

MINUTES OF MEETING OF BOARD OF DIRECTORS

February 16, 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 16, 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; Sergeant Roe with Harris County Constable, Precinct No. 7; Mr. Byron Thurmond of BGT; and Ms. Victoria Lastee and Mr. Michael Smith, 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 Washington, seconded by Director Smalls, 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.** Sgt. Roe presented and reviewed the January security report, a copy of which is attached hereto as *Exhibit B*. She reported on various activity throughout the District. Director Babers inquired about the trends in crimes. Sgt. Roe stated the trend in crimes is compared month to month. She stated she will update the report to show 2022 trends compared to 2021 and month to month trends.

Ms. Lastee inquired if a notice regarding building rental availability could be posted on the water bill.

Mr. Smith expressed various concerns he had regarding renting the District building. President Smalls acknowledged each of his concerns. Discussion ensued.

Director Babers stated he would like to review the final draft of the rules and regulations for the District building and have the rules be stored with legal.

**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 installation of meters at the water plant. He stated that Southern Meters has not provided a completion date at this time.

Mr. Smith stated he is working on receiving additional quotes regarding the fence.

**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 a meeting is scheduled for tomorrow to discuss the interlocal agreement regarding 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*. He stated a letter has been issued to the bonding company regarding the paint issue on the perimeter fence.

Director Smith entered the meeting at this time.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated that the annual ground water permit for wells is issued in April and the Board will need to decide the amount of groundwater for the permit. Mr. Kelley reviewed various scenarios regarding amount of credits used and recommends 120 million gallons.

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 Engineer's Report and to set next year's permit amount to 120 million gallons.

**6. 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 C*.

Ms. Pfeffer presented checks for Board approval. She stated that checks 17294 and 17295 are presented for Board approval but are not listed on the report due to timing of receiving the invoices.

Ms. Pfeffer reviewed a third draft of the budget. Discussion ensued.

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 Manager 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 stated an enforcement letter from the TCEQ was received regarding the water quality issue. Discussion ensued.

President Smalls reported on various items regarding the District Building, see *Exhibit D*. Discussion ensued regarding issues related to the gate.

Extensive discussion ensued regarding rental of the District Building.

Discussion ensued regarding the General Manager's report and duties.

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 commercial water rate and take any necessary action.** Mr. Wilson reviewed the commercial water rate for the District, a copy of the rate order is attached hereto as *Exhibit E*.

President Smalls recommended increasing the irrigation rate to double the commercial water rate amount. She noted that her recommendation is to discourage high irrigation usage because the District is experiencing surface water capacity issues with the City of Houston. The Board decided to table discussion of the commercial water rate until next month's second meeting.

**9. Review and amend Rate Order.** This agenda item was tabled and will be discussed at the second March meeting.

**10. Committee Progress Reports.** Director Smith stated she will begin working on the emergency alert system. She also reviewed the various SharePoint folders for the District.

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

**12. Adjournment/Future Agenda Items.** Director Washington suggested inviting the various HOA's to tour the District building.

It was discussed that February meeting dates will be March 2<sup>nd</sup> and March 16<sup>th</sup> 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 March 2, 2022.

*Shayne Swalle*

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President, Board of Directors

ATTEST:

*Beth Sheehy*

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Secretary, Board of Directors

