

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

OCTOBER 18, 2022

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 6:30 p.m. at 19423 Lockridge Drive, Spring, Texas 77373, on Tuesday, October 18, 2022, 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:

Billy Ray Fritsche	President
George Galindo	Secretary
Thomas Riddle	Assistant Secretary/Treasurer/Investment Officer
Rick Ghinelli	Director
Terry Wright	Director

All members of the Board were present, with the exception of Director Ghinelli, thus constituting a quorum. Also attending all or portions of the meeting were: Cathi Wilbanks of ETI Bookkeeping Services, bookkeeper for the District ("ETI"); Debbie Bessire of Equi-Tax, Inc., tax assessor-collector for the District ("Equi-Tax"); Zachary Petrov, attorney and 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. of Vogt Engineering, L.P., engineers for the District ("Engineer" and/or "Vogt"); Deputy D. Richardson and Lt. Lindley of the Harris County Constable's Office ("HCCO"); and Whitney Soddors and another resident 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. Public Comment. Ms. Soddors updated the Board regarding the correction to the tax account for 190007 Whitewood Drive.

2. Minutes. The Board reviewed the minutes of the regular meeting held on September 20, 2022, a copy of which was previously distributed to the Board.

Upon motion by Director Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board approved regular meeting held on September 20, 2022.

3. Constable's Report. Deputy Richardson reviewed the September Constable's Report with the Board.

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

4. Bookkeeper's Report/Investment Report/Energy Usage Report. Ms. Wilbanks 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 "A."

a. Next, Ms. Wilbanks reported that TexPool is paying 2.4126% interest and the net asset value is 0.99942%.

Upon motion by Director Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board: 1) approved the Bookkeeper's Report, with certain revisions, Investment Report, and Energy Usage Report; and 2) authorized the payment of checks numbered 13338 through 13365, from the Operating Account.

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

a. Ms. Bessire reported that 92.6% of the 2021 taxes had been collected as of September 30, 2022.

Upon motion by Director Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor-Collector Report, including payment of check nos. 2446 thru 2447.

6. Delinquent Tax Report. Next the Board reviewed the Delinquent Tax Report, which was prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto as Exhibit "C."

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the Delinquent Tax Report.

7. 2022 Tax Rate.

a. Public Hearing on Tax Rate. Upon a motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board opened the public hearing on the proposed 2022 tax rate at 6:50 p.m.

Mr. Petrov stated that a notice was published, as required, in the Cypress Creek Mirror for at least seven (7) days prior to the meeting, a copy of which is attached hereto as Exhibit "D", and that the Board has proposed to levy a 2022 total ad valorem tax rate of \$0.16 per \$100 of assessed value for the tax year 2022 for debt services purposes. Mr. Petrov asked if anyone from the public wished to speak on the matter. There being no member of the public desiring to comment, upon motion by Director Galindo, seconded by Director Fritsche, the Board closed the public hearing at 6:52 p.m.

b. Order Setting Rate and Levying Tax for 2022. The Board next considered an Order Setting Rate and Levying Tax for 2022, a copy of which is attached as Exhibit "D-1."

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the Order Setting Rate and Levying Tax for 2022 levying a tax rate of \$0.16 per \$100 assessed valuation for debt service purposes.

c. Order Appointing Tax Assessor/Collector. The Board next considered an Order Appointing Tax Assessor-Collector, a copy of which is attached hereto as Exhibit "D-2."

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the Order Appointing Tax Assessor-Collector, as presented, appointing Equi-Tax, Inc. as the District's Tax Assessor-Collector.

d. Amended District Information Form. Mr. Petrov presented an Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "D-3." Mr. Petrov explained to the Board that the form is amended annually to show the current tax rate, the outstanding debt, the Notice to Purchasers form, and the total amount of bonds that have been approved by the voters and which may be issued by the District. The amended form is required to be filed with Harris County Real Property Records (the "HCRPR") and the Texas Commission on Environmental Quality (the "TCEQ").

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the Amended District Information Form and authorized the Johnson Petrov to file said Form with the HCRPR and the TCEQ as required by law.

e. Resolution Concerning Tax Collection Procedures. The Board then considered a Resolution Concerning Tax Collection Procedures, a copy of which is attached as Exhibit "D-4."

Mr. Petrov explained to the Board the tax payment options or procedures. Discussion ensued.

Upon motion by Director Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board adopted the resolution, as presented.

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

a. Mr. Plunkett reported the total monthly pumpage for September was 7,589,000 gallons and the average daily flow at the sewer plant during the previous month was 93,000 GPD, which is 41% of current capacity. Mr. Plunkett also reported the pumped to billed ratio was 89.84% at the water plant.

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 reflecting eleven (11) accounts listed. Mr. Plunkett requested that the Board authorize termination of any remaining accounts for non-payment. Mr. Plunkett also requested the Board authorize seven (7) uncollectable accounts be turned over to collections, and noted that one (1) of the seven (7) accounts is \$457.93.

