

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

FEBRUARY 21, 2023

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, February 21, 2023, 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
Thomas Riddle	Vice President
George Galindo	Secretary
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"); 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. and Tyler Reeves EIT of Vogt Engineering, L.P., engineers for the District ("Engineer" and/or "Vogt"); Lieutenant G. Lindley and Deputy D. Richardson of the Harris County Constable's Office ("HCCO"); Bear Oakley of Acclaim Energy and R. Robertson, a 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. There being no public comment, the Board President proceeded with the agenda.
2. Minutes. The Board reviewed the minutes of the regular meeting of January 17, 2023, a copy of which was 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 minutes of the regular meeting of January 17, 2023.

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

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

4. Presentation by Bear Oakley of Acclaim Energy, a copy of which is attached hereto as Exhibit "A". Mr. Oakley stated that the Texas Commission on Environmental Quality (TCEQ) and the Public Utility Commission of Texas (PUCT) implement the application of Senate Bill 3 (SB3), which was passed in the 87th regular session of the Texas Legislature as a result of the deadly winter storm in February 2021. The bill addresses the state's electricity industry and infrastructure concerns. Mr. Oakley stated one of the benefits of joining the Reliability Coalition would be to educate and work toward solutions for reliable power to communities, like a Microgrid.

There is no cost to join the Texas Reliability Coalition. The Board would appoint one (1) director as the Board Representative. Discussion ensued.

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved joining the Texas Reliability Coalition and appointed Director Fritsche as the Board Representative for the Texas Reliability Coalition.

5. 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 interest rate has increased and is paying 4.2443% interest and the net asset value is 0.99975%.

Upon motion by Director Riddle, seconded by Director Galindo, 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 13438 through 13467, from the Operating Account.

Ms. Wilbanks then reviewed with the Board the proposed draft Budget for fiscal year March 31, 2024, a copy of which is attached to the Bookkeeper's Report.

6. 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 74.8% of the 2022 taxes had been collected as of January 31, 2023. She reported that the delinquent tax statements were mailed out last week.

b. Next, the Board discussed the Resolution Implementing Penalty for Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Tax (the "Resolution"), a copy of which is attached hereto as Exhibit "C-1". Mr. Petrov explained the timeline and recommended that the Board approve the Resolution. Discussion ensued.

c. Mr. Petrov then reviewed the Resolution Authorizing Petition Challenging Appraisal Records for the Tax Assessor/Collector to allow Equi-Tax to represent the District in matters before HCAD. A copy of the resolution is attached as Exhibit "C-2".

d. The Board then reviewed and considered approval of the Order Determining Ad Valorem Tax Exemptions. Discussion ensued. This item was postponed to the March meeting to allow the District's financial advisor an opportunity to conduct a study and provide recommendations on tax exemptions.

Upon motion by Director Galindo seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board approved: 1) Resolution Implementing Penalty for Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Tax; and 2) the Resolution Authorizing Petition Challenging Appraisal Records.

Upon motion by Director Galindo, seconded by Director Ghinelli, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor-Collector Report, including payment of check nos. 2458 thru 2461.

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

Mr. Plunkett reported that the starter and motor to Booster Pump #2 were damaged by lightning and that he has opened a property claim. He anticipates the deductible to be approximately \$1,000.

a. Mr. Plunkett then reported the total monthly pumpage for January was 4,176,000 gallons and the average daily flow at the sewer plant during the previous month was 162,000 GPD, which is 72% of current capacity. Mr. Plunkett also reported the pumped to billed ratio was 88.31% at the water plant. There were no excursions for the month January.

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

Mr. Plunkett also discussed the need to replace three (3) pump heads to larger pumps at the District's lift station, which will be discussed further under the Engineer's Report. A resident, Mr. Robertson spoke regarding issues at the lift station during the heavy rain in January. Mr. Plunkett stated that he has since put in larger rented pumps to prevent the issues until permanent pumps can be delivered, if approved by the Board.

Mr. Plunkett presented and reviewed the disconnection list of nine (9) accounts.

Upon motion by Director Galindo, seconded by Director Fritsche, 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.

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 responded to questions from the Board.

Mr. Van Dusen stated that Spring ISD has accepted the proposals for the Easement acquisitions. Mr. Petrov stated that offer letters will go out this week.

Mr. Van Dusen stated Vogt Engineering reviewed the pump curves provided by Eagle Water, which indicated the need to upgrade three (3) pumps to 10hp in order to handle 4x peak load. Discussion ensued.

Upon motion by Director Galindo, seconded by Director Ghinelli, after full discussion and with all Directors present voting aye, the Board authorized the pump upgrade to 10hp at a cost not to exceed \$60,000.

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

9. New Business.

- a. Approve Insurance Proposal. Postponed until the March meeting.
- b. Direct Waste Solutions. Director Fritsche reported that the Audit Committee is working with Mr. Singleton of Direct Waste Solutions on the terms of the contract and a flyer to the residents.
- c. Fire Hydrant Damage. Director Riddle explained that the fire hydrant and sewer manhole in the Southeast corner of Lockridge and Whitewood intersection was recently damaged on February 15, 2023 by a commercial hauler. Discussion ensued. Eagle Water Management will evaluate the damage and possible options to relocate the fire hydrant.

10. Old Business.

- a. Dresher Gate/Detention Pond & West Boundary Fence with Fidelis and Dreamlab. Discussed under the Engineer's Report.
- b. Easements for Dunn and Miller Properties. Discussed under the Engineer's Report.
- c. Audit Committee. Director Fritsche reviewed the proposals for the water board roof replacement and recommended Proper Roofing and Remodeling.

Upon motion by Director Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board approved awarding the contract to Proper Roofing and Remodeling at cost not to exceed \$6,000 for the replacement of the roof and gutters, as needed at the water board building.

Next, the Board discussed the options for extending/widening the service driveway at the Water Plant. No action was taken at this time.

Upon motion by Director Galindo, seconded by Director Wright, after full discussion and with all Directors present voting aye, the Board entered Executive Session at 8:34 p.m.

11. Executive Session. The Board called an Executive Session, closed to the public, pursuant to Section 551.072 of the Texas Government Code concerning Deliberation Regarding Acquisition of Real Property; was called by the President as of 8:34 pm. Everyone departed the meeting with the exception of the Board, Zachary Petrov, Sergio Van Dusen, Tyler Reeves and Marisa Roberts.

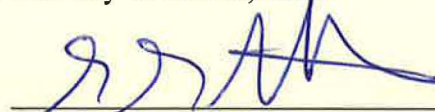
As of 8:44 p.m., the President declared the Executive Session was closed and open session resumed in which members of the public were given the opportunity to return to the meeting.

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 21st day of March, 2023.



Secretary
Board of Directors

EXHIBITS:

- A - Presentation by Acclaim Energy
- B - Bookkeeper's Report, Investment Report, Energy Report
- C - Tax Assessor Collector Report
- C-1 - Resolution Implementing Penalty for Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Tax
- C-2 - Resolution Authorizing Petition Challenging Appraisal Records
- D - Operations Report
- E - Engineer's Report

**Minutes recorded by Marisa L. Roberts
Johnson Petrov LLP
Regular Session February 21, 2023**

[DISTRICT SEAL]

