussed under the Spring ISD matter further down the agenda.

Upon motion by Director Fritsche, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board approved the Financial Advisor to proceed with working with Moody's to obtain a rating for the District's Series 2021 Bonds.

Upon motion by Director Fritsche, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the Attorney General's Bond Transcript Fee in connection with the Series 2021 Bonds, in the amount of \$7,435.00 accepted the G-23 and G-42 letters provided by the Financial Advisor and authorized the President to execute the G-23 Letter.

3. Constable's Report.

a. Interlocal Agreement for Law Enforcement Services (March 1, 2021 – February 28, 2022) (the "Agreement"), a copy of which is attached hereto as Exhibit "B."

Director Riddle explained that he, along with the Board President and Mark Wells, the appointed liaison between the District and the Harris County Constable's Office ("Constable's Office"), met with representatives of the Constable's Office to discuss the District's expectations for devoting 70% of their working time to in the District, as stated in the Agreement.

Upon motion by Director Galindo, seconded by Director Richardson, after full discussion and with all Director's present voting aye, the Board approved the Agreement.

Next, Deputy Ryan reviewed the December Constable's Report with the Board and 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 Constable's Report.

b. Update on Traffic Control at East Cypresswood. The President stated that he reached out to the Harris County Traffic Control and he did not receive a response back. He will follow-up and report back at the February meeting.

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 "C."

a. Ms. Long reported that TexPool is paying 0.0909% interest and the net asset value is 1.00021%.

Upon motion by Director Galindo seconded by Director Fritsche, after full discussion and with all Directors present voting aye, the Board: 1) approved the Bookkeeper's Report, Investment Report, and Energy Usage Report, as presented; and 2) authorized the payment of checks numbered 12537 through 12557 from the Operating Account.

5. Tax Assessor-Collector's Report. Ms. Bessire presented the Tax Assessor-Collector's Report, a copy of which is attached hereto collectively as Exhibit "D."

Of note, the District's certified values has increased to \$102,531,750.

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the Tax Assessor-Collector Report.

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

Mr. Plunkett reported the total monthly pumpage for December was 4,351,000 gallons for Well No. 1; and the average daily flow at the sewer plant during the previous month was 90,000 G.P.D, which is 40% of current capacity. He also reported the pumped to billed ratio was 98.48% at the water plant. No sludge was hauled for the month of December. No WWTP excursions were reported for the month of December.

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

Mr. Plunkett presented and reviewed the disconnection list and stated that out of the sixteen (16) accounts listed, only four (4) accounts remain unpaid to date. Mr. Plunkett requested the Board authorization termination of the four (4) accounts for non-payment.

Upon motion by Director Fritsche, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board, after confirming with the Operator that notice

had been delivered by the Operator to each person on the list notifying them that they could appear before the Board to discuss termination of services and that services could be terminated at any time after this meeting, and determining that no one appeared at the meeting for such purpose, the Board approved the termination list and authorized the Operator to terminate service as required by the Rate Order to all customers who remain unpaid.

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 "F".

Mr. Van Dusen reviewed the Engineer's Report with the Board. He responded to questions from the Board.

Waterline Extension Along Cypresswood. Mr. Van Dusen stated that they are in the process of finalizing the waterline easements with DreamLab and Fidalis. He reported that he met with the low bidder, Macer Xpress LLC, and they explained the reason for the low bid was because they were breaking into the MUD market. Vogt Engineering then recommended acceptance of the bid and award of the waterline extension project to Macer Xpress, LLC.

New Wastewater Treatment Plant. TCEQ has approved the plans. Mr. Van Dusen stated he wanted to make a correction to his report, which is that the plans have not been submitted to the City of Houston. The design is complete, and project is ready to bid once funding is available.

HCFCF Casper Drive Road Repair. HCFCF is in final stages of the Cypress Creek Project. HCFCF would prefer to give \$104,000 that they assessed for restoring the road in its original condition. HCFCF received a quote from their contractor for a little over two times that amount to bring the road up to county standards. HCFCF's understanding that the restoration would allow the precinct to take over maintenance of that road. A follow-up meeting is scheduled to walk the project with the County, and if that goes well, Vogt may ask the District to enter into an Interlocal Agreement with HCFCF to give the District the \$104,000 and to move forward with full restoration of the road to county standards, which will require the Districts portion (approximately \$80,000) and Timber Lane's split (approximately \$20,000). The outcome would result in Harris County owning and maintaining Casper Drive all the way to the Sewer Treatment Plant. HCFCF attorneys want to know how the District came to own Casper Drive. Vogt Engineering will respond that the District owns Casper Drive by default, because the County did not have it on its maintenance log, the District is required to provide sanitary sewer services in order to fulfil that obligation, and the District needed to have access to the wastewater treatment plant. Mr. Johnson stated that the District never received a Dedication, but if we can cooperate with the County and for the County to accept it, then that makes it a public road from then on.

Director Richardson asked if we want to wait to repair the road until after the District has completed the sewer treatment plant. Mr. Johnson recommended adding a clause in the Interlocal Agreement that the District perform the repairs on the District's timeline. Discussion ensued.

Sanitary Sewer Crossing Lemm Gully. Vogt Engineering has kicked off the re-design. Mr. Van Dusen stated that he was able to visit some of the sites on Buffalo Bayou and he was pleased with the performance of them.

Lynwood Estates Subdivision Drainage Assessment and Michael Baker Report on Cypress Creek. No updates at this time.

Spring ISD ("SISD") Annexation. See below.

