

MINUTES OF MEETING OF BOARD OF DIRECTORS

January 19, 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 19, 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
AK Babers, Assistant Secretary
Byron Keith Watson, Sr., Investment Officer

All members of the Board were present, 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; Ms. Kandy Pfeffer of Elite Bookkeeping LLC, bookkeeper for the District; Mr. John Howell of GMS group, Financial Advisor for the District; and Ms. Victoria Lastee and Mr. Curtis Brooks, residents of 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 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.
- 3. Public Comments.** Mr. Brooks stated there is a manhole in driveway. Mr. Smith stated he has been made aware of the manhole however it is not causing depressing in the driveway and is intact. President Smalls stated that each resident is responsible for their own driveway but can have the District engineer inspect.

Ms. Lastee inquired about the unstable sound wall. Mr. Kelley stated he can recommend a structural engineer to evaluate. Ms. Lastee also stated she has noticed discoloration. President Smalls stated she needs to inform the operator so that they can inspect.

4. Review and approve Interlocal Agreement for Law Enforcement Services with Harris County. President Smalls stated she received the Interlocal Agreement for Law Enforcement Services from Sgt. Roe. Mr. Wilson stated he has reviewed the contract and it is up to the Board to renew or make any changes to the number of deputies. President Smalls recommended renewing the contract and discussing adding an additional deputy at a later time.

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 Interlocal Agreement for Law Enforcement Services.

5. Review Operator's Report and authorize necessary repairs. Mr. Smith stated he has no formal report for this meeting.

Mr. Smith stated he received a response from the City of Houston regarding the installation of a second water meter. He stated access was denied at the specific location. Mr. Smith stated the water meter will be installed in a different location and he is in the process of discussing a new location with Southern Flow Meter.

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 approve the Operator's Report.

6. 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 waiting to receive the revised agreement with corrections for the interlocal agreement for the Morningside Place storm sewer improvements.

Mr. Kelley stated agency review is taking place of the lift station rehab plans.

Mr. Kelley stated he is currently working on preliminary information for the bond application report for 2021 and is waiting to receive documents from Cullen Beltway to verify data.

Mr. Kelley reported on various items regarding the District Building, see *Exhibit B*.

Mr. Kelley stated the City of Houston will not be able to provide additional water until 2026. He stated he is working to set up a meeting with the Subsidence District to discuss options for using additional well water.

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 Engineer's Report.

7. Discuss potential Series 2022 Refunding Bonds Issuance and authorize necessary actions. Mr. Howell presented and reviewed a refunding analysis for the issuance of

2022 refunding bonds, a copy of which is attached hereto as *Exhibit C*. Mr. Howell stated there is potential for \$2.9 million in total savings. Extensive discussion ensued.

Director Watson stated he would like to see the refunding presented in a shorter period of time. Mr. Howell stated he will rework the numbers and present at next month's meeting.

8. Review Supplemental Bookkeeper's Report and take any necessary action.

Ms. Pfeffer reviewed a copy of the supplemental bookkeeper's report, a copy of which is attached hereto as *Exhibit D*.

Ms. Pfeffer presented checks 17220 through 17240 for Board approval.

Discussion ensued regarding the AWBD Mid-Winter Conference per diem and advance payment.

Ms. Pfeffer reviewed a copy of the draft budget, a copy of which is attached hereto as *Exhibit E*. Discussed ensued regarding revisions and updates to the budget.

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 approve the supplemental bookkeeper's report.

9. 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 F*.

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

10. Discuss commercial water rate and take any necessary action. Director Washington stated he would like to increase the commercial water rate to accommodate appointing another constable in the District.

Upon motion by Director Washington, seconded by Director Watson, after full discussion and having had the question put to the Board, the Board voted 4-1, to increase the commercial water rate. Director Babers opposed. President Smalls stated a final rate will be determined at a later meeting.

11. Discuss outsourcing of IT to migrate emails and take any necessary action. President Smalls stated she is waiting to receive bids from other service providers and will present at next month's meeting.

12. Committee Progress Reports. Director Watson stated he distributed information to the Directors regarding the upcoming TAWWA conference.

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

14. Adjournment/Future Agenda Items. Mr. Wilson stated that Mr. Howell will discuss the revised number at the first February meeting.

It was discussed that February meeting dates will be February 2nd and February 16th at 11:30 a.m.

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

