

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 16, 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, March 16, 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"); John Howell of The GMS Group, L.L.C., financial advisor for the District ("Financial Advisor"); and Tim Evans, Mike Kiger, and Tom Emanis, 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 16, 2021; 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 February 16, 2021.

2. Financial Advisor Report.

SALE OF \$7,435,000 UNLIMITED TAX BONDS, SERIES 2021 (THE "BONDS")
Mr. Howell distributed the bid report, a copy of which is attached hereto as Exhibit "A", and stated that seven (7) bids have been received with the lowest bid being from SAMCO Capital Markets ("SAMCO") at a net effective interest rate of 2.294125 percent. The Bonds have received an investment grade rating of Baa3 without insurance and A2 with insurance. SAMCO has bid with bond insurance and will be responsible for the bond insurance costs. SAMCO has

submitted a good faith deposit check which will be held by Bond Counsel and returned to SAMCO upon receipt of their purchase price for the Bonds. Mr. Howell then recommended that the Board accept the bid to purchase the Bonds submitted by SAMCO. Mr. Howell then discussed the Cash Flow, which shows that if the District issues the Bonds and no growth in the District's January 1, 2020 taxable value than the District would be able to meet its debt obligations with a \$0.22 debt service tax rate. He recalls during the Town Hall meetings, a debt service tax rate of \$0.37 was projected. Director Fritsche stated that the reason the tax rate dropped to \$0.22 is because Mr. Johnson was able to secure a deal with Spring ISD (SISD) to pay its share of the capital improvements costs. Mr. Howell affirmed. Director Fritsche then asked once apartments are complete and recognized by the appraisal district, how would it impact the tax rate. Mr. Howell responded that the apartments would bring value to the District, but it remains to be seen what the value will be and whether the District will issue additional bonds in the future. Discussion ensued.

Mr. Johnson explained each bond document to the Board. Mr. Johnson then stated that the Post Issuance Tax Compliance Policy will be on an upcoming agenda. Mr. Johnson then answered any 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 accepted and award the low bid received from SAMCO; approve the Final Official Statement, Adopt the Order Authorizing Issuance of \$7,435,000 Unlimited Tax Bonds, Series 2021; the Transfer and Paying Agent Agreement; and authorize officers to sign all of the documents related to the sale of the Bonds.

3. Constable's Report.

There was not a representative of the Constable.

4. SISD Annexation.

Mr. Johnson then requested the Board move up discussion regarding the SISD Agreement. Mr. Johnson informed the Board that SISD signed the Letter of Intent and explained this was sent to SISD in January. Mr. Johnson explained that this is the agreement in which SISD agreed to have the three (3) tracts annexed, the high school tract, the McNabb tract and the Transportation Center/Bus Barn. Mr. Johnson then reviewed the Capital Contribution and Service Agreement. Mr. Johnson stated that he received a call from Ann Westbrooks, who is the CFO for SISD, and stated that Ms. Westbrooks requested the agreement be changed to annual payments starting August 1 to coincide with the school district's fiscal year.

SISD has agreed to pay for the design, construction and maintenance of the main lines to the Bus Center tract in annual payments. In addition, the Board is considering a Rate Order amendment tonight or in the near future, that will help to pay the cost of operations, which is approximately 35% of the current budget. SISD has agreed that the District can establish a separate category in the District's Rate Order that applies to them. Additionally, if SISD fails to pay as agreed, they will be subject to termination, plus any collection costs. If none of those payments are made, the District can accelerate the principal amount due and require them to pay everything upfront.

Upon motion by Director Riddle, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the SISD Agreement and authorized moving forward with the annexation.

5. 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 0.0500% interest and the net asset value is 1.00015%.

b. Ms. Long reviewed the draft budget for fiscal year ending March 31, 2022, 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 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 12583 through 12608 from the Operating Account; and 3) approved the Order Adopting Budget for fiscal year ending March 31, 2022, a copy of which is attached hereto as Exhibit "B-1".

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

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

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

Mr. Plunkett reported the total monthly pumpage for February was 3,589,000 gallons; and the average daily flow at the sewer plant during the previous month was 68,000 G.P.D, which is 30.0% of current capacity. There were no excursion for the month of February. He also reported the pumped to billed ratio was 108.03% at the water plant. No sludge was hauled for the month of February.

