

MINUTES OF MEETING OF BOARD OF DIRECTORS

August 18 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 August 18, 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, except Director Smith, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Matthew Kelley of MK Engineering (“MK”), engineer for the District; Mr. Carlos Smith, 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; Ms. Mary DuBois of Acclaim Energy; and Mr. Jeffrey Coleman, resident of 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. Mr. Coleman inquired about method or process to communicate with the Board. He also inquired about meeting times and if they will change moving forward. President Smalls the best method of contact is to email. She stated that there are open meeting act restrictions and discussions and decisions do not get made over email, but are brought back to the Board to discuss during meetings. President Smalls also stated that a quarterly town hall meeting will pick back up in the future.

3. Receive a market update from Acclaim Energy and consider extending Reliant contract. Ms. DuBois presented the pricing report for Acclaim Energy, a copy of which is attached hereto as *Exhibit B*.

Ms. DuBois stated the cost for the District is currently 0.4560 and is locked until 2024. She stated that Senate bill 3 will be going in to effect and to expect surcharges as soon as next month for rates are already increasing.

Ms. DuBois recommends locking in the rate for an additional 48 months before an additional increase in rates.

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 accept the Reliant electrical contract for 48 months.

4. Review Operator's Report and authorize necessary repairs. Mr. Smith stated he has no formal report at this time.

Mr. Smith stated that six samples were collected from sites throughout the District and at the plants and all results came back clear.

Mr. Smith stated that the smell and discolored water calls has decreased drastically. Director Washington requested more details regarding the calls and inquired about the specific number of calls. Mr. Smith stated no calls were received as of today.

President Smalls stated she will be keeping in touch with the SI call center representative on a regular basis to see updates on complaints.

Director Babers inquired about a power flush report regarding locations. President Smalls stated it has not yet been received. Mr. Smith stated he will provide soon.

5. 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 stating he is waiting on revised plans.

Mr. Kelley reviewed rehabilitation options for the Morningside Place section one pond. He stated he is still waiting for updated costs.

Mr. Kelley stated he is still awaiting a response from Old Dominion Freight Line.

Mr. Kelley reported on the NPH Phase II Detention Pond one year warranty review stating it has been mobilized to begin and completed work yesterday.

Mr. Kelley stated he is currently working on preliminary information for the bond application report for 2021.

Mr. Kelley reported on the Subsidence District and City of Houston water usage. He said he has not heard anything regarding the amendment application. Mr. Kelley stated that July data usage has been received from the City of Houston and he reviewed the statistics with the Board. He stated he will present a more refined report of the information at next month's meeting.

Upon motion by Director Washington, seconded by Director Babers, after full discussion and having had the question put to the Board, the Board voted unanimously to accept the engineer's report.

6. 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 D*.

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 approve the supplemental bookkeeper's report.

7. Discuss General Manager Report and take any necessary action. President Smalls presented and reviewed the General Manager's report, a copy of which is attached hereto as *Exhibit E*.

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

President Smalls stated she will be interviewing candidates for the Building Manager. Director Babers requests that the resumes be sent to Directors for review via email. President Smalls stated the Directors are able to view the resumes at the District building and will scan and send via email at a later time. Discussion ensued.

President Smalls discussed potential for a solar energy plant in the District. She requests authorization to gather resources and do the research to see how the District can move forward. Director Babers stated he feels it needs to be prioritized but does see a need for it at this time. Discussion ensued.

President Smalls reviewed a municipal setting designation request, a copy of which is attached hereto as *Exhibit F*. President Smalls stated she needs Board approval for the resolution opposing.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and having had the question put to the Board, the Board voted 2-1 to move forward with the facility resilience initiative. President Smalls abstained and Director Babers opposed.

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 resolution opposing the Municipal Setting Designation.

8. Committee Progress Reports. Director Washington reported on the Morningside Place lake concern. He stated he has asked three companies to check the lake and the monthly fee to manage is around \$1,200. Director Washington also stated a bid was received to insert fish to eat the algae. Mr. Wilson discussed the liability concerns of including fish. Upon motion by Director Smith, seconded by Director Washington, after full discussion and having had the

question put to the Board, the Board voted unanimously to accept the contract for lake management pending additional legal review.

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

10. Adjournment/Future Agenda Items. It was discussed that September meeting dates will be September 1st and September 15th at 11:30 a.m.

Director Babers discussed AWBD new Director training and encouraged other Directors to attend. President Smalls expressed her concerns with AWBD.

Director Babers inquired about Uber Eats during meetings.

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.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

