

**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 15, 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, with Directors Smith and Watson arriving late.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Laney Brown of SiEnviro; Matthew Kelley of AEI.

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. SECURITY REPORT.** There was not a law enforcement officer present.

The Board reviewed the security report. Director Washington stated his neighbors had requested the Security Report be placed on the website; he stated he had called and the information in the Security Reports is current through December of 2018.

4. **MINUTES.** The Board reviewed the minutes of the January 4, 2019 meeting. A motion was made by Director Washington, and seconded by Director Jenkins, to approve the minutes with revisions discussed, which motion carried unanimously, 3-0.

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 Mr. Thurmond had worked on some of the lines and the cameras and all facilities are in good shape.

Directors Smith and Watson entered the meeting at this time.

6. **OPERATOR'S REPORT.** Laney Brown presented no written report. There were no action items.

7. **ENGINEER'S REPORT.** Matthew Kelley reviewed the engineer's report, a copy of which is attached hereto as Exhibit "A". He discussed the progress on District projects, including the Morningside Place, Section 2 Detention Pond Rehabilitation project. He stated the pond had been over seeded again, and presented the One Year Certificate of Acceptance, which the Board approved.

Mr. Kelley reviewed the Capital Projects Plan. He discussed NPH Southpoint Phase II Detention Pond; he stated the project is 72% complete. He discussed the Lift Station for the NPH project, which is on hold pending the receipt of the easement from Brunswick Meadows HOA. 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 by the Board for construction to resume with the new contractor.

Mr. Kelley discussed the Morningside Place, Section 1 Pond Rehabilitation and stated he would forward the “FlexaMatt” evaluation to the Board. He discussed the Water Plant Evaluation and presented the evaluation for Water Plant No. 1.

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

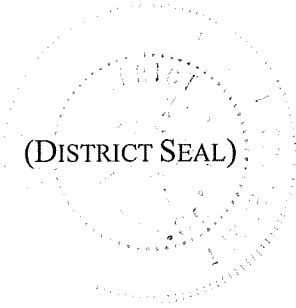
**8. CONSIDER APPROVAL OF TENDER AND SUBSTITUTION AGREEMENT AND SURETY’S CHOICE OF CONTRACTOR.** The Board discussed the status of negotiations with the Surety for the terminated contractor for construction of the District building. Director Smith noted he had received an \$80,000 estimate from a contractor for the construction of the left turn lane at the site, which was less than the \$137,000 quoted by the Surety’s chosen contractor. Mr. Kelley confirmed he had forwarded this information to litigator George Gibson. Mr. Kelley reviewed the Surety’s numbers for the roof at the site, and for the Surety’s claim of “overpayment” by the District, which he said was flawed. He discussed the claim for “cost escalation” and noted the Surety had been notified long before termination; every effort was made to encourage the contractor to finish without turning to the Surety. Director Smalls stated the Board had not agreed to any changes for the HVAC system.

**9. SUPPLEMENTAL BOOKKEEPING REPORT.** The Board considered the supplemental bookkeeping report, attached hereto as Exhibit “B”, and the checks for approval. Director Watson noted interest rates are improving.

A motion was made by Director Smith, and seconded by Director Washington, to approve the Supplemental Bookkeeping report, along with the items discussed, which motion carried unanimously, 5-0.

**10. ADJOURNMENT/ FUTURE AGENDA ITEMS.** The Board discussed upcoming industry conferences and their locations and dates. 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 5<sup>th</sup> day of February, 2019.



Annie Jenkins  
Secretary