

**MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS**

THE STATE OF TEXAS §

COUNTY OF HARRIS §

HARRIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 89 §

The Board of Directors of Harris County Water Control & Improvement District No. 89 met in regular session, open to the public, at its meeting place outside the boundaries of the District on January 4, 2019, whereupon, the roll of the members of the Board of Directors was called, to-wit:

Sharyn Smalls	President
Michael Smith	Vice President
Annie Jenkins	Secretary
Arthur Washington	Assistant Secretary
Byron K. Watson, Sr.	Investment Officer

All members of the Board were present.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Laney Brown of SiEnviro; Matthew Kelley of AEI; Cory Burton of Municipal Accounts and Consulting; Daniel Pereyra of Environmental Allies; Ray Arce of Wheeler and Associates; and George Gibson, litigator.

WHEREUPON, the meeting was called to order by the President, and evidence was presented that public notice of the meeting had been given in compliance with the law.

- 1. OPENING PRAYER.** Director Jenkins led those assembled in prayer.
- 2. PUBLIC COMMENTS.** There were no public comments.
- 3. MINUTES.** The Board reviewed the minutes of the December 18, 2018 meeting. A motion was made by Director Smith, and seconded by Director Washington, to approve the minutes with revisions discussed, which motion carried 5-0.

**4. DETENTION FACILITIES REPORT.** Daniel Pereyra presented the pond maintenance report, and reviewed the pictures of the detention ponds with the Board. He stated there were no issues to report and all maintenance is proceeding on schedule. He discussed the possible use of “FlexaMatt” as erosion control at the Morningside Place Detention Pond. Director Watson asked about costs; Mr. Pereyra stated a similar project at Sedona Lakes cost about \$360,000. Matthew Kelley discussed the Morningside View detention pond and asked the Board to consider over seeding the slopes; he noted issues with pumping the water out of the pond.

**5. DISTRICT FACILITY SECURITY.** Director Washington discussed security issues with the Board, and stated he had discussed the status of security at District facilities with Byron Thurmond. He stated Brunswick Meadows HOA had hired another patrol officer through the Constable’s Office.

**6. TAX ASSESSOR’S REPORT.** Ray Arce presented the tax assessor’s report, a copy of which is attached as Exhibit “A”. He reported the District has collected 26.53% of its 2018 taxes, and 99.18% of its 2017 taxes. He reviewed the checks on the tax account for the Board’s approval.

Following further discussion, it was moved by Director Smith and seconded by Director Washington to approve the tax assessor’s report, which motion carried unanimously, 5-0.

**7. DELINQUENT TAX PENALTY RESOLUTION.** Chris Richardson presented to the Board the Resolution Authorizing Delinquent Tax Penalty, a copy of which was attached as Exhibit “B”. Mr. Richardson explained the Resolution allows the District to attach the statutory 20% collection penalty to personal property accounts which remain delinquent as of April 1, and to real property accounts, as of July 1. Following further discussion, it was moved by Director Smith and seconded by Director Washington that the Resolution Authorizing Delinquent Tax Penalty be approved, which motion carried unanimously, 5-0.

Chris Richardson stated there were no new agreements for delinquent taxes for consideration.

**8. BOOKKEEPER'S REPORT.** Cory Burton presented the bookkeeper's report, which is attached hereto as Exhibit "C". He presented the checks for approval. He reviewed the capital projects fund breakdown, the FDIC insurance and pledged securities, the budget comparison and the debt service requirements. He reviewed conference attendance and expenses presented by the Directors, and the Board discussed fees and expenses to be paid for the upcoming AWBD Conference.

Following further discussion it was moved by Director Smith and seconded by Director Jenkins to approve the bookkeeper's report and the checks and items as presented, which motion carried unanimously, 5-0.

**9. OPERATOR'S REPORT.** Laney Brown presented the operations report, a copy of which is attached as Exhibit "D". He reported there were 2,805 connections, with no permit excursions at the wastewater treatment plant, which was 51.2% utilized. Mr. Brown also discussed the water accountability at 78.72%. He reviewed the delinquent list, accounts to be sent to collections, and the preventative maintenance schedule with the Board.

Following further discussion, it was moved by Director Smith and seconded by Director Jenkins to approve the operations report with the items presented, which motion carried unanimously, 5-0.

**10. ENGINEER'S REPORT.** Matthew Kelley reviewed the engineer's report, a copy of which is attached hereto as Exhibit "E". He discussed the progress on District projects, including the Morningside Place, Section 2 Detention Pond Rehabilitation project. He reviewed the Capital Projects Plan. He discussed NPH Southpoint Phase II Detention Pond and presented Pay Estimate No. 3 in the amount of \$149,322.24 for review purposes; he stated the project is 72%

complete. He discussed the Lift Station for the NPH project. He discussed Water Well No. 2 and the TCEQ Approval; he stated AEI had submitted the requested documents to the TCEQ. Mr. Kelley discussed the Wastewater Treatment Plant Office and Waterline and stated there is no new pay estimate for review. He discussed the District Building Project and stated the Tender and Substitution agreement will need to be signed for construction to resume with the new contractor.

Following further discussion, it was moved by Director Smith and seconded by Director Washington to approve the engineer's report along with the items presented, which motion carried unanimously, 5-0.

**11. AUTHORIZE ANNUAL SPECIAL PURPOSE DISTRICT FILING.** Chris Richardson stated the Legislature in Senate Bill 625 mandated a form to be filled out and filed on the Comptroller's website, listing certain financial information about some districts, including water districts. He noted this was done last year as well. Following discussion, it was moved by Director Smith, and seconded by Director Jenkins, to authorize the annual Special Purpose District Filing, which motion carried unanimously, 5-0.

**12. CONSIDER APPROVAL OF TENDER AND SUBSTITUTION AGREEMENT AND SURETY'S CHOICE OF CONTRACTOR.** The Board met in closed session with litigator George Gibson, beginning at 1:30 p.m. and ending at 2:15 p.m., to discuss the status of negotiations with the Surety for the terminated contractor for construction of the District building. The Board resumed in open session; no action was taken.

**13. ADJOURNMENT/ FUTURE AGENDA ITEMS.** There being no further business to come before the Board, it was moved and seconded that the meeting be adjourned, which motion carried unanimously.

PASSED, ADOPTED and APPROVED this 15th day of January, 2019.

Annie Jenkins  
Secretary

(DISTRICT SEAL)

