

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 17, 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 17, 2021, at 11:30 a.m. via teleconference 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
AK Babers, Assistant Secretary
Byron Keith Watson, Sr., Investment Officer

All members of the Board were present. Also attending all or parts of the meeting were Mr. Matthew Kelley of MK Engineering (“MK”), engineer for the District; Mr. Laney Brown of Si Environmental, LLC (“Si”), operator of the District’s facilities; Mr. Reginald Wilson and Ms. Meghan Koett of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; Mr. Byron Thurmond of BGT; Mr. and Mrs. LeMelle, residents of the Morningside subdivision within the District; and Mr. Nick Dhanani, 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 Washington opened the meeting with a prayer.
- 2. Public Comments.** Mrs. LaMelle inquired about posting of the agenda’s to the water plant. Mr. Wilson stated moving forward the meeting agenda’s will be posted at the plant.

Mr. LaMelle inquired about the time frame for erosion correction. Mr. Kelley stated that the flood control project is still in design and approaching 90% on plans. He stated that construction will take place in Spring of 2022. Discussion ensued.

Director Babers spoke on posting of the agenda and minutes.

President Smalls stated that a new District seal has been ordered and received and official minutes will soon be posted to the District website.

3. Report by Harris County Constable, Precinct No. 7. Sargent Meek was not on the call.

President Smalls stated Sargent Meek is retiring as of March 31, 2021 and a replacement is unknown at this time.

President Smalls stated she will speak with Constable Walker about replacement of Sargent Meek, security reports, all deputies under one contract under one Sargent.

4. Review Operator's Report and authorize necessary repairs. Mr. Brown stated he has nothing official to report at this time.

President Smalls stated that the backflow preventer has been repaired and water has been turned back on at the District Meeting Building.

Director Watson inquired about the status of posting signs throughout the District. Mr. Brown stated that all signs, besides one, should be up at this time but he will double check. Discussion ensued.

5. Discuss reimbursement regarding District developer and take necessary action. Mr. Kelley reported that a request for reimbursement for Clearwater Utilities was received from the Dhanani Group. He said that \$646,949.32 is maybe eligible for reimbursement, but he has not received all documentation at this time. Discussion ensued.

Mr. Dhanani stated he will provide all documentation to Mr. Kelley and inquired about a general timeline for when he would receive reimbursement. Mr. Kelley stated he could receive a quote at the end of this year or first of next year when the bonds are ready to sell.

6. Review Engineer's Report and take any necessary actions. Mr. Kelley presented and reviewed the engineer's report, a copy of which is attached hereto as *Exhibit C*.

Mr. Kelley reported on Morningside Place storm sewer improvements.

Mr. Kelley reviewed rehabilitation options for the Morningside Place section one pond. He described the characteristics for Envirogrid. He stated that the cost estimate for envirogrid may have changed due to the increase in price of construction materials over the last year. Mr. Kelley stated he will get a final price before asking the Board to commit. Director Washington inquired about tendons and tie backs. Mr. Kelley stated he does not believe this project will require it.

Mr. Kelley reported on the emergency pump station at Morningside Place. He recommended holding off on this project at this time.

Mr. Kelley reviewed the Old Dominion Freight Line feasibility study with the Board. Mr. Wilson provided information on experience with annexations within the city. Mr. Kelley stated without annexation, services can be provided but the District will not receive tax revenue. Mr. Kelley stated that according to the rate order, out of District customers rate is set

with a separate agreement. President Smalls stated this will be discussed further at next month's meeting.

Mr. Kelley reviewed service requests, see *Exhibit B*. Mr. Kelley reported on the Asian massage center. He stated he has not received any requested information and that the business is currently open and operating. Mr. Kelley reported that the fine has been paid for the initial violation. Mr. Wilson stated that the District could issue another fine due to lack of providing requested licensing information. Mr. Kelley stated he will continue to send demands for information.

