

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 6, 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 October 6, 2021, at 11:30 a.m. via teleconference. 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; Ms. Natalie Dalgano of Municipal Accounts & Consulting, L.P. (“MAC”), bookkeeper for the District; Mr. Carlous Smith and 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. Chris Zarruk of Environmental Allies; Mr. Reginald Wilson and Ms. Meghan Koett of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; Mr. John Howell of the GMS Group, Financial Advisor for the District; Ms. Tracy Miller, Mr. Ola LeMelle, and Mr. Jeffrey Coleman, Residents of the Districts; and Sergeant Roe with Harris County Constable, Precinct No. 7; and Ms. Christie Leighton with Best Trash.

In accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as Exhibit “A,” the following business was transacted:

Call to Order. Mr. Wilson called the meeting to order.

1. Authorize teleconference meeting: Board finding of existence of emergency or public necessity making the convening at one location of a quorum of the government body difficult or impossible and permitting a meeting by teleconference pursuant to Section 551.125 of the Texas Open Meetings Act. Upon motion by Director Smith, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted unanimously to find the existence of an emergency or public necessity, i.e., Delta variant of COVID-19, making the convening at one location of a quorum of the government body difficult or impossible and permitting a meeting by teleconference pursuant to Section 551.125 of the Texas Open Meetings Act.

2. Opening Prayer. Director Washington opened the meeting with a prayer.

3. Convene Public Hearing on Proposed Tax Rate for 2021. Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to open the public hearing at 11:41 a.m. on the proposed tax rate.

Mr. Howell reviewed the proposed tax rate that was discussed at last month's meeting. He stated the District published a total tax rate of \$0.87 setting \$0.39 for debt service and \$0.48 for operations and maintenance. Discussion ensued.

4. Adopt Order Setting Tax Rate and Levying Tax for 2021. Mr. Wilson presented and reviewed the Order Setting Tax Rate and Levying Tax for 2021, a copy of which is attached hereto as *Exhibit B*.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Setting Tax Rate and Levying Tax for 2020, with a total rate of \$0.87 consisting of \$0.39 for debt service and \$0.48 for maintenance and operation expenses.

5. Approve Amended District Information Form. Mr. Wilson presented and reviewed the Amended District Information Form, a copy of which is attached hereto as *Exhibit C*. He stated this document is a notice to purchases and informs future residents of the District's tax rate.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted unanimously to approve the amended District Information Form.

6. Public Comments. Ms. Miller expressed concern for a tree that was recently replaced in her yard. She stated the tree is leaning again. Mr. Smith stated he will make sure the tree is planted properly.

Mr. Coleman inquired about any progress towards meetings being held in the evening. President Smalls stated at this time the Board will not be changing the time of the meeting, but it is under continued consideration.

President Smalls discussed postponing the town hall meeting for November. The Board decided to hold the town hall meeting on November 11th at 6:00 p.m.

7. Report By Harris County Constable, Precinct No. 7. Sgt. Roe reported on various activity throughout the District.

Sgt. Roe reviewed overall security trends within the District. She stated there has been an increase in welfare checks.

Sgt. Roe reviewed statistics received from Urban Air from May until current day. She stated she has spoken to the owner and recommended extra police officers. Sgt. Roe stated that moving forward she will continue to watch and observe the area.

Sgt. Roe stated that on Friday and Saturday nights Urban Air is extremely congested with only two officers. She suggests that 6-8 officers be present, but the owner of Urban Air does not have the budget to support that amount of officers. Director Babers inquired on the possibility of enforcing an occupancy number for the building. Sgt. Roe stated she will review and report back. Discussion ensued.

President Smalls discussed the need for an additional officer to police the commercial areas. She inquired if the additional officer would police only the commercial area or

be used in general. Sgt. Roe confirmed the additional officer would only be used in the commercial area.

Director Washington inquired about the drug stop mentioned in the report. Sgt. Rose stated the stop resulted in arrest.

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 security report.

8. Review Bookkeeper's Report and authorize payment of bills. Ms. Dalgano 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 D*.

Ms. Dalgano reviewed the cash flow for the new Central Bank Account.

