

MINUTES OF MEETING OF BOARD OF DIRECTORS

January 5, 2022

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 January 5, 2022, 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
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 and of Wheeler & Associates (“Wheeler”), tax assessor and collector 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. Hamilton of Environmental Allies; Mr. Reginald Wilson and Ms. Meghan Koett of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; Ms. Victoria Lastee and Ms. Coretta Mallet, Residents of the Districts; and **Sergeant Roe** with Harris County Constable, Precinct No. 7; Ms. Kandy Pfeffer of Elite Bookkeeping LLC, bookkeeper for the District; 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. 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 Washington, seconded by Director Babers, 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. Ms. Mallet inquired about opening of the District Building. President Smalls reported that information regarding opening of the building will be uploaded within the next few days to the District website. She stated there will not be an opening ceremony due to Covid.

Ms. Lastee inquired about an event at the District Building. President Smalls stated she hosted a test run of the facilities and paid for the rental of the building.

4. Report By Harris County Constable, Precinct No. 7. Sgt. Roe presented and reviewed the security report, a copy of which is attached hereto as *Exhibit B*. Sgt. Roe reported on various activity throughout the District.

Director Watson commended Sgt. Roe for the detailed report. He also brought to Sgt. Roe's attention a speeding issue on Fellows Road.

Discussion ensued regarding access to security reports on the website.

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

5. Review Bookkeeper's Report and authorize payment of bills. Ms. Pfeffer 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 C*.

Ms. Pfeffer provided a summary of all accounts.

Ms. Pfeffer presented checks 17169 through 17210 for Board approval.

Ms. Pfeffer stated that checks 17211-17214 were additional checks presented for Director per diem for the December special meeting.

Director Watson discussed attendance and payment for the AWBD mid-winter conference.

President Smalls requested approval for replacement checks for the Christmas Tree light installation, the mailbox installation, and the tree trimming service. 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 payment of the checks.

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.

Ms. Pfeffer requested authorization to add Elite Bookkeeping as the authorizing agent for Central Bank, PNC Bank, and Texas Class. She stated that paperwork will be send to President Smalls for signatures. 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 authorize Elite Bookkeeping as the authorizing agent.

6. Discuss and approve new Bookkeeper resolutions regarding transferring accounts. This item was discussed and approved during the bookkeeper's report.

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

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 detention facilities report.

8. Trash Services Report. Ms. Leighton reported a resident had a complaint regarding placement of the trash container. She stated that was the only complaint at this time.

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 trash services report.

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 presented 14 checks and two wires for Board approval.

Ms. Mata reported that 99.71% of the District's taxes have been collected as of November 30, 2021. She also reported that 19.13% of 2021 taxes have been collected

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 accept the Tax Assessor and Collector's Report and to authorize payment of checks from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

10. Security at District Facilities. This item was deferred.

11. 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 F*.

Mr. Smith reported that the District's accountability for the month is 92.67%.

Mr. Smith reviewed the outstanding delinquent customers. Discussion ensued regarding termination of delinquent accounts.

Mr. Smith stated there were no water quality issues over the holiday's to report at this time.

Upon motion by Director Smith, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and to proceed with termination of delinquent accounts, and approve sending accounts to collections.

12. 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 finalized interlocal agreement.

Mr. Kelley reported on the lift station rehab project stating once approval is received from the various agencies he will approach the Board for authorization to advertise bid.

Mr. Kelley stated he is working on the preliminary information for the bond application report and is awaiting additional documentation. Mr. Kelley stated that PH withdrew protest and will proceed with reimbursement.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated he submitted a request to the City for an amendment to the water supply contract. Mr. Kelley stated he has not received a response at this time.

Mr. Kelley discussed potential funding for the SCADA systems.

Discussion ensued regarding sidewalk damage throughout the District. President Smalls asked the engineer to send letters to residents stating sidewalk damage is an HOA responsibility.

Mr. Kelley requested Board authorization to begin water plant evaluations in February.

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 Engineer's Report and authorize the water plant evaluations.

13. Discuss commercial water rate and take any necessary action. This item was tabled until the next meeting.

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

Upon motion by Director Smith, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted 4-0 to approve the minutes of December 1, 2021 and December 15, 2021 as presented. Director Babers abstained.

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

16. Adjournment/Future Agenda Items. Discussion ensued regarding the upcoming AWBD conference. President Smalls stated that Directors will receive \$1,100 for advance payment.

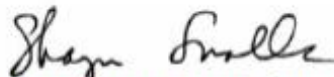
Director Smith inquired about contracting an IT professional to assist with migrating emails to Office 365. Discussion ensued. Upon motion by Director Smith, seconded by Director Babers, after full discussion and the question being put to the Board, the Board voted unanimously to consider outsourcing of IT to migrate emails on the next meeting's agenda.

Mr. Wilson stated that with Board approval, the Financial Advisor will discuss a potential bond refunding scenario with the Board at the next meeting. Upon motion by Director Babers, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to add the financial advisor presentation and consider bond refunding to next month's agenda.

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 February 2, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