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 eighteen (18) accounts listed, many customers are holding off because of the freeze. Mr. Plunkett requested the Board consider normal or average usage be billed at \$1.00 per 1,000, which covers the costs to produce, eliminate 10% surcharge for the RWA rate and waive past due and late fees. Mr. Plunkett received a customer letter (714 Hurlock) who had an issue with a pipe, sprinkler line damage and was unable to turn-off the curbstop. Mr. Plunkett requested the Board following the above guidelines.

Mr. Plunkett then stated that the Public Utility Commission and the County Judge suggested foregoing terminations until April. Mr. Plunkett also stated that the U.S. Mail was undeliverable for about 1-1/2 weeks.

Upon motion by Director Galindo, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board approved the guidelines suggested by Eagle Water to allow for adjustments for customers with high usage or leaks that request an adjustment due to water leaks.

Mr. Johnson asked if the NHCRWA had made any adjustments, to which Mr. Plunkett stated he was not aware of such an adjustment from the NHCRWA.

Upon motion by Director Fritsche, seconded by Director Galindo, after full discussion and with all Directors present unanimously voting aye, the Board approved Eagle Water to bill at \$1.00 per 1,000, eliminate 10% surcharge for the RWA rate and waive past due and late fees for customers who had high usage or water leaks during the February freeze on a case-by-case basis.

The President then requested that Eagle Water provide a written report to the Board for any and all customers who request a rate adjustment.

Mr. Plunkett stated the District lost power on Wednesday (2/17/21), the generator did fail, the WCID 110-Interconnect was opened briefly, and a portable generator was procured from a neighboring water district. The generator contractor was able to make repairs timely, which was less than \$2,000, and Mr. Plunkett stated that it was not necessary to submit an insurance claim. The District's generator is back up and running.

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

8. 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. He responded to questions from the Board.

Waterline Extension Along Cypresswood. Mr. Van Dusen reported the water line is under construction and approximately 1/3 is completed.

New Wastewater Treatment Plant. Mr. Van Dusen stated that revisions are being made to the plans and then Vogt Engineering will bid the project.

HCFCDC Casper Drive Road Repair. Mr. Van Dusen provided an update and Mr. Van Dusen reported that he has a verbal understanding that if the road was repaired and widened, then the County would take over the maintenance of the road. Discussion ensued.

The Board authorized the Vogt Engineers to move forward with Harris County getting a written confirmation that Harris County would accept the road.

Sanitary Sewer Crossing Lemm Gully. Mr. Van Dusen reported that the plans are being finalized.

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

SISD Annexation. Vogt is working with Johnson Petrov on SISD's request. The Board authorized Vogt Engineering to determine potential customer and size of line.

Review of Cypresswood Detention Pond (Dresher Pond) Design:

Mr. Van Dusen reported that once the construction is complete, the erosion control measures should be removed, and this should also improve the drainage and standing water issue.

Sewer Line from Dresher to Lockridge: Mr. Van Dusen reported that the Sanitary Sewer line is programed to be rehabilitated with the proceeds of the first bond issue. Vogt Engineering and Eagle Water will work together to bid the work.

Fill-in Property within Casper Lane Estates: Mr. Van Dusen stated Vogt Engineering visited the site. Mr. Van Dusen stated that an application for service has been submitted, but that no connection will be made until all permits are provided, as well as any and all violations are resolved.

Sanitary Control Easement. Mr. Van Dusen stated a draft letter has been prepared and once approved will be sent via a certified letter, a copy of which is attached to the Engineer's Report. Mr. Petrov then stated that if the property owners do not respond or cooperate in providing an easement, then we will go through the TCEQ exception process, and he explained that process with the Board. Mr. Petrov presented an Order establishing Rules and Regulations within 150-ft. of the District's water wells ("Sanitary Control Order").

Upon motion by Director Fritsche, seconded by Director Richardson, after full discussion and with all Directors present unanimously voting aye, the Board authorized Vogt Engineering to send out the certified letter to the property owners, and adopt the Sanitary Control Order.

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.

