

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

MINUTES OF MEETING OF BOARD OF DIRECTORS

SEPTEMBER 19, 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, September 19, 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"); Caleb Villarreal, attorney for the District and Marisa Roberts, Paralegal ("Johnson Petrov" and/or "Attorney"); Mike Plunkett of Eagle Water Management, Inc., operator for the District ("Operator" and/or "Eagle Water"); Tyler Reeves, EIT of Vogt Engineering, L.P., engineer for the District ("Engineer" and/or "Vogt"); and Deputy D. Richardson and J. Perez of the Harris County Constable's Office ("HCCO"); John Howell of The GMS Group, L.L.C. ("Financial Advisor"); and Kyler Correia, a property owner 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. Mr. Correia said he was looking forward to the Board's decision on the assessed penalties to 18648 Casper Drive.
2. Minutes. The Board reviewed the minutes of the regular meeting of August 15, 2023, a copy of which was previously distributed to the Board.

Upon motion by Director Galindo, seconded by Director Ghinelli, after full discussion and with all Directors present voting aye, the Board approved minutes of the regular meeting of August 15, 2023.

3. Request to Reduce Penalty Assessed Against 18648 Casper for Rate Order Violations.

Mr. Villarreal reviewed with the Board the Audit Committee's (the "Committee") recommendation on the penalties assessed against 18648 Casper Drive. The Board previously assessed a penalty of twice the costs incurred by the District as a result of the violations on

18648 Casper Drive pursuant to the District's Rate Order. Upon the Committee's review of Consultant invoices submitted for payment in connection of the rate order violation of 18648 Casper Drive, the Committee confirmed that they were a result of the rate order violation. The total of these expense so far is \$14,835.11; thus the penalty is currently \$29,670.22.

The Committee recommended the Board agree to accept payment in the amount of \$14,835.11, to recover only the expenses, if full payment is received by the District no later than 6:30 p.m. on October 17, 2023. The Committee also stated that Payment of the penalty does not mean immediate service will be provided to the property. The Property Owner must submit an application for service in order to initiate the process for residential water and sewer services pursuant to the District's Rate Order and pay the appropriate fees (i.e. security deposit, tap fees, inspection fees, etc.) and all other items for service, similar to every other customer for the initiation of service.

Upon motion by Director Fritsche, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board accepted the Committee's recommendation to accept payment in the amount of \$14,835.11, if full payment is received no later than 6:30 p.m. on October 17, 2023 for penalties assessed against 18648 Casper Drive.

4. Constable's Report. Deputy Richardson reviewed the August Constable's Report with the Board.

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

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."

Ms. Wilbanks reported that TexPool interest rate has increased and is paying 5.3047% interest and the net asset value is 0.99984%.

Next, Ms. Wilbanks reviewed with the Board a memorandum detailing the costs and benefits of enrolling in Positive Pay, a service provided by Central Bank, which would protect the District against fraudulent activity, a copy is attached hereto as Exhibit "A-1."

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved enrolling in Positive Pay.

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 13614 through 13635 from the Operating Account.

6. Tax Assessor-Collector 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 96.8% of the 2022 taxes had been collected as of August 31, 2023. Ms. Bessire presented check nos. 2479 and 2480 for approval.

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 two (2) checks.

7. Delinquent Tax Attorney Report. 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 the Delinquent Tax Attorney Report.

8. Financial Advisor's Report. This was postponed until later in the meeting.

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

Mr. Plunkett then reported the total monthly pumpage for August was 12,145,000 gallons and the average daily flow at the sewer plant during the previous month was 98,000 GPD, which is 44% of current capacity. Mr. Plunkett also reported the pumped to billed ratio was 93.12% at the water plant. There were no excursions for the month of August.

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 of seventeen (17) accounts.

Next, Mr. Plunkett stated that he received a customer letter (Lockridge) requesting the District adjust an excessively high water bill, possibly due to a water leak. Discussion ensued. The Board requested Eagle Water to not terminate the account for non-payment until an investigation into the nature of the high water bill and resolve the leak, but request the customer pay what would be considered the normal usage amount and to report such findings back to the Board.

Mr. Plunkett then stated that a change in the rate order was needed for the high school irrigation meter connections that were larger than 2". This item was tabled until the October meeting.

Upon motion by Director Galindo, seconded by Director Ghinelli, 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: (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) approved the Operations Report.

Mr. John Howell then entered the meeting at this time.

Ms. Wilbanks departed the meeting at this time.

10. Financial Advisor's Report. Mr. Howell reviewed with the Board the Tax Recommendation for 2023, a copy of which is attached hereto as Exhibit "E". Mr. Howell recommended the Board levy the total tax of \$0.16 per year, all for debt service purposes. A \$0.16 total tax rate will result in the annual tax bill for the average homestead resident to be approximately \$346. He requested the Board authorize Equi-Tax, Inc. to publish the proposed tax rate of \$0.16 per \$100 assessed valuation for debt service only and setting the public hearing for the proposed tax rate publication on Tuesday, October 17, 2023 at 6:30 p.m. Discussion ensued.

Upon motion by Director Galindo, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board: (i) proposed a 2023 tax rate of \$0.16 per \$100 of assessed valuation; (ii) authorized publication of the Notice of a Public Hearing on the proposed tax rate of \$0.16 per \$100 of assessed valuation to be scheduled for the regular Board meeting on Tuesday, October 17, 2023 at 6:30 p.m.

Mr. Howell and Ms. Bessire departed the meeting at this time.

The Board next reviewed the Resolution Concerning District Characterization for 2023 Tax Year, a copy of which is attached hereto as Exhibit "F".

Upon motion by Director Riddle seconded by Director Galindo, after full discussion and with all Directors present unanimously voting aye, the Board approve and adopt the Resolution Concerning District Characterization for 2023 Tax Year as a Developing District.

11. Engineer's Report. The Engineer's Report was presented and reviewed by Mr. Reeves, a copy of which is attached as Exhibit "G". Mr. Reeves also responded to questions from the Board.

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

12. Old Business:

Improvements at Water Production Site (19423 Lockridge Dr.). The project start date is October 19, 2023 and a check for half the costs of the fence will be paid before that time.

- a. District Bulletin Board. Installment pending installation of the new fence.
- b. Dresher Gate/Detention Pond meeting/West Boundary Fence with Fidelis and Dreamlabs. The Board requested Johnson Petrov to get with Fidelis to resolve all pending matters, including taking over the Detention Pond and a lock for the gate.
- c. Easements for Dunn and Miller properties. Mr. Villarreal stated a Final Offer along with the Landowner's Bill of Rights was sent to Mr. Dunn's attorney. Mr. Villarreal requested the Board authorize Johnson Petrov to initiate condemnation proceedings should the deadline for accepting the Final Offer expire.

Upon motion by Director Riddle, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board authorized Johnson Petrov to initiate

condemnation proceedings should the deadline on the Dunn Final Offer expire.

- d. Audit Committee. The Board requested Johnson Petrov determine the location of the District's rights to property located near I-45 and if the District can sell such right of way to the new property owner.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 8:24 p.m.

PASSED AND APPROVED on the 17th day of October, 2023.



Secretary
Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, Investment Report, Energy Report
- A-1 - Memorandum re: Positive Pay
- B - Tax Assessor Collector Report
- C - Delinquent Tax Attorney Report
- D - Operations Report
- E - Financial Advisor's Report
- F - Resolution Concerning District Characterization for 2023
- G - Engineer's Report

**Minutes recorded by Marisa Roberts
Johnson Petrov LLP
Regular**

Session

[DISTRICT SEAL]

September 19, 2023

