

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

NOVEMBER 15, 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, November 15, 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, 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"); Andrew P. Johnson, III and Zachary Petrov, attorneys 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. and Tyler Reeves, EIT of Vogt Engineering, L.P., engineers for the District ("Engineer" and/or "Vogt"); Deputy D. Richardson and Deputy Ryan of the Harris County Constable's Office ("HCCO"); and Kyler Correia.

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. There being no public comment, the Board President proceeded with the agenda.

2. Minutes. The Board reviewed the minutes of the special meeting Minutes of September 28, 2022 and the regular meeting of October 18, 2022, copies of which were previously distributed to 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 special meeting Minutes of September 28, 2022 and the regular meeting of October 18, 2022.

3. Constable's Report. Deputy Richardson reviewed the October 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 2.9336% interest and the net asset value is 0.99936%.

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 13369 through 13394, from the Operating Account.

5. Tax Assessor-Collector and Delinquent Tax Attorney Reports. 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 93% of the 2021 taxes had been collected as of October 31, 2022.

The Board reviewed the Delinquent Tax Attorney 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 Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board approved: 1) the Tax Assessor-Collector Report, including payment of check nos. 2448 thru 2449; and 2) the Delinquent Tax Attorney Report.

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

a. Mr. Plunkett reported the total monthly pumpage for October was 9,039,000 gallons and the average daily flow at the sewer plant during the previous month was 135,000 GPD, which is 60% of current capacity. Mr. Plunkett also reported the pumped to billed ratio was 86.57% 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 twenty-three (23) accounts listed. Mr. Plunkett requested that the Board authorize termination of any remaining accounts for non-payment.

Upon motion by Director Riddle, seconded by Director Galindo, 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 2) authorized the Operator to terminate service as required by the Rate Order to all customers who remain unpaid.

b. Mr. Plunkett stated that he received a letter from a customer on Lemm Rd#2 requesting the District adjust an excessively high water bill, which was due to a leak from a line

break. Mr. Plunkett requested the Board consider the normal monthly or average usage be billed plus \$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. Discussion ensued.

Upon motion by Director Galindo seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board the accepted Mr. Plunkett's recommendation to charge \$1.00 per 1,000 gallons usage to cover the cost of water as a result of a line break for the property at Lemm Rd. #2.

Upon motion by Director Galindo, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board approved the Operations 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 "E".

Mr. Van Dusen presented and reviewed Payment Application No. 11 to Sitecon Services in the amount of \$92,710.80 and recommended Board approval. A copy of which is attached to the Engineer's Report.

Upon motion by Director Ghinelli, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including Payment Application No. 11 to Sitecon Services in the amount of \$92,710.80.

8. New Business.

a. Review Trash Collection Contract Terms. The Board discussed the issues with the current contract, stating that the contract has conflicting statements, which needs to be clarified. Discussion ensued.

Upon motion by Director Galindo, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board: 1) appointed Directors Fritsche and Wright to work with the principal owner of Direct Waste Solutions to clarify the terms in the Trash Collection Contract, and 2) to publish the trash guidelines on the District's website and on the customer bills.

Mr. Johnson entered the meeting at this time.

9. Old Business.

a. Hearing on 18648 Casper Drive Rate Order violations and take action deemed necessary.

Upon a motion by Director Galindo, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board opened the public hearing to discuss the Rate Order violations by Kyler Correa and Choice Investment Properties Ltd. Company ("Choice Investment") at 18648 Casper Drive (the "Property") at 7:30 p.m.

Mr. Johnson introduced himself to Kyler Correia. Mr. Correia attended the public hearing representing himself as the prior and future owner of the Property, but not the current owner of the Property. No representatives from Choice Investment attended; however, Choice Investment, via Ken Helper, provided a response letter to the Board requesting additional time

and for the hearing to be delayed. It was noted that the Notice of Violation was provided with sufficient time as required by the Rate Order. Mr. Correia was directly asked by Mr. Johnson what his relationship was with Choice Investment. Mr. Correia stated that he had no relationship with Choice Investment other than that he sold the Property to Choice Investment as security for Choice Investment to build his dream home for him to repurchase the Property, as-is, on November 28, 2022. Mr. Correia stated that he was not affiliated with Choice Investment. Mr. Correia made no other representations regarding his relationship with Choice Investment and he stated that he had not seen the response letter from Choice Investment and that he was not representing Choice Investment at the public hearing.

The Board reviewed the alleged violations of the District's Rate Order. The Board then explained to Mr. Correia that the Property will need to comply with the Rate Order and Harris County regulations prior to the initiation of water and sewer service and that any penalty assessed by the Board for the violations will need to be paid prior to initiating water and sewer service as well should the Board find a violation and impose a penalty. Mr. Correia stated that he was willing to pay any penalty and resolve the issues with the Property; however, Mr. Correia requested that the penalty be reduced as he believed the violations were caused by Choice Investment and not himself. The Board noted that the District's Engineer had spoken with Mr. Correia and his engineer at the time regarding the Property several months prior to the violations and the District's operator had spoken with construction contractors at the Property each time the District disconnected the illegal connections. The Board determined that the District had given ample opportunity to Mr. Correia and Choice Investment for the Property to comply with the Rate Order; however, Mr. Correia and Choice Investment continued to repeatedly violate the Rate Order in regard to the Property.

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board: 1) Closed the public hearing at 8:25 p.m. 2) Found Mr. Correa, Choice Investment and the Property in violation of the District's Rate Order; 3) Authorized Johnson Petrov to determine if a lien could be filed on the Property in an amount of the penalties; and 4) levied a penalty at the minimum amount as allowed by the Rate Order at the tie of the violations, twice the actual cost incurred by the District in enforcing its Rate Order.

10. Old Business.

a. Dresher Gate/Detention Pond/Boundary Fence. Director Fritsche stated that Fence was finished, and the Gate has been hung, pending inspection and installation of lockbox.

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

c. Easements for new Water Plant Site. All Easements have been signed and recorded.

d. Audit Committee. No updates at this time.

11. Executive Session. The Board called an Executive Session, closed to the public, pursuant to Section 551.071 of the Texas Government Code concerning consultation with attorney on attorney-client privilege matters and potential litigation on enforcement of the District's Rate Order was called by the President as of 8:36 p.m. Everyone departed the meeting with the

exception of the Board, Andrew P. Johnson, III, Zachary Petrov, Sergio Van Dusen, Tyler Reeves and Marisa Roberts.

As of 8:43 p.m., the President declared the Executive Session was closed and open session resumed in which members of the public were given the opportunity to return to the meeting.

No action was taken in Executive Session.

The meeting was adjourned at 8:45 p.m.

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

PASSED AND APPROVED on the 20th day of December, 2022.



Secretary
Board of Directors

EXHIBITS:

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

Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session November 15, 2022

