

**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 February 4, 2020, 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, attorney, Stephanie Nagel, legal assistant of Strawn & Richardson, P.C.; Laney Brown of SiEnviro; Ed Shackelford of AEI; Matthew Kelley of MK Engineering; Cory Burton of Municipal Accounts & Consulting; Sara Valladeres and Liggy Harris of Environmental Allies; Byron Thurmond of BGT; Ray Arce of Wheeler & Associates.

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. **DETENTION FACILITIES REPORT.** Sara Valladeres introduced Libby Harris; she presented the detention pond maintenance report, and reviewed the pictures of the ponds with the Board. She noted the debris had been picked up around the pond.
4. **TRASH SERVICES REPORT.** No trash collection representative was present.

5. SECURITY AT DISTRICT FACILITIES. Director Watson discussed enhancing current security measures. Byron Thurmond discussed wastewater treatment plant security.

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 88.45% of its 2019 taxes, and 99.28% of its 2018 taxes. He noted the 2019 figure is actually 93% collected as of the meeting date. He noted the penalties and interest on delinquent accounts collected by District's attorney have produced \$18,600 in unbudgeted income for the District so far, for the fiscal year. Following 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. ORDER SETTING 2020 TAX EXEMPTIONS. Chris Richardson explained the District set a homestead exemption of 20% last year, which is the highest allowed by law. The District had also set an exemption of \$15,000 for over 65 and/or disabled individuals. Following discussion, it was moved by Director Smith and seconded by Director Watson that the Order Setting 2020 Tax Exemptions be approved, setting a 20% homestead exemption, and an increased exemption of \$20,000 for over 65 and/or disabled individuals, which motion carried unanimously, 5-0. A copy of said Order is attached as Exhibit "B".

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 stated the check for the ARIA feasibility study had been received. President Smalls asked the bookkeeper to review the process by which the surplus bond funds will be spent. The Board discussed the draft budget for FYE 3/31/2021.

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

9. AMENDMENT TO BOOKKEEPER AGREEMENT. Cory Burton reviewed an amendment to the bookkeeper's agreement. Following a discussion, it was moved by Director Washington and seconded by Director Smith to approve the amendment to the bookkeeper's agreement as presented, which motion carried unanimously, 5-0.

10. OPERATOR'S REPORT. Laney Brown presented the operations report, a copy of which is attached as Exhibit "D". He reported there were 2,809 connections, with no permit excursions at the Wastewater Treatment Plant, which was 50.1% utilized. Mr. Brown also discussed the water accountability at 83.42%. He reviewed the delinquent list, accounts to be sent to collections, and the preventative maintenance schedule with the Board. He stated an overflow at the aeration basin was reported to the TCEQ.

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

11. AEI ENGINEER'S REPORT. Ed Shackelford presented the engineer's report for AEI, a copy of which is attached hereto as Exhibit "E".

Mr. Shackelford discussed the progress on District projects, including the Capital Projects Plan. Mr. Shackelford discussed NPH Phase I and the capacity commitment request; he noted he was waiting for plans to be returned from the NPH engineer.

Mr. Shackelford discussed the Popeye's Restaurant and the request for Plan Approval and a Capacity Commitment. He presented a draft capacity commitment letter/ "no objection" letter and noted the fines assessed now total \$20,400. He noted they had paid \$5000 for plan review, so

they now owe the balance. The Board reviewed the letter to the owner of the retail center, which will include a reference to the fines due from Popeye's.

Mr. Shackelford discussed the request from ARIA for service; he stated the \$10,000 deposit for the feasibility study had been received.

Mr. Shackelford discussed NPH Southpoint Phase II Detention Pond, and the NPH Phase II Lift Station and Utility Extension. Mr. Shackelford also discussed the waterline and office at the Wastewater Treatment Plant; he noted the weather stripping on the door had been replaced.

Mr. Shackelford discussed the District Building; he presented Pay Estimate #1 for Frost Construction in the amount of \$30,600 for bonds and insurance, with a 10% retainer; the Board approved payment.

Mr. Shackelford discussed the Water Well #2 water sampling, which was underway to enable phosphate injection; he stated TCEQ had responded with conditional approval.

Mr. Shackelford discussed the well rehabilitation by Alsay; he stated he had received no word from them about the \$4000 credit on the invoice.

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

12. MK ENGINEER'S REPORT. Matthew Kelley presented the engineering report for MK, attached hereto as Exhibit "F". Mr. Kelley discussed the Morningside Place Storm Sewer Improvements and stated he would work toward an interlocal agreement. He discussed the Morningside Place Pond Rehabilitation project and presented the list of options. He also discussed the Water Plant Evaluations; he stated MK Engineering would present reports at the next meeting. Director Smith asked about the coating costs; Mr. Brown stated Water Plant #2 has issues with multiple colors. Mr. Shackelford reminded the Board President Smalls had asked for the issue to be deferred to the budget discussion.

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

13. DEVELOPER'S REPORT. There were no developers present.

14. MINUTES. The Board reviewed the minutes of the January 21, 2020 meeting. A motion was made by Director Smith, and seconded by Director Jenkins, to approve the minutes with revisions discussed, which motion carried 5-0.

15. 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 18th day of February, 2020.



Annie Jenkins
Secretary