Ms. Dalgano reported that check 17006 was to the US Treasury for the quarterly pay roll payment.

Ms. Dalgano reported on one wire to Central Bank stating it will leave a zero balance in the BBVA account.

Ms. Dalgano reviewed account balances for all funds.

Ms. Dalgano reported that the debt service payment was made on September 30th and the next payment is not due until April 2022.

Ms. Dalgano reported that two Directors have registered for the AWBD Mid-Winter Conference at this time.

Upon motion by Director Watson, seconded by Director Washington, 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.

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

Mr. Zarruk reported on a tree in Brunswick Lakes Channel leaning over a fence that could cause a potential safety hazard. President Smalls stated she will contact the HOA to inform the resident.

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

10. Trash Services Report. Ms. Leighton reported on one resident contacted regarding missed trash pickup and that the issue has since been resolved.

Director Babers inquired about the trash pickup schedule. Ms. Leighton reported that Best Trash is making an effort to get on a consistent schedule but are currently short staffed. She said Best Trash is currently in the process of hiring more people.

11. Security at District Facilities. Mr. Thurmond was not on the call and a report was not presented.

12. 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 F*.

Ms. Mata reported that check 4060 is to open the Allegiance Bank account.

Ms. Mata reported that 99.61% of the District's taxes have been collected as of September 30, 2021.

Ms. Mata discussed delinquent accounts and presented and reviewed the delinquent tax report provided by the Delinquent Tax Attorney, a copy of which is attached hereto as *Exhibit G*. She stated that two accounts are recommended for water termination. Ms. Mata provided an update on the real property and personal property delinquent accounts.

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. 4046 through 4060 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report, and to proceed with water termination of the two delinquent accounts.

13. Review and approve Operations Report and authorize repairs. Mr. Smith presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as *Exhibit H*.

Mr. Smith reported that the City of Houston will replace the meter at well no. 2 on Friday.

Mr. Smith reported that the District's accountability for the month is 97.95%.

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

President Smalls discussed the gates at water plant no. 1 and no. 2 stating the lock and chain link fence do not seem secure. She asked Mr. Smith to look in to more secure options for fencing.

President Smalls stated that the emergency preparedness plan needs updates and modifications.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report.

14. 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 I*.

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 currently waiting on a response letter regarding the proposed changes in the interlocal agreement.

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

Mr. Kelley reported on the lift station rehab project stating he is working on the design package for advertising and will present once ready

Mr. Kelley stated he is working on the preliminary information for the bond application report. He stated that NPH is planning to submit for both phases.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated the Subsidence District has agreed to increase the permit amount to 150 million gallons. Mr. Kelley stated he distributed a summary report prior to the meeting reviewing the water usage information from the City of Houston. He stated that the City of Houston saw a small improvement on pressure, but still having daily pressure swings that is not caused by the District. Mr. Kelley stated he is in the process of scheduling a meeting to discuss the findings.

Mr. Kelley reported on items related to the District Meeting Building, see *Exhibit I*.

Mr. Kelley reported on NPH Phase II stating the contractor corrected the issues identified and a certificate of acceptance has been issued.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

15. Review After Action Report from General Manager and take any necessary action. President Smalls presented and reviewed an after action report, a copy of which is attached hereto as *Exhibit J*.

President Smalls provided an incident overview regarding the discolored and odorous water issue. She reviewed what was done to mitigate the ongoing issue, how was the problem solved, and lessons learned.

Director Babers inquired about the next steps regarding a SCADA system. Mr. Kelley reported he will gather information and report at next month's meeting.

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, to approve the after action report from the General Manager. President Smalls abstained.

16. Approve Minutes of September 1, 2021 and September 15, 2021 Meetings. Consideration was given to the approval of the minutes of the meetings September 1, 2021 and September 15, 2021.

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

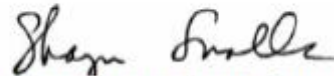
17. Review Consultant Contracts and take any necessary action. This agenda item was tabled for this meeting.

18. Adjournment/Future Agenda Items. Director Watson recommended a future agenda item to discuss the commercial water rate. 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 add the future agenda item. Director Babers abstained.

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 November 3, 2021.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