Sanitary Control Easement. See Engineer's Report.

Status of Bond Application. TCEQ (the "Commission") has sent the Bond Application to the Executive Director for signature on January 13, 2021.

Review of Cypresswood Detention Pond (Dresher Pond) Design. Director Fritsche stated that the District received an email from Chris Moore, a resident of the District, regarding the Dresher Pond. Mr. Van Dusen then reported that the pond is a dry basin design with a trash rack. He noted that construction phase erosion control measures are causing some standing water, but that once the construction is complete, the erosion control measures will be removed and this should improve the drainage of standing water.

Sewer Line from Dresher to Lockridge. The sanitary sewer line is scheduled to be rehabilitated with the proceeds of the first bond issue. Director Galindo asked if there was enough capacity to carry the load from the apartments, to which Mr. Van Dusen responded, yes, once the improvements are completed.

Cypresswood Apartment Sewer Tie-In Design. Mr. Van Dusen reported that the apartment sewer tie-in design is a gravity line which has been completed via a bore along Dresher Drive. Director Galindo stated that he observed the culvert was full of silt under the road at Whitewood. Mr. Van Dusen stated that he would bring that to the contractor's attention.

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. New Business.

a. Review of Cypresswood Detention Pond (Dresher Pond) Design. Discussed above under the Engineer's Report.

b. Sewer Line Inspection/Replacement Plan for Whitewood main Sewer Line from Dresher to Lockridge and from Lockridge to Ames. Discussed above under the Engineer's Report.

c. Cypresswood Apartment Tie-in Design. Discussed above under the Engineer's Report.

d. Manhole Damage at Lockridge and Whitewood. Mr. Plunkett explained that a large truck damaged the manhole, but that as of a week ago last Friday, the manhole has been repaired. He then explained that typically, if reported timely and if able to contact the Police and a Police Report is obtained, the costs related to the damages are able to be recouped.

Unfortunately, that did not occur with this incident, and therefore, the District incurred the costs to repair the damages to the manhole.

e. Isolation Valves and Water Leaks. Mr. Plunkett explained the issue of failed isolation valves and water leaks at Allis, Lemm Court/Casper, and Cotter/Barwick a week before Christmas. Discussion ensued. Director Fritsche recommended an action plan to identify and replace a portion of the isolation valves. Mr. Plunkett then stated that he would like to identify and locate the critical valves that need replacing.

9. Old Business.

a. Annexation Request by SISD. Mr. Johnson distributed an email outlining updating the Board regarding the SISD annexation, including SISD's request for the District to approve a 20-year payout of the \$800,000 obligation with a \$15,000 deposit and monthly payments to the District from SISD. Discussion also ensued regarding a possible maintenance tax. Mr. Johnson also distributed a revised Letter of Intent and Capital Contribution and Service Agreement, copies of which are attached hereto as Exhibit "G." Discussion ensued.

Upon motion by Director Fritsche, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board accepted the changes to the Letter of Intent and Capital Contribution and Service Agreement and approved Johnson Petrov to negotiate the financing the connection costs for the new SISD connections.

b. Update on Fidelis. Mr. Johnson stated that he received a call from Diego Vilchis with DreamLab regarding a change of the location site of the water plant of a tract of land originally agreed upon. Mr. Johnson stated, if the purchase price remained the same and the new location was agreeable to the Board and Engineer, it should be fine. No formal action was taken at this time.

10. Executive Session. Executive Session was not deemed necessary at this time.

11. Public Comment.

There were no members of the public present.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 8:23 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

January 19, 2021

Num	Name	Description	Amount
12537	Billy R Fritsche	Director Fee	-138.52
12538	Charles L Richardson	Director Fee	-301.22
12539	Monte L Cooper	Director Fee	-138.52
12540	Accurate Meter & Backflow, LLC	Water Meter Maintenance	-300.00
12541	Center Point Energy 4610016-0	Utilities	-28.87
12542	DXI Industries, Inc.	Chemicals	-294.33
12543	Eagle Water Management, Inc.	Operator Fee	-13,545.15
12544	Elite Pumps & Mechanical Services	Maintenance & Repairs	-6,975.00
12545	Equi-Tax Inc	Tax Assessor Fee	-800.00
12546	ETI Bookkeeping Services	Bookkeeping Fee	-700.00
12547	Harris County Treasurer	Security	-6,047.00
12548	Hudson Energy 300046453	Utilities	-1,969.91
12549	Hudson energy 300046454	Utilities	-17.96
12550	Hudson Energy 300046455	Utilities	-1,512.92
12551	Lawns & More	Mowing	-720.00
12552	Neil Technical Services Corp	Maintenance & Repairs	-3,897.75
12553	North Harris County Regional Water Author	NHCRWA fee	-18,491.75
12554	Source Point Solutions, Inc.	Maintenance & Repairs	-1,732.00
12555	Verizon	Telephone	-65.10
12556	Vogt Engineering	Engineering Fee	-31,740.49
12557	Waste Connections of Texas	STP Dumpster	-251.66
Total			-89,668.15

PASSED AND APPROVED on the 16th day of February, 2021.



Secretary
Board of Directors

EXHIBITS:

- A - GMS Group G23 and G42 Disclosure Letters
- B - Interlocal Agreement for Law Enforcement Services
- C - Bookkeeper's Report, Investment Report, Energy Report
- D - Tax Assessor Collector Report
- E - Operations Report
- F - Engineer's Report
- G - SISD Letter of Intent / Capital Contribution and Service Agreement

Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session January 19, 2021

[DISTRICT SEAL]