

**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 May 7, 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; Director Watson arrived late.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Laney Brown of SiEnviro; Matthew Kelley of AEI; Cory Burton of Municipal Accounts & Consulting; Travis Benes of Environmental Allies; Ray Arce of Wheeler & Associates; also Paige Smith, President of Brunswick Place HOA.

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 Washington led those assembled in prayer.
- 2. PUBLIC COMMENTS.** There were no public comments.
- 3. MINUTES.** The Board reviewed the minutes of the April 16, 2019 meeting. A motion was made by Director Washington, and seconded by Director Smith, to approve the minutes with revisions discussed, which motion carried 4-0.

4. DETENTION FACILITIES REPORT. Travis Benes presented the pond maintenance report, and reviewed the pictures of the detention ponds with the Board. He presented a proposal for Spring seeding and fertilization for the slopes of the ponds in Brunswick Meadows, Brunswick Lakes, Morningside View and at the Wastewater Treatment Plant, at a proposed cost of \$26,889.75; the Board decided to hold off on the proposal and review past expenses. President Smalls stated her preference to remove the Wastewater Treatment Plant from the proposal.

5. TRASH SERVICES REPORT. There was no representative present; President Smalls noted the trash collection company is doing a great job.

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 97.71% of its 2018 taxes, and 99.23% 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, 4-0.

Director Watson entered the meeting at this time.

7. BOOKKEEPER'S REPORT. Cory Burton presented the bookkeeper's report, which is attached hereto as Exhibit "B". 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. He reviewed the new CDs he had purchased with input from Director Watson as the Investment Officer.

Following further discussion it was moved by Director Washington and seconded by Director Jenkins to approve the bookkeeper's report and the checks and items as presented, which motion carried unanimously, 4-0. (Director Smith had stepped out of the meeting.)

8. OPERATOR'S REPORT. Laney Brown presented the operations report, a copy of which is attached as Exhibit "C". He reported there were 2,805 connections, with no permit excursions at the Wastewater Treatment Plant, which was 46.7% utilized. Mr. Brown also discussed the water accountability at 74.04%. He reviewed the delinquent list, accounts to be sent to collections, and the preventative maintenance schedule with the Board. President Smalls asked about the HOA billing for pump maintenance and Mr. Brown discussed the status. Director Smith asked about the District facilities and asked that all facilities be monitored for rust and be documented. Mr. Brown stated the chorine used at the sites causes rust, so there will always be rust present. President Smalls discussed the chlorine gas containment system "chlortainer", to contain chlorine leaks and stated the provider would like to present a webinar for the Board to watch. Director Smith noted Big Tree Services is trimming the trees at Water Plant No. 1.

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

9. CONSUMER CONFIDENCE REPORT. Mr. Brown reviewed the Consumer Confidence Report (CCR) with the Board. Following discussion, it was moved by Director Smith and seconded by Director Washington to approve the Consumer Confidence Report, which motion carried unanimously, 4-0-1 with Director Watson abstaining; he stated he would like to see last year's report for comparison.

10. RATE ORDER. Director Jenkins discussed the District's Rate Order and stated the commercial rate should be increased from 2.25 times the residential rate, to 3 times the residential rate. President Smalls discussed financial stability and conservation as the reasons for the change. She noted the costs of inspections should also be analyzed. Laney Brown outlined the time required to build taps and stated each tap is a flat fee in the Rate Order. President Smalls

noted that more of the Security Patrol time is spent in the commercial areas as per Sargent. Meeks, therefor the Board is looking to adjust rates to the cost of doing business. Director Watson stated the Board should do even more than 3 times the residential rates; he noted there is a lot of construction and the businesses often protest their tax values. President Smalls noted conservation is also an issue; she stated there are several huge irrigation meters.

The Board took no action on the Rate Order; the matter was carried forward.

11. ENGINEER'S REPORT. Matthew Kelley reviewed the engineer's report, a copy of which is attached hereto as Exhibit "D". He discussed the progress on District projects, including the Capital Projects Plan. Mr. Kelley discussed NPH Southpoint Phase II Detention Pond. He also discussed the Lift Station for the NPH project. He presented Pay Estimate No. 2 for the Board's review, in the amount of \$134,055. Mr. Kelley discussed Water Well No. 2 and the TCEQ Approval.

Mr. Kelley discussed the District Building; President Smalls stated she spoke to litigator George Gibson, who told her the Board can move forward and begin building after the answer to the lawsuit against the Surety is received. Mr. Kelley stated he would begin the process for gathering information for bidding.

Mr. Kelley discussed Water Plant No. 2 and the HPT tank rehabilitation. He discussed the Water Well No. 1 Rehabilitation and stated the chemical cleaning of the screens is recommended at an additional cost of \$38,505, which the Board approved.

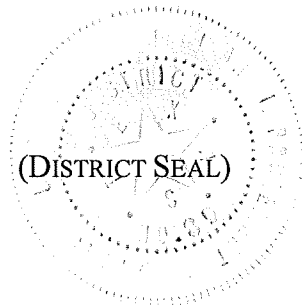
Mr. Kelley discussed the issue of sign placement for the Panda Express; he stated the easement is dedicated "to the public", but the sign company wants a no objection letter from the District. He noted all of the other signs are there, without such documentation.

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

12. RATIFY DROUGHT CONTINGENCY / WATER CONSERVATION PROGRAMS. The Board reviewed the Drought Contingency and Water Conservation Programs. Following further discussion, it was moved by Director Washington and seconded by Director Smith to ratify the programs, which motion carried unanimously, 5-0.

13. ADJOURNMENT/ FUTURE AGENDA ITEMS. The Board held an executive session from 2:30 p.m. to 3:00 p.m. to discuss matters with its attorney. 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 21st day of May, 2019.



Annie Jenkins
Secretary