9. New Business.

a. Capital Contribution and Service Agreement with Spring Independent School District ("SISD"). This was discussed earlier in the meeting (*see above*).

b. Audit Committee Report, including Audit Committee Five Year Revenue Stream Planning Tool. The Audit Committee, which includes Directors Fritsche and Galindo, worked together to assist the Board regarding future revenues and how to support capital projects or projects that are not on the capital improvement plan. A copy of which is attached hereto as Exhibit "F". Director Fritsche reviewed the report with the Board.

c. Rate Order Amendment, as deemed necessary. Director Fritsche then reviewed with the Board the Audit Committee's suggested revisions to the District's Rate Order. Discussion ensued.

Upon motion by Director Fritsche, seconded by Director Riddle, after full discussion and with all Directors present unanimously voting aye, the Board accepted the Audit Committee's suggested revisions to the rate order and establish a new rate classification for SISD pending the attorney's review.

d. Tree Removal at the Sanitary Sewer Crossing. Director Galindo submitted current photos of the erosion damage in the sandy banks. Discussion ensued. Mr. Van Dusen

stated he could meet Director Galindo at the site to discuss further. Director Fritsche requested Director Richardson to obtain a quote for the tree removal for the next regular meeting. The Board then determined that a special workshop will be scheduled for Wednesday, March 24, 2021 at 3:00 p.m. to tour all of the District's facilities.

e. Approve Insurance Proposal. The Board reviewed the insurance proposal prepared by McDonald Wessendorff, a copy of which is attached hereto as Exhibit "G."

Upon motion by Director Galindo, seconded by Director Fritsche, after full discussion and with all Directors present unanimously voting aye, the Board approved the insurance renewal proposal in the amount of \$17,847.00.

10. Old Business.

a. Annexation Request by SISD. (*see above*).

b. Fidelis Realty Partners. Mr. Johnson discussed with the Board the fence along the west side of the apartment projects. The Board determined that it would be best to request the final fence be placed after construction has been completed. The Board then requested Director Fritsche to contact Mr. Ford advising him of the Board's decision to place a temporary fence now and a permanent fence once the project is completed.

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

12. Public Comment.

There were no comments from the public.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 9:26 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 16, 2021

Num	Name	Description	Amount
12583	Billy R Fritsche	Director Fee	-138.52
12584	Charles L Richardson	Director Fee	-301.22
12585	Monte L Cooper	Director Fee	-138.52
	George Gallindo	Director Fee	0.00
	Thomas Riddle	Director Fee	0.00
12586	Accurate Meter & Backflow, LLC	Water Meter	-175.00
12587	Center Point Energy 4610016-0	Utilities	-46.90
12588	CFI Services Inc	STP Maintenance & Repairs	-444.85
12589	Direct Waste Solutions	Garbage Collection	-9,102.00
12590	DLD Services	STP Maintenance & Repairs	-1,869.18
12591	DXI Industries, Inc.	Chemicals	-177.33
12592	Eagle Water Management, Inc.	Operator Fee	-26,872.18
12593	Equi-Tax Inc	Tax Assessor Fee	-200.00
12594	ETI Bookkeeping Services	Bookkeeping Fee	-700.00
12595	Harris County Treasurer	Security	-6,197.00
12596	Hudson Energy 300046453	Utilities	-1,887.00
12597	Hudson energy 300046454	Utilities	-15.96
12598	Hudson Energy 300046455	Utilities	-2,152.99
12599	Lawns & More	Landscaping	-735.00
12600	McDonald & Wessendorff Insurance	Insurance Renewal	-17,847.00
12601	Neil Technical Services Corp	Maintenance & Repairs	-6,730.00
12602	North Harris County Regional Water Author	NHCRWA Fee	-15,253.25
12603	Verizon	Telephone	-65.97
12604	Vogt Engineering	Engineering Fee	-23,775.11
12605	Waste Connections of Texas	STP Dumpster	-251.66
12606	Corrie Hale	Customer Deposit Refund	-52.14
12607	Prasun Kantl Chaudhury	Customer Deposit Refund	-156.82
12608	RS1 Trust	Customer Deposit Refund	-250.00
Total			-115,535.60

PASSED AND APPROVED on the 20th day of April, 2021.



Secretary
Board of Directors

EXHIBITS:

- A - Bond Documents
- B - Bookkeeper's Report, Investment Report, Energy Report
- C - Tax Assessor Collector Report
- D - Operations Report
- E - Engineer's Report
- F - Audit Committee Reports
- G - Insurance renewal proposal

**Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session March 16, 2021**

[DISTRICT SEAL]