Upon motion by Director Galindo, 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 1) approved the termination list and authorized the Operator to terminate service as required by the Rate Order to all customers who remain unpaid; and 2) authorized the Operator to turn over seven (7) uncollectable accounts to collections.

b. Patty Potty Flyer. Mr. Plunkett emailed the link for the Patty Potty Flyer – No Wipes in the Pipes, which gives the Board several options to choose. Mr. Plunkett also stated that many District's used the flyer as an education tool in the hopes that residents will realize that the "flushable wipes" actually cause damage to sewer system.

Upon motion by Director Fritsche, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board appointed Directors Wright and Riddle to decide which Patty Potty Flyer is best and authorized Eagle Water Management to include the flyer in an upcoming customer bill.

9. 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 discussed with the Board his recommendation to keep the exterior of the concrete plant in place in order to support the blower building to remain uncompromised. He also recommended a drainage hole be cored to keep it dry and to install a ladder inside to allow access, if needed.

Upon motion by Director Galindo, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board, accepted Vogt Engineer's recommendation to keep the exterior of the concrete plant in place in order to support the blower building to remain uncompromised. He also recommended a drainage hole be cored to keep it dry and to install a ladder inside to allow access.

Mr. Van Dusen presented and reviewed Payment Application No. 10 to Sitecon Services in the amount of \$360,220.50 and recommended Board approval. A copy of which is attached to the Engineer's Report.

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved Payment Application No. 10 to Sitecon Services in the amount of \$360,220.50.

Mr. Van Dusen reported to the Board that HCFCD was billed for the engineering work associated with the Casper Drive Road Repair. Mr. Van Dusen indicated that the feedback he received was that it would be unlikely that HCFCD would pay the invoice. Discussion ensued. Director Riddle stated he would like the Engineer to attempt to collect the unpaid invoice. Director Fritsche stated he would also follow-up with HCFCD.

Next, Mr. Van Dusen requested the Board authorize Vogt Engineering to engage Water Engineers on behalf the District to process an amendment to the wastewater treatment plant discharge permit.

Upon motion by Director Fritsche, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved Vogt Engineering to engage Water Engineers on behalf the District to process an amendment to the wastewater treatment plant discharge permit.

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

10. New Business.

a. 18648 Casper Drive. Next, the Board discussed the illegal connection at 18648 Casper Drive. Discussion ensued.

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board authorized the following: 1) Johnson Petrov to work with the Harris County District Attorney to initial criminal proceedings, and 2) Send a Notice of Violation and include all violation penalty charges to date pursuant to the District's Rate Order.

b. Annual Review of Investment Policy. Mr. Petrov stated that reviewing the Investment Policy was an annual requirement of the Texas Public Funds Investment Act, but that no changes were being proposed at this time.

Upon motion by Director Riddle, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board approved the Order Reviewing Investment Policy with no proposed changes.

c. Amend District's Rate Order. Mr. Petrov recommended the Board consider amending the District's Rate Order by increasing the Civil Penalties fee from up to \$10,000 to up to \$20,000 for all future violations, and establishing additional rules and regulations for compliance with Harris County permits and regulations prior to connecting to the District's systems or initiating service.

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the amendment to the District's Rate Order.

11. Old Business.

a. Tree Removal at Wastewater Treatment Plant. The Board reviewed and discussed the three (3) bids received.

Upon motion by Director Riddle, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board assigned Director Galindo the task of determining to the qualified bidder for the tree removal.

b. Dresher Gate/Detention Pond/Boundary Fence. Mr. Petrov reported that he spoke with Mr. Vilchis regarding the detention pond and with a representative of Fidelis regarding the installation of the gate. Mr. Petrov will update the Board on the status at the next meeting.

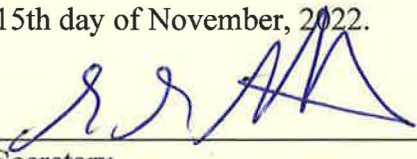
c. Easements for Dunn and Miller Properties. No update at this time.

d. Easements for new Water Plant Site. Pending action by Mr. Fallah.

e. Audit Committee. No updates at this time.

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

PASSED AND APPROVED on the 15th day of November, 2022.



Secretary
Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, Investment Report, Energy Report
- B - Tax Assessor Collector Report
- C - Delinquent Tax Report
- D - Notice of Publication
- D-1 - Order Setting Rate and Levying 2022 Tax
- D-2 - Order Appointing Tax Assessor/Collector
- D-3 - Amended District Information Form
- D-4 - Resolution Concerning Tax Collection Procedures
- E - Operations Report
- F - Engineer's Report

Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session October 18, 2022

[DISTRICT SEAL]

