

MINUTES OF MEETING OF BOARD OF DIRECTORS  
July 7, 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 July 7, 2021, at 11:30 a.m. at 3455 Fellows Rd, Houston, TX 77047, and 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  
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 and Mr. Carlous Smith 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; Mr. Reginald Wilson and Ms. Meghan Koett of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; Ms. Christie Leighton with Best Trash; Ms. Erica Rone, resident of the District; Mr. Anil Roopani and Mr. Faisal Vellani of Cullen REH, LLC; and Mr. Will Shindler of Vellani Law.

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.** Ms. Rone stated she has a fee of \$33.78 on her water bill from the winter storm and is asking the Board to waive the amount. Mr. Brown stated that Ms. Rone had a leak on her side of the line during Winter Storm Uri, which caused additional water usage

fees. President Smalls stated that the Board has a policy regarding leaks that applies across the board to all customers. She stated that a total of \$139.02 had already been deducted for this incident and only an additional \$5.73 for the late fee she incurred as a penalty would be waived. Discussion ensued. It was the consensus of the Board to waive the penalty only.

**3. Report By Harris County Constable, Precinct No. 7.** Sergeant Roe was not present.

**4. 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*.

Mr. Hawthorne reviewed account balances for all funds.

Mr. Hawthorne reported that the next debt service payment will be a principal and interest payment due October 1, 2021.

Mr. Hawthorne reminded the Board that the mid-winter conference registration is not currently open but he will notify the Board when open.

Mr. Hawthorne presented checks 16431-16466 for Board approval.

Director Babers inquired about line item 16605 regarding the budget for the general manager. President Smalls stated a large number of repairs were completed this month and the fee will go down substantially in the upcoming months. President Smalls stated the annual budget is averaged out monthly.

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 Bookkeeper's Report, to authorize payment of the checks in the report and for the purposes listed therein, and to approve the Investment Report.

**5. Review Depository Pledge Agreement with Central Bank and discuss moving the depository account from BBVA to Central Bank.** Mr. Hawthorne presented and reviewed the attorney memo regarding the new depository bank, a copy of which is attached hereto as Exhibit C.

Mr. Wilson stated a depository pledge agreement will be reviewed at the next meeting.

President Smalls asked if it was possible to look into other banks. Mr. Hawthorne stated that Central Bank is able to handle public funds. He stated the District will need to move the funds to Central Bank first and then can view other bank options. Mr. Hawthorne stated he will review a fee structure at the next meeting.

**6. 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 D*. Mr. Haynes reported on the March maintenance at Brunswick Meadows, Brunswick Lakes, Morningside Place, Brunswick Lakes Channel, Morningside View, and the STP pond. Mr. Haynes stated there is fence debris causing issues with tractors to get through.

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 Detention Facilities report.

**7. Security at District Facilities.** Mr. Thurmond was not present at the meeting. President Smalls stated that she spoke to him prior to the meeting and he did not have anything to report this meeting.

**8. Trash Services Report.** Ms. Leighton stated one resident has put out more trash than can be collected in one day. She stated at this time the issue has more than likely been resolved.

Director Smith stated she has received complaints from homeowners about heavy trash not being picked up on certain days. Ms. Leighton stated she will follow up.

President Smalls inquired about the driver turnover and the length of time the current drivers have been employed. Ms. Leighton stated a few drivers have left the company, but overall the employee base is loyal.

**9. 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 98.99% of the District's taxes have been collected as of July 7, 2021.

Ms. Mata reviewed the uncollectible accounts provided by delinquent tax.

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 Tax Assessor and Collector's Report, to authorize payment of check nos. 4016 through 4028 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

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

Mr. Brown stated that the delinquent list will be presented differently within the upcoming months. He stated the delinquent list will include account numbers with amount due and the names and addresses will no longer be listed.

Mr. Brown reviewed the outstanding delinquent customers and made note of the accounts that have paid in full.

Director Babers stated he has received complaints from residents regarding water issues in Brunswick Meadows. President Smalls asked if this has been going on for a while because other Directors were just hearing about it through the Director's email. Director Babers stated that it's been floating around NextDoor for a couple of months and got heavy the last week and he was trying to address issues on NextDoor. President Smalls asked if in the future, he would engage with the Board to advise them as to what's going on so it doesn't go on for a couple of months

with nothing being done. Discussion ensued. Mr. Brown stated SI was currently flushing the line and would be power flushing soon.

Mr. Brown stated he is retiring September 1<sup>st</sup> and that Mr. Smith will be taking over for the District. Mr. Smith introduced himself to the District. President Smalls stated the District greatly appreciates the 30 plus years of service he provided.

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 Operations Report.

**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 is waiting on the revised interlocal agreement.

Mr. Kelley said he is still waiting to receive an updated cost on Envirogrid and Flexamat material.

Mr. Kelley reported there is no update at this time regarding the Old Dominion Feasibility Study.

Mr. Kelley reported on service requests, see *Exhibit G*. He stated he has issued a letter of no objection to the Spoiled Rotten Beauty Bar.

Mr. Kelley reported on the Princeton Apartments stating he has notified the developer on the decision to not extend the capacity commitment letter. Mr. Shindler introduced himself and his clients. Mr. Roopani requested clarification on the denied extension. President Smalls reported on a current water usage issue and reiterated that the extension could not be granted. Extensive discussion ensued.

Mr. Kelley stated the SWQ permit has been renewed through July 1, 2021.

Mr. Kelley reported on additional items related to the District Meeting Building, see *Exhibit G*. Mr. Kelley presented a change order for the stove, crediting the District. He also provided an update regarding the perimeter fence stating the contractor wants to proceed with mechanical fasteners.

Mr. Kelley stated that the lift station evaluation reports will be presented at the next meeting.

Mr. Kelley reported on Water Plant No. 1 Booster Pump Building.

Mr. Kelley reported on the Cullen Beltway reimbursement stating he will begin the bond application report preparation if authorized by the Board.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated the current contract allows for 434,000 gallons per day and the District is required to take

no more than 20% of total water from ground water. Mr. Kelley stated that the monthly average usage is 4 million gallons over. Mr. Kelley stated that the Subsidence District said the District can apply for amendment to go from 20% up to 50%. Mr. Kelley recommends in the meantime using groundwater credits to get in compliance with the City of Houston as he moves forward with the amendment process with the Subsidence District. President Smalls stated the District also wants to continue the water wise program.

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 (i) approve the Engineer's Report, (ii) approve the change order credit for the stove, (iii) start the amendment process with the Subsidence District and the shutting off of the surface water valve for the City of Houston.

Mr. Brown stated there will be no issue with going on well water, but he will need to see if the wells can keep up with the demands. He reported that well water will create taste issues which may cause more complaints from residents. Mr. Brown stated that the well at water plant no. 1 is a smaller, so the majority of the water may come from water plant no. 2. Mr. Brown recommended delaying turning the interconnect off so that the City water can be used during the power flushing. Discussion ensued regarding capacity at the water plants.

**12. Approve Minutes.** Consideration was given to the approval of the minutes of the meetings of June 1, 2021 and June 16, 2021.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted 4-0 to approve the minutes of June 1, 2021 and June 16, 2021 as presented. Director Babers abstained.

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

**14. Adjournment/Future Agenda Items.** Director Watson stated the August 4<sup>th</sup> meeting will conflict with the AWWA conference in Atlanta. Director Babers inquired if travel dates have been set yet. President Smalls stated travel dates will be Tuesday through Friday and she will report more information at the next meeting.

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 August 4, 2021.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

