

MINUTES OF MEETING OF BOARD OF DIRECTORS
December 15, 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 December 15, 2021, at 11:30 a.m. at 3455 Fellows Rd, Houston, TX 77047 and via teleconference. 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 Babers 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 and 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. Anshu Malik, Mr. Ahsan, Developers in the District; and Ms. Linda Carter, Building Manager for the District.

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. Opening Prayer.** Director Washington opened the meeting with a prayer.
- 2. 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 Watson, 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.
- 3. Public Comments.** There were no public comments.
- 4. Review Operator’s Report and authorize necessary repairs.** Mr. Smith stated he has no formal report for this meeting.

Mr. Smith reported on the flushing program stating discolored water was appearing at the end of the line. He stated a tap relocation was completed and other locations were determined to have the same issue. Mr. Smith stated replacing the two blow off valve locations with fire

hydrants will provide a better flushing process. He stated one location would cost \$11,000 and the other \$9,700. Discussion ensued regarding the price. President Smalls requested receiving other bids to compare the costs.

Mr. Smith stated the sewer treatment auto sampler needs to be repaired at a cost of \$4,415. He stated replacing would be double the cost.

Mr. Smith stated he received customer calls regarding sidewalk repair. President Smalls said the HOA is in charge of sidewalk repair and requested the engineer send a letter to the residents informing them.

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 Operator's Report and move forward with the repair of the auto sampler in the amount of \$4,415.

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 B*.

Mr. Kelley stated he is currently waiting for the finalized the interlocal agreement for the Morningside Place storm sewer improvements.

Lift station rehab plans will be submitted by the end of the month.

Mr. Kelley stated he is currently working on preliminary information for the bond application report for 2021 and that the number have not been finalized at this time. Discussion ensued.

Mr. Kelley stated there is nothing new to report at this time regarding the Subsidence District and City of Houston water usage.

Mr. Kelley reported that approval from the City of Houston will be required regarding installation of meter at water plant no. 2.

Mr. Kelley reviewed the cost estimate for the SCADA systems stating the total estimated cost is \$420,000.

Mr. Ahsan spoke about Elevate Smoke Vape & CBD shop and discussion ensued regarding if the shop is already open for business as well as the operation of the shop. Mr. Ahsan stated the shop has been open to stock inventory, but not open for sale at this time. Mr. Malik spoke gave background information regarding AMCO Insurance.

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 C*.

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.

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

President Smalls discussed sludge hauling procedures. She stated Magna Flow will need to text a specific number to the operator upon arrival to the premises. Discussion ensued.

President Smalls discussed various items regarding the District Building. She also reported on the generator maintenance schedule stating it only needs to occur once a month.

President Smalls reported that a new maintenance technician is needed for hire.

Discussion ensued regarding rental rates for the District Building. She stated that currently the rate is \$100 an hour for District residents and \$150 an hour for non-residents.

Upon motion by Director Watson seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted 4-0 to approve the General Manager's report. President Smalls abstained.

8. Discuss purchasing land for solar energy initiative and take any necessary action. Mr. Wilson discussed purchasing land for solar energy panels. He requested Board authorization to reach out to the property owner on behalf of the District and make an official request and inform the property owner the District is interested in purchasing the land. He stated an appraisal will also need to be completed on the property.

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 authorize the attorney and the engineer to determine proper ownership of the property, to move forward with contacting the owner to see if interested in selling to the District, and to complete an appraisal on the property.

9. Committee Progress Reports. There was nothing to report at this time.

10. Review Consultant Contracts and take any necessary action. This agenda item was tabled.

11. Adjournment/Future Agenda Items. Mr. Wilson stated two proposals have been received from bookkeeping companies with an extended deadline for those who have not responded at this time. Discussion ensued. The Board agreed to schedule a special meeting for December 29th at 11:30 a.m. to choose a new bookkeeper.

Director Washington requested that evaluating the commercial rate for properties be added to next month's agenda.

It was discussed that January meeting dates will be January 5th and January 19th at 11:30 a.m.

12. Executive session pursuant to Section 551.071, Texas Gov't Code, to confer with attorney regarding matters where the duty of the attorney to the Board requires confidentiality. 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 enter into

Executive Session at 1:00 p.m. pursuant to Section 551.071 Texas Gov't Code, to confer with their attorney on a matter in which the duty of the attorney to the governmental body under the Rules of Professional Conduct requires confidentiality and regarding potential litigation. At this time all persons left the meeting, except the Board members, Mr. Wilson, Ms. Koett, Mr. Smith, Mr. Brown, and Mr. Kelley.

13. Convene in public session. 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 enter into public session at 1:07 p.m. Ms. Koett checked to see if any members of the public wanted to enter the meeting but no one was there.

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 January 5, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

