

**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 August 27, 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 Washington and Smith arriving late.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Laney Brown and Carlos Smith of SiEnviro; Ray Arce of Wheeler & Associates; Ed Shackelford of AEI; Matthew Kelley of MK Engineering & Consulting; John Howell, financial advisor; Sgt. Meek of the Constable's Office.

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 Watson led those assembled in prayer.
- 2. PUBLIC COMMENTS.** There were no public comments.
- 3. SECURITY REPORT.** Sgt. Meek reviewed the security report and updated the Board on various incidents.
- 4. MINUTES.** The Board tabled consideration of the minutes.

5. **DETENTION FACILITIES REPORT.** There was no written report from Environmental Allies.

6. **DISTRICT FACILITY SECURITY.** Byron Thurmond was not present.

7. **DISCUSS 2018 TAX RATE AND SET HEARING DATE.** John Howell presented his analysis to the Board. He stated the total taxable values in the District are up more than \$20 Million. He explained the rollback tax rate is \$1.03 and he recommended publishing a total tax rate of \$0.99.

Following further discussion, it was moved by Director Jenkins and seconded by Director Watson to set the Tax Hearing date for the September 17th meeting date, and to authorize publication of the tax rate at a maximum of \$0.99, which motion carried, 3-0.

Director Washington entered the meeting at this time.

John Howell discussed a potential refunding bond issuance. He stated the Board can refinance some of the 2009, 2010 and 2013 outstanding bonds at lower interest rates, which average 4.5% interest, as market rates are now very low. He stated Present Value savings of over 10% are possible, for a total of \$1 Million in interest, at about \$45,000 per year. He stated he would like to approve a “parameter” sale at the September 17th meeting. The Board too no action.

8. **OPERATOR’S REPORT.** Laney Brown presented no written report. He discussed a resident in Brunswick Place who stepped in an open meter box; he stated the matter would be turned over to insurance. President Smalls stated she wanted the operator to keep in contact with the resident and asked the operator to keep the Board informed.

Mr. Brown stated the operators had performed tests for bacteria in the well, which was flushed and sampled. He stated one of the wells had “flushed red”, indicating iron in the water. President Smalls asked if a “boil water” notice would be necessary when the well goes back online. Mr. Shackelford said no, but the well would need to be flushed. Director Washington asked whether the District has “boil water” signs.

9. ENGINEER'S REPORT. Ed Shackelford presented the engineer's report for AEI. He discussed the Water Well No. 1 Rehabilitation and stated the GMS Services report looks good; the well performance is coming back up. He stated the Water Plant is running on surface water now; both of the District's wells are off.

Mr. Shackelford discussed the Capital Projects Plan, and the NPH Southpoint Phase II Detention Pond, for which NPH has requested an inspection by the Flood Control District. He discussed the Wastewater Treatment Plant Office and Potable Waterline, and asked for execution of the Certificate of Compliance from the Harris County Fire Marshall's Office, which the Board approved. He stated he is still waiting on the TCEQ approval for Water Well No. 2.

Mr. Shackelford discussed the District Building project. He stated he is meeting with HVAC contractors; he stated he will be looking to make sure all the "hurricane clips" have been installed in the rafters. He discussed the small detention pond in the plans for the building; he stated Harris County has approved the use of detention capacity in the larger pond nearby, but under the new rules, he will have to provide the specific amount of capacity to be added to the larger pond. He asked for authorization to do the calculations to identify quantities of detention mitigation, which the Board approved. He stated the permits for the Building have expired and new permits will be needed.

Mr. Shackelford stated the Morningside Pond Section 2 Storm Water Quality Permit had been issued. Following a discussion, it was moved by Director Washington and seconded by Director Jenkins to approve the Engineer's Report, along with the items discussed, which motion passed 4-0.

Director Smith entered the meeting at this time.

10. SUPPLEMENTAL BOOKKEEPING REPORT. The Board considered the supplemental bookkeeping report, attached hereto as Exhibit "B", and the checks for approval.

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

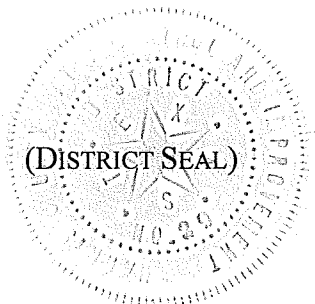
11. DISCUSS CONSULTANTS CONTRACTS/ CONSIDER MK ENGINEERING AGREEMENT.

The Board entered a closed session to discuss a personnel matter at 1:35 p.m. and re-entered open session at 2:45 p.m. It was moved by Director Watson and seconded by Director Smith to approve a contract with MK Engineering, subject to revisions discussed, which motion passed 5-0.

12. ADJOURNMENT/ FUTURE AGENDA ITEMS. The Board discussed future agenda items. Director Washington asked why he was not able to request an agenda item by email, outside of the meeting for discussion of the District's website, and President Smalls explained the process for requesting an agenda item under "future agenda items" at the end of each meeting. Following a discussion, it was moved by Director Washington and seconded by Director Jenkins to place a standing agenda item for discussion of the District's website, which motion failed with Directors Smith and Watson abstaining, and President Smalls not voting.

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 3rd day of September, 2019.



Arthur Washington
Secretary