

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 3, 2021

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 89

The Board of Directors (the “Board”) of Harris County Water Control & Improvement District No. 89 (the “District”) convened in regular session on March 3, 2021, at 11:30 a.m. via teleconference and video conference pursuant to Section 551.125, Texas Gov’t Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

Sharyn Smalls, President
Paige Smith, Vice President
Arthur Washington, Secretary
A.K. Babers, Assistant Secretary
Byron Keith Watson, Sr., Investment Officer

All members of the Board were present, thus constituting a quorum. Ms. Isabel Mata of Wheeler & Associates (“Wheeler”), tax assessor and collector for the District; Mr. Darrell Hawthorne of Municipal Accounts & Consulting, L.P. (“MAC”), bookkeeper for the District; Mr. Laney Brown of Si Environmental, LLC (“Si”), operator of the District’s facilities; Mr. Matthew Kelley of MK Engineering (“MK”), engineer for the District; Mr. Ryan Haynes of Environmental Allies; Ms. Leslie Bacon and Ms. Meghan Koett of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; Mr. Byron Thurmond of BGT; Ms. Christie Leighton of Best Trash; and Mr. William Malik of 24/7 Office, Developer in the District.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. A certificate of such posting is attached hereto as Exhibit A. The agenda packet was posted on the website as items became available in compliance with the guidelines issued by the Texas Attorney General.

Call to Order. Mr. Wilson called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. Mr. Wilson then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then turned the meeting over to the President.

1. Opening Prayer. Director Smith opened the meeting with a prayer.

2. Public Comments. Mr. Malik informed the Board he was in receipt of the final notice letter and is asking for a reduced fee. Mr. Malik stated the contractor had ensured him everything was handled and he was unsure of the process. Mr. Kelley noted that multiple notices have been sent with no response. Extensive discussion ensued.

President Smalls stated that the Board has previously decided to not reduce the amount of the fee, but that a two week extension will be offered to pay the fine.

3. Review Bookkeeper's Report and authorize payment of bills. Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report, and the Operating Budget, copies of which are attached hereto as *Exhibit B*.

President Smalls asked Director Babers to review the Rate Order regarding possible changes in water revenue.

Mr. Hawthorne reminded the Board about the upcoming AWBD summer conference and that registration has opened.

President Smalls inquired about the pledge securities. Mr. Hawthorne reported these are not cumulative. Discussion ensued.

Upon motion by Director Watson, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of the checks in the report and for the purposes listed therein, and to approve the Investment Report.

4. Adopt budget for fiscal year ending March 31, 2022. The budget was reviewed during the bookkeeper's report at the February meeting. Discussion ensued regarding deficits and surplus.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted 4-0 with Director Babers abstaining, to adopt the budget for fiscal year ending March 31, 2022.

5. Detention Facilities Report. Mr. Haynes presented to and reviewed with the Board the Detention Facilities Report, a copy of which is attached hereto as *Exhibit C*. Mr. Haynes reported on the February maintenance at Brunswick Meadows, Brunswick Lakes, Morningside Place, Brunswick Lakes Channel, Morningside View, and the STP pond.

Mr. Haynes reported on need for an easement to access the SWQ feature.

Upon motion by Director Washington, seconded by Director Babers, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Detention Facilities report.

6. Trash Services Report. Ms. Leighton stated that drivers have reported all neighborhoods are clean.

Director Babers inquired about pricing for new garbage cans. Ms. Leighton stated she will send pricing to all directors.

7. Security at District Facilities. Sargent Meek was not present at the meeting. The Board reviewed the security report for February, a copy of which is attached hereto as Exhibit D.

Discussion ensued regarding the layout of the security report and how some items reported are not of importance to the District.

Upon motion by Director Washington, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to accept the security report.

8. Review report by Tax Assessor and Collector's Report and authorize payment of certain bills. Ms. Mata presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as *Exhibit E*.

Ms. Mata reported that 93.60% of the District's taxes have been collected as of March 3, 2021.

Upon motion by Director Washington, seconded by Director Babers, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor and Collector's Report, to authorize payment of check nos. 3946 through 3963 and two wire transfers from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

9. Review and approve Operations Report and authorize repairs. Mr. Brown presented to and reviewed with the Board the Operations Report for the month of February 2021, a copy of which is attached hereto as *Exhibit F*.

Mr. Brown reported on the recurring maintenance at water plants nos. 1 and 2, the wastewater treatment facility no. 1, the lift stations, and the pump station no. 1.

Mr. Brown reported the Districts accountability for the month as 93.97%.

Mr. Brown reported that there were no violations at the waste water treatment plant.

Mr. Brown reviewed the scheduled maintenance report with the Board.

President Smalls inquired about the increase in the budget for grease trap inspections. Mr. Brown stated it was due to a sludge increase and the sludge fluctuates.

Upon motion by Director Washington, seconded by Director Babers, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and to approve execution on the delinquent list.

10. Discuss options for relief to customer water bills, and take any necessary actions. Mr. Brown stated that no delinquent letters were sent and water has not been shut off for this billing period. He inquired if the Board would like to extend an additional month or proceed with shutting off water to delinquent accounts. Discussion ensued.

Director Watson inquired about the number of residents who had pipes burst. He stated he does not think a delinquent notice needs to be sent.

Upon motion by Director Washington, seconded by Director Babers, after full discussion and the question being put to the Board, the Board voted 4-0 with Director Watson abstaining, to defer shutting off water to delinquent accounts until April and to continue to send a delinquent notice.

11. Review Engineer's Report. Mr. Kelley presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*.

Mr. Kelley reported on the Morningside Place storm sewer improvements with Harris County Flood Control District, the Morning side Place Section One pond rehabilitation options, and the emergency outfall to Cullen Boulevard. He stated he will need Board approval to give Flood Control permission to lower the pond level by two feet. Discussion ensued.

Mr. Kelley reported on the District Meeting Building, see *Exhibit G*. He stated that the fire and safety inspection has been completed and the District is free to occupy and use the building once construction updates are complete. Mr. Kelley stated the District needs to apply for an operational permit within a year.

Upon motion by Director Washington, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and to advise Flood Control to proceed with lowering the pond level by two feet.

12. Approve Minutes. Consideration was given to the approval of the minutes of the meetings of February 3, 2021 and February 24, 2021.

Upon motion by Director Babers, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of February 3, 2021 as amended.

Upon motion by Director Babers, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of February 24, 2021 as presented.

13. Review Consultant Contracts and take any necessary action. This agenda item was tabled for this meeting.

14. Adjournment/Future Agenda Items. Director Babers recommends reviewing the constable report at next month's meeting for Sargent Meek will be present.

Director Watson stated the AWWA will be hosting a Utility Management Conference August 3rd through 6th in Atlanta, Georgia.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
THE MEETING WAS ADJOURNED.

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The foregoing minutes were passed and approved by the Board of Directors on April 7, 2021.

Shayne Swalle

President, Board of Directors

ATTEST:

Kathie Sheehy

Secretary, Board of Directors

