

MINUTES OF MEETING OF BOARD OF DIRECTORS

February 2, 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 February 2, 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. Kandy Pfeffer of Elite Bookkeeping LLC, bookkeeper for the District; and Mr. John Howell with GMS Group, Financial Advisor for the District. **Linda Carter.**

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.** President Smalls 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 Smith, 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. Discuss potential Series 2022 Refunding Bonds Issuance and authorize necessary actions.** Mr. Howell presented and reviewed a sources and uses report for potential refunding bond issuance, a copy of which is attached hereto as *Exhibit B*. He stated there has been

an update in numbers and the refunding will no longer produce the amount of savings described a month ago.

President Smalls recommended not proceeding with the refunding at this time and asks the financial advisor to continue to watch investment rates.

Upon motion by President Smalls, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to not proceed with a bond refunding.

5. Report By Harris County Constable, Precinct No. 7. This item was deferred due to Sgt. Roe being unable to attend the meeting.

6. 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 17211 through 17241 for Board approval.

Ms. Pfeffer reviewed a second draft of the budget, a copy of which is attached hereto as *Exhibit D*. Discussion ensued.

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.

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 E*. Mr. Hamilton reported on the maintenance at Brunswick Meadows, Brunswick Lakes, Morningside Place, Brunswick Lakes Channel, Morningside View, and the STP pond.

President Smalls discussed a complaint received regarding debris in Morningside Place. Mr. Hamilton he will review and have the issue taken care of by the next meeting.

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. This item was deferred due to Ms. Leighton being unable to attend the meeting.

9. Security at District Facilities. This item was deferred due to Mr. Thurmond being unable to attend the meeting.

10. 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 presented 4 checks and two wires for Board approval.

Ms. Mata reported that 80.99% of the District's taxes have been collected as of January 31, 2022.

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 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.

11. Consider Property Tax Exemptions. Mr. Wilson presented and reviewed the Order Authorizing Tax Exemptions, a copy of which is attached hereto as *Exhibit G*.

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 adopt the Order.

12. Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes. Mr. Wilson presented and reviewed the Resolution Authorizing Additional Penalty on Delinquent Taxes, a copy of which is attached hereto as *Exhibit H*.

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 adopt the Resolution.

13. 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 99.45%.

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

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 Operations Report and to proceed with termination of delinquent accounts.

14. 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 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 reported on various items regarding the District meeting building, see *Exhibit J*. He recommended sending a letter to the bonding company regarding the lack of progress on the perimeter fence.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated he recommends switching back to a blend of City of Houston water and well water. Discussion ensued. Mr. Wilson stated West Harris County Regional Water Authority is looking to sell B Credits and have them used by the end of the year. He stated he recommends authorizing SI to move forward with receiving pricing of the credits to bring back to the Board.

Mr. Kelley reported on the surface water meter installation.

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 Engineer's Report, authorize SI to receiving pricing of B Credits, sponsor 670 students from the Subsidence District, and to issue a letter to the bonding company regarding the perimeter fence.

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

16. Discuss outsourcing of IT to migrate emails and take any necessary action. President Smalls stated she recommends using Microsoft to migrate Board emails. Discussion ensued.

Director Babers stated the Board needs to be cautious of decision making for each Director is responsible for decisions made for the District. He encourage Board members to voice opinions on decisions being made.

Upon motion by Director Smith, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted 4-1 to proceed with Microsoft to migrate emails. Director Babers opposed.

17. Approve Minutes of December 29, 2021, January 5, 2022, and January 19, 2022 Meetings. Consideration was given to the approval of the minutes of the meetings of December 29, 2021, January 5, 2022, and January 19, 2022.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted 4-0 to approve the minutes of December 29, 2021, January 5, 2022, and January 19, 2022 as presented. Director Babers abstained.

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

19. Adjournment/Future Agenda Items. Director Watson reported that TAWWA will take place in April and provided information regarding the upcoming TCEQ conference.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
THE MEETING WAS ADJOURNED.

* * *

The foregoing minutes were passed and approved by the Board of Directors on March 2, 2022.

Shawn Swalle

President, Board of Directors

ATTEST:

Beth Sheehy

Secretary, Board of Directors

