

**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 April 7, 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, except Director Jenkins; Director Smith arrived late.

Also present were Chris Richardson, attorney, Stephanie Nagel, legal assistant of Strawn & Richardson, P.C.; Laney Brown of SiEnviro; Ed Shackelford 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 Watson led those assembled in prayer.
2. **PUBLIC COMMENTS.** There were no public comments.
3. **DETENTION FACILITIES REPORT.** The Board reviewed the pictures of the ponds. Director Watson presented a document from Harris County Precinct 1 regarding drainage issues.
4. **TRASH SERVICES REPORT.** No trash collection representative was present. President Smalls reviewed the CPI increase letter from Best Trash.
5. **SECURITY AT DISTRICT FACILITIES.** Byron Thurmond was not present.

6. **TAX ASSESSOR'S REPORT.** Ray Arce was not present. The Board reviewed the tax assessor's report, a copy of which is attached as Exhibit "A". It was noted the District has collected 97.23% of its 2019 taxes, and 99.39% of its 2018 taxes. Following discussion, it was moved by Director Washington seconded by Director Watson to approve the tax assessor's report, which motion carried unanimously, 3-0.

7. **BOOKKEEPER'S REPORT/ APPROVE BUDGET FYE 3/31/2021.** President Smalls reviewed the bookkeeper's report, which is attached hereto as Exhibit "B". She presented the checks for approval. Following further discussion, it was moved by Director Washington and seconded by Director Watson to approve the bookkeeper's report and the checks and items as presented, which motion carried unanimously, 3-0.

8. **OPERATOR'S REPORT.** Laney Brown presented the operations report, a copy of which is attached as Exhibit "C". He reported there were 2,811 connections, with no permit excursions at the Wastewater Treatment Plant, which was 54.2% utilized. Mr. Brown also discussed the water accountability at 94.14%. He reviewed the delinquent list, accounts to be sent to collections, and the preventative maintenance schedule with the Board. President Smalls asked the operator to check on use of the Water Wise Program Groundwater Credits and Certificates; Mr. Brown stated he would check with Mike Thornhill. President Smalls discussed the issue of waiving late fees and terminations during the COVID-19 crisis. She asked the operator to make sure that terminations would continue in cases of meter tampering.

Following further discussion, it was moved by Director Washington and seconded by Director Watson to approve the operations report with the items presented, which motion carried unanimously, 3-0.

9. **IDENTITY THEFT PREVENTION POLICY.** Chris Richardson presented the Order Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "D". Mr. Brown confirmed there were no incidents of suspected identity theft and no

changes to the policy were recommended. Following discussion by the Board it was moved by Director Watson and seconded by Director Washington to confirm the District's Identity Theft Policy, which motion carried unanimously, 3-0.

10. EMERGENCY PREPAREDNESS PLAN / UPDATE CRITICAL LOAD INFORMATION. Mr. Richardson explained the requirements for the Emergency Preparedness Plan and presented an Order Reviewing Emergency Preparedness Plan and Authorizing Submittal of Critical Load Information for approval, a copy of which is attached as Exhibit "E".

Following a discussion, it was moved by Director Washington and seconded by Director Watson to approve the Order presented and authorize the operator to update the electricity providers accordingly, which motion carried unanimously, 3-0.

11. AMEND RATE ORDER. Chris Richardson presented an Amended Rate Order for execution, tracking changes as requested by the Board, attached hereto as Exhibit "F". A motion was made by Director Watson, and seconded by Director Washington, to approve execution of the Amended Rate Order as discussed, which motion carried unanimously, 3-0.

Director Smith entered the meeting at this time.

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

Mr. Shackelford discussed the progress on District projects. Mr. Shackelford discussed NPH Phase I and stated he is waiting on revised plans. He discussed NPH Phase II and stated the development is changing to a single building rather than five buildings; he had presented a revised capacity commitment letter at the previous meeting. He explained the developer needs a capacity commitment letter to get plans approved by Harris County. The Board discussed the matter and instructed Mr. Shackelford to ask the developer's engineer to re-assess and re-submit their request, taking into account post COVID-19 needs.

Mr. Shackelford discussed the Popeye's Restaurant and the letter to the owner of the retail center, which had included a reference to the fines due from Popeye's. He stated the payment for the fines had not been received. He stated he had received the build-out plans for the nail salon and the donut shop. The Board discussed having an operator's representative go to the site personally, to tell the businesses the water will be shut off if the \$17,250 in fines are not paid.

Mr. Shackelford discussed the District Building; he presented Pay Estimate #3 for Frost Construction in the amount of \$131,313.75; the Board approved payment. He presented Change Order #2, which was previously approved, in the amount of \$997.31. He presented Change Order #3, which included fire line relocation, which was approved. The Board did NOT approve the lobby floor modifications. He noted the fire line relocation adds 45 days to the contract time, due to the Fire Marshall's time to approve the new plans.

Director Smith discussed the HVAC system; Mr. Shackelford stated the bid was half of the original, hospital-grade system, per his discussions with the Building Committee.

Mr. Shackelford presented Change Order #4 in draft format, for discussion, at a total of \$56,654.84. He explained many of the items were requested as part of the BGT Security requests, such as electrical and data work. Director Smith asked for a breakdown of costs from Frost Construction; Mr. Shackelford stated proposals #10 and #11 in the Change Order came from the contractor and subcontractors. Director Watson stated he would like more information to make a decision. President Smalls stated the Board would approve and accept the Change Order in draft format.

Mr. Shackelford discussed the stormwater mitigation project and stated it had been re-advertised. There were 5 bids, and the low bidder was Preferred Industrial Contractors, Inc., at a price of \$63,352, with a time of 45 days. He asked for authorization to prepare the contract for the President's signature, and the Board approved.

Mr. Shackelford discussed the Monument Sign and recommended payment to LED Partners of \$8500 and to New Modern Signs for \$4340.

Mr. Shackelford presented a Change in Scope for the vinyl wall covering in the conference room, at a cost of \$1275 to TRW Houston, which the Board authorized.

Mr. Shackelford discussed the Water Quality Testing and stated iron and manganese had been detected in the water; he recommended injecting NAPCO 214 into the system at both plants. President Smalls requested the material data sheets so the Board could make an informed decision on the chemicals. The Board deferred action on this item.

Mr. Shackelford discussed the Plant Coating Assessment and stated he had researched the use of industrial coatings, as requested by the Board. He stated this would add \$35,000 to the cost of the coating, for a total of \$560,000. The Board deferred action on this item.

Mr. Shackelford discussed the Wastewater Treatment Plant Waterline and Office and stated the 1-year warranty review period would end on April 24th. The Board took no action on this item.

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, 3-0-1, with Director Watson abstaining.

13. MK ENGINEER'S REPORT. Matthew Kelley was not present, following the recent birth of Kaden Kelley. President Smalls reviewed his report and noted the Interlocal Agreement with HCFCD for drainage improvements in Morningside Place is under internal review.

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

15. MINUTES. The Board reviewed the minutes of the March 17, 2020 meeting. A motion was made by Director Smith, and seconded by Director Washington, to approve the minutes with revisions discussed, which motion carried 4-0.

16. **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 5th day of May, 2020.



Annie Jenkins
Secretary