

# HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

## MINUTES OF MEETING OF BOARD OF DIRECTORS

OCTOBER 17, 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, October 17, 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 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"); Sergio Van Dusen, Engineer and Tyler Reeves, EIT of Vogt Engineering, L.P., engineer for the District ("Engineer" and/or "Vogt"); and Deputy D. Richardson and Lt. Lindley of the Harris County Constable's Office ("HCCO").

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. The President first opened the meeting to public comment concerning the business of the District. There being no public comment, the Board's President proceeded with the agenda.
2. Minutes. The Board reviewed the minutes of the regular meeting of September 19, 2023, 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 minutes of the regular meeting of September 19, 2023.

3. Constable's Report. Deputy Richardson reviewed the September 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. 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 5.3218% interest and the net asset value is 0.99987%.

Upon motion by Director Galindo, seconded by Director Ghinelli, 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 13637 through 13660 from the Operating Account.

5. 2023 Tax Rate.

a. Public Hearing on Tax Rate. Upon a motion by Director Fritsche, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board opened the public hearing on the proposed 2023 tax rate at 6:48 p.m.

Mr. Petrov stated that a notice was published, as required by law, in the Cypress Creek Mirror for at least seven (7) days prior to the meeting, a copy of which is attached hereto as Exhibit "B", and that the Board has proposed to levy a 2023 total ad valorem tax rate of \$0.16 per \$100 of assessed value for the tax year 2023 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 Fritsche, seconded by Director Riddle, with all Directors present voting aye, the Board closed the public hearing at 6:53 p.m.

b. Order Setting Rate and Levying Tax for 2023. The Board next considered an Order Setting Rate and Levying Tax for 2023, setting a tax rate of \$0.16 per \$100 assessed valuation for debt service purposes, a copy of which is attached as Exhibit "B-1."

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

d. Amended District Information Form. Mr. Petrov presented an Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "B-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") and the updated Notice to Purchasers will be on the District's website.

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

Upon motion by Director Galindo, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board approved: (1) the Order Setting Rate and Levying Tax for 2023 levying a tax rate of \$0.16 per \$100 assessed valuation; (2) the Order Appointing Tax Assessor-Collector, appointing Equi-Tax, Inc. as the District's Tax Assessor-



Collector; (3) the Amended District Information Form and authorizing the Johnson Petrov to file the same with the HCRPR and the TCEQ as required by law; and (4) the Resolution Concerning Tax Collection Procedures.

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 "C."

a. Ms. Bessire reported that 97.4% of the 2022 taxes had been collected as of September 30, 2023. Ms. Bessire presented one (1) check no. 2481 for approval. There was no Delinquent Tax Report presented at this time.

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 one (1) check.

7. 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 9,142,000 gallons and the average daily flow at the sewer plant during the previous month was 105,000 GPD, which is 47% of current capacity. Mr. Plunkett also reported the pumped to billed ratio was 87.15% at the water plant. There were no excursions for the month of September.

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 twelve (12) accounts.

Mr. Plunkett reported that the signs for Stage 2 Drought Contingency Plan have been pulled, and that we are back on Stage 1, voluntary reduction of water use.

Next, Mr. Plunkett reported that the leak on Lockridge has been repaired. The customer is requesting the District adjust the excessively high water bill, due to the water leak. Therefore, Mr. Plunkett recommended the Board consider the normal monthly charge for average usage be billed plus \$1.00 per 1,000, which would cover the costs to produce, eliminate 10% surcharge for the RWA rate and waive past due and late fees. He stated the adjustment would be approximately \$525.00 and allow the customer to pay over three (3) month payment plan, if necessary.

Mr. Plunkett then reviewed a quote to repair the booster pump and replace it with a new motor in the amount of \$24,604.

Mr. Plunkett then stated that an amendment to the District's rate order by adding Commercial/School Irrigation Connections for meters larger than 2", a copy of the amended rate order is attached hereto as Exhibit "D-1," is necessary due to the change of Spring ISD becoming in-District.

Upon motion by Director Galindo, seconded by Director Ghinelli, after full discussion and with all Directors present voting aye, the Board approved the amendment to the Rate Order by adding the in-District Commercial/School Irrigation Connections for meters larger than 2".



Upon motion by Director Galindo, seconded by Director Wright, 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; (2) authorized Eagle Water Management to either repair the Booster Pump; (3) accepted Eagle Water's leak adjustment recommendation to charge \$1.00 per 1,000 gallons usage to cover the cost of water for both the customer's request at Lockridge, including a payment plan, if necessary; and (4) approved the Operations 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 also responded to questions from 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 Engineer's Report.

9. New Business:

a. Resolution Authorizing Reimbursement of General Fund from Proceeds of a Future Bond Issue. Mr. Petrov reviewed the Resolution Authorizing Reimbursement of General Fund From Proceeds of A Future Bond Issue, for the funds expended on the costs associated with the Water Plant Improvements, water and sewer line extensions to serve the Spring ISD Transportation Facility, including property acquisition, sanitary sewer line rehabilitation, and administrative/non-construction costs for bond issuance (the "Projects").

Upon motion by Director Fritsche, seconded by Director Riddle, after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Reimbursement of General Fund from the Proceeds of a Future Bond Issue.

b. Review of Investment Policy and amend as necessary (update Broker's List).

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 Galindo, 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.

10. Old Business:

a. Improvements at Water Production Site (19423 Lockridge Dr.) Installation of the fence has been scheduled.

b. District Bulletin Board. Installment pending installation of the new fence.

Director Riddle made a motion to enter Executive Session pursuant to Section 551.072 of the Texas Government Code concerning real property; seconded by Director Galindo, after full

discussion and with all Directors present unanimously voting aye, the Board authorized entering into Executive Session at 8:01 p.m.

Director Galindo made a motion to end Executive Session, seconded by Director Riddle, after full discussion and with all Directors present unanimously voting aye, the Board resumed public session at 8:14 p.m.

The Board continued discussion of Old Business:

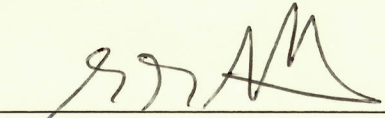
c. Easements for Dunn and Miller properties. The Audit Committee will review the engagement letter for McFarland and Associates.

Upon motion by Director Ghinelli, seconded by Director Galindo, after full discussion and with all Directors present voting aye, the Board approved the engagement of McFarland and Associates, subject to Audit Committee review.

d. Audit Committee. No additional updates at this time.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,**  
the meeting was adjourned at 8:16 p.m.

**PASSED AND APPROVED** on the 28th day of November, 2023.

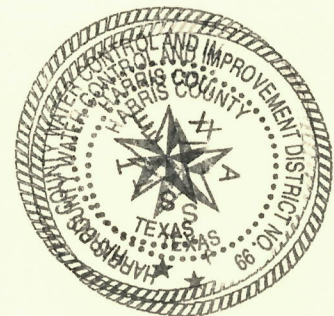
  
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Secretary  
Board of Directors

**EXHIBITS:**

- A - Bookkeeper's Report, Investment Report, Energy Report
- B - Notice of Publication
- B-1 - Order Setting Rate and Levying 2023 Tax
- B-2 - Order Appointing Tax Assessor/Collector
- B-3 - Amended District Information Form
- B-4 - Resolution Concerning Tax Collection Procedures
- C - Tax Assessor Collector Report
- D - Operations Report
- D-1 - Amended Rate Order
- E - Engineer's Report

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

**Session**



**[DISTRICT SEAL]**

**October 17, 2023**