

MINUTES OF MEETING OF BOARD OF DIRECTORS

March 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 March 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; Ms. Christie Leighton of Best Trash; Ms. Linda Carter, Building Manager for the District; Ms. Victoria Lastee, resident of the District; and Mr. Byron Thurmond, of BGT.

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 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.** Ms. Lastee inquired about the 18 wheeler cab parked on the street. President Smalls stated she will speak with Sgt. Roe to follow up.

Director Smith joined the meeting at this time.

4. Review Bookkeeper's Report and Investment 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 B*.

Ms. Pfeffer provided a summary of all accounts.

Ms. Pfeffer presented checks for Board approval.

Ms. Pfeffer reviewed the investment report.

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 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.

5. Adopt budget for fiscal year ending March 31, 2023. Ms. Pfeffer reviewed a fourth draft of the budget for fiscal year ending March 31, 2023, a copy of which is attached hereto as *Exhibit C*. She reviewed the revisions and updates. Discussion ensued.

Discussion ensued regarding the General Manager's budget and the addition of \$30,000 to the budget. Upon motion by Director Babers, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted 2-1 to amend the draft budget and remove the additional \$30,000 from the General Manager's Budget. Director Watson Opposed, Director Smalls abstained, and Director Smith expressed unreadiness. Additional discussion ensued regarding the use of the \$30,000 towards the Solar Energy Initiative. Mr. Wilson stated that the Board had previously authorized the General Manager to move forward with gathering information regarding the project. Director Smith opposed the motion. The motion to amend the draft budget and remove additional \$30,000 failed due to lack of majority.

Upon motion by Director Watson, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted 4-1, with Director Babers opposing, to adopt the budget as presented.

6. 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.

7. Security at District Facilities. Mr. Thurmond stated everything is running smoothly and there is nothing major to report at this time.

8. Trash Services Report. Ms. Leighton reported on a resident's trash that was unable to be collected due to incorrect bundling. She stated it was tagged and there were no further issues.

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 16 checks and two wires for Board approval.

Ms. Mata reported that 95.75% of the District's taxes have been collected as of February 28, 2022.

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 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. 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 98.22%.

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

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 Operations Report and to proceed with termination of delinquent accounts.

11. 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 for signatures.

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 G*.

Mr. Kelley reported on the Subsidence District and City of Houston usage. He stated the application for the permit renewal for 120 Million gallons was submitted and will be issued next month. Mr. Kelley stated that Newport MUD is willing to enter in to an agreement regarding groundwater credits. He stated it would cost \$500 to prepare the agreement and \$4.07 per thousand gallons.

Mr. Kelley reported on the surface water meter installation. Mr. Smith stated that the meters have been ordered but there is no completion date at this time.

Mr. Kelley stated that the water plant evaluations took place last week and he will report the findings at a future meeting.

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 Engineer's Report.

12. Approve SB625 Filing with Comptroller. Mr. Wilson stated this is an annual filing and with Board authorization will be completed on behalf of the District.

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 SB625 filing with the Comptroller.

13. Approve Minutes of February 2, 2022 and February 16, 2022. Consideration was given to the approval of the minutes of the meetings of February 2, 2022 and February 16, 2022.

Upon motion by Director Watson, 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 February 2, 2022, as presented. Director Babers abstained.

Director Smalls discussed a revision to the minutes. Upon motion by Director Watson, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted 4-1 to approve the minutes of February 16, 2022 as revised. Director Babers opposed.

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

15. Adjournment/Future Agenda Items. Director Babers made a motion to review the General Manager's contract at next month's meeting. The motion failed due to a lack of a second.

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 review and revise the ethics policy in regards to upcoming conferences at next month's meeting.

Director Babers discussed adding a future agenda item regarding safety issues and guidelines on how to treat each other. Mr. Wilson said that the ethics policy may be revised to include how to treat Directors during a meeting. Mr. Wilson stated that how Directors treat each other outside of a meeting is a personal matter.

Upon motion by Director Smalls, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to discuss the building manager's salary at next month's meeting.

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 May 18, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