Mr. Kelley reviewed a conditional letter of no objection with the Board for Starbucks.

Mr. Kelley reported on a service request for Gatti's Pizza. He stated that this establishment wants to use one grease trap between themselves and Happy China Café. Discussion ensued. It was the general consensus that it will not be allowed.

Mr. Kelley provided updates on the District Meeting Building, see *Exhibit B*.

Mr. Kelley reviewed pictures regarding the various lift station evaluations and water plant evaluations. Discussion ensued regarding coating.

Upon motion by Director Washington, seconded by Director Watson, after full discussion and having had the question put to the Board, the Board voted unanimously to accept the engineer's report, approve the certificate of acceptance for the stormwater mitigation, and to authorize Mr. Kelley to send an additional notice to the Asian Massage Center.

7. Discuss General Manger Report and take any necessary action.

President Smalls reported on various matters regarding the District Building, see *Exhibit D*.

President Smalls stated the job descriptions will be posted to the website and inserted in to next month's bills.

President Smalls stated she will be completing a mini audit of all water plants in April.

President Smalls stated she has a list of inventory to review at the April meeting.

President inquired about the other Director's opinions regarding occupancy of the building in the future months. Mr. Kelley stated that the building is currently allowed to be occupied, however there is still construction that needs to be completed. Director Babers said the construction deadline should dictate occupancy of the building. Director Watson suggested allowing occupancy on a case by case basis.

Director Babers inquired about the credit card policy. President Smalls stated she makes purchases based off of the budget and will present an inventory list that can be compared to the budget.

Upon motion by Director Washington, seconded by Director Watson, after full discussion and having had the question put to the Board, the Board voted 3-0, with President Smalls and Director Babers abstaining, to approve the General Manager's report.

8. Review Supplemental Bookkeeper's Report and take any necessary action. The Board reviewed a copy of the supplemental bookkeeper's report, a copy of which is attached hereto as *Exhibit E*.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted unanimously to approve the supplemental bookkeeper's report.

9. Discuss after actions regarding the winter storm and determine how the District can improve its communication for future events. Director Babers stated he wants to ensure all Directors are on the same page with communication when a decision is made. He said he would like to address the community in unison when an emergency is taking place within the District.

President Smalls said she is the official spokesperson for the District. She stated that Director Smith is working on alert system. Extensive discussion ensued.

10. Committee Progress Reports. Each Director provided a progress report regarding their committee.

Director Watson stated he has sent out notices on upcoming events and does not have anything further to report.

Director Washington provided an update on the detention ponds. He stated he is currently researching grants the District can apply for.

Director Babers stated he started the process of reviewing the District's rate order. He stated he has recently met with Mr. Wilson, Mr. Kelley, and Mr. Brown to receive their feedback on the rate order. President Smalls asked Director Babers to review the feedback received with the Board at the next meeting.

11. Review Consultant Contracts and take any necessary action. There were no contracts to review at this time. This agenda item was tabled.

12. Adjournment/Future Agenda Items. It was discussed that March meeting dates will be April 7th and April 21st at 11:30 a.m.

President Smalls reminded Directors about the June AWBD conference in San Antonio, Texas. Director Watson will confirm Director Babers registration.

Director Babers spoke on conflict of interest training. He said he met with a representative who is willing to come to the next meeting to introduce herself and speak on training programs free of charge to the District. Upon motion by Director Babers, seconded by Director Washington, after full discussion and having had the question put to the Board, the Board voted 2-3 to have a conflict of interest consultant speak at the next meeting. The motion failed due to lack of majority.

Mr. Wilson reminded the Directors that they are to take cyber security training by June 14, 2021 and this is an annual training.

Director Smith stated that the District has been praised by residents at an HOA meeting for how it handled the severe weather situation.

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

* * *

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

Shawn Swalle

President, Board of Directors

ATTEST:

Keith Shashin

Secretary, Board of Directors

