

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 1, 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 September 1, 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; Mr. Darrell Hawthorne of Municipal Accounts & Consulting, L.P. (“MAC”), bookkeeper for the District; Mr. 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; Mr. Charles Wolfe; Ms. Melanie Harrell, Ms. Toni Dorsey, Ms. Beza Dagne, Ms. Yvonne Walter, Ms. Victoria Laste, Residents of the Districts; and Sergeant Roe with Harris County Constable, Precinct No. 7.

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.

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. Mr. Wilson reported that the Open Meeting Act suspension expired on September 1st. He stated that the Board may continue with teleconference meetings if the Board determines an emergency.

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 authorize the finding of existence of emergency.

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

3. Public Comments. Ms. Walter stated she sent an email to the Directors with a variety of questions. She wants to know the process of communicating with the Directors. President Smalls stated the Board is not allowed to deliberate via email and that all decision needs to be made during the meeting.

Ms. Walter inquired about the District meeting times and if they would be changed back to evening meetings. President Smalls stated that the meeting time was changed due to a change in legal representation. She said that town hall meetings have been suspended due to COVID-19 but hopes to start up again soon.

Ms. Walter inquired about an update regarding the water issue in Brunswick Meadows. President Smalls stated that the chlorine fusing was successful and the complaints have decreased.

Ms. Lastee inquired about security issues and lack of patrol in Morningside Place. President Smalls stated Director Babers is reviewing the rate order to potentially increase commercial base rate to allow for an additional officer. Director Babers stated he will discuss more next month.

Ms. Lastee inquired about an update regarding the interlocal agreement. Mr. Wilson stated he received the agreement, is currently reviewing, and currently going through negotiation.

4. Consider the Financial Advisor's Recommendation for the 2021 Tax Rate. Mr. Howell presented and reviewed a tax rate analysis for the District, a copy of which is attached hereto as *Exhibit B*.

Mr. Howell reported the highest tax rate to be levied without exposing the District to a rollback election is \$0.94. Mr. Howell stated he recommends publishing a tax rate of \$0.89.

Mr. Howell reported that a penny of MUD taxes is worth \$62,000 in revenue to the District and is \$16 to the average homestead.

5. Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2021. Mr. Wilson presented and reviewed the Order Designating Officer to Calculate and Publish Tax Rates, a copy of which is attached hereto as *Exhibit C*.

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 publish a tax rate of \$0.87 consisting of \$0.39 for debt service and \$0.48 for maintenance and operation expenses and to authorize the tax assessor to publish the tax rate.

Discussion ensued regarding publication. Mr. Wilson stated both a physical location and zoom information will need to be published.

6. Report By Harris County Constable, Precinct No. 7. Sgt. Roe reported on various activity throughout the District. She stated that there has been an increase in traffic watches and a lot of disturbances around the area.

Director Babers inquired about suggestions on how to make commercial businesses to do more for security.

Director Washington inquired about the drug houses in the area. Sgt. Roe stated the areas have been labeled as a hot spot and are constantly monitored.

7. 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 D*.

Mr. Hawthorne presented checks 16548-16587 for Board approval.

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.

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.

8. Review Investment Policy and take any necessary action. The Board tabled this agenda item and will discuss at the next meeting.

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 stated that Mr. Hayes received a promotion and will be the branch manager. Mr. Zarruk stated he will be the District's representative moving forward.

Director Washington inquired about shrub trimming. Mr. Zarruk he has been made aware and will trim the next time out there.

Director Washington stated he will contact the apartment manager to discuss the trash issue at the dumpster.

10. Trash Services Report. Ms. Leighton was not present at the meeting. This item was tabled.

11. Security at District Facilities. Mr. Thurmond reported that the facilities are running with no issues.

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 99.44% of the District's taxes have been collected as of July 31, 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*. Discussion ensued.

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 accept the Tax Assessor and Collector's Report, to authorize payment of check nos. 4013 through 4045 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

13. Review Depository Pledge Agreement with Allegiance Bank, and take any necessary action. Mr. Wilson presented and reviewed the Depository Pledge Agreement with Allegiance Bank, a copy of which is attached hereto as *Exhibit H*. He stated this document allows for collateralization and is put in place on behalf of the District.

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 Depository Pledge Agreement with Allegiance Bank.

14. 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 I*.

Mr. Smith reported that the District's accountability for the month is 98.82%.

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

Mr. Smith reported that the surface water meter at water well no. 2 has been turned off but is still reporting usage. He stated he notified the City of Houston and they will be running a diagnostic test. Mr. Smith stated there is a discrepancy between the transmitter and the meter and that no usage is being recorded on the meter. Discussion ensued. Director Watson requests an analysis be completed for potential miscalculation.

Director Washington inquired about the City of Houston increasing the price of water. Mr. Kelley reported the contract increases every April.

Mr. Kelley suggested researching more information regarding installing a District meter to double check the City of Houston meters. President Smalls requested Mr. Smith research costs for installing a District meter.

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.

15. 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 J*.

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 reviewed the agreement and found a few issues. He stated he is in the process of negotiating and taking next steps. Mr. Kelley stated he will draft a letter to flood control to include the fences within the project.

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

Mr. Kelley stated he is working on the preliminary information for the bond application report.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated the amendment has been submitted to the Subsidence District and he is waiting to hear their decision. Mr. Kelley stated he is waiting on the usage data from the City of Houston for August to compare and put together a summary package to review at the next meeting.

Mr. Kelley reported on additional items related to the District Meeting Building, see *Exhibit J*. President Smalls stated that Frost delivered a sample coating for the fence post. She stated she requests that the coating be a lighter color. Mr. Kelley stated he will follow up.

Mr. Wolfe inquired about reimbursements for detention. He stated that all three tracts are on board to deed the land to the District in exchange for reimbursement. President Smalls stated the Board would like to see source documents prior to moving forward. She stated the Board wants to see proof of the signing entities being viable.

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 Engineer's Report.

16. Approve Minutes. Consideration was given to the approval of the minutes of the meetings of August 4, 2021 and August 18, 2021. Director Washington discussed a revision to be made to the minutes of August 4th.

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 Babers inquired about scheduling an evening or town hall meeting. President Smalls stated there is potential for setting a town hall meeting for a week in October.


Director Babers discussed an upcoming potential training conference opportunity and expressed interest in attending. Discussion ensued.

Director Babers inquired about Uber Eats providing lunch during the meetings. President Smalls stated that Uber Eats has mistakenly disabled the business account and she is in the process of resolving the issue.

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 October 6, 2021.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

