

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 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 March 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; and Ms. Victoria Lastee, resident of the District; Ms. Mica Owens with Logic; Mr. Rudy Caparros with Chlortainer/TGO Technologies, Inc.; and Ms. Linda Carter, Building Manager for 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 Watson 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 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.** Sgt Roe presented and reviewed the security report, a copy of which is attached hereto as *Exhibit B*. She reported on various activity throughout the District and reviewed the trends in crime compared to the previous year. Discussion ensued.

Ms. Lastee inquired about the solar energy initiative presentation. President Smalls stated there was no formal presentation given at this time.

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

Mr. Smith reported on a manhole repair. Mr. Kelley recommended checking the manhole annually. Discussion ensued regarding timing of manhole surveying. Mr. Smith stated that preventative maintenance regarding manholes is presented on the monthly reports.

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 C*.

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 reviewing documents received from Cullen Beltway.

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

Mr. Kelley reported on the Subsidence District and City of Houston usage. Discussion ensued regarding switching to 100% surface water or to remain on groundwater. The Board agreed to stay as is and not take water from the City of Houston at this time.

Mr. Kelley reported on a service request from Best Box Storage. The Board agreed not to proceed with issuing capacity at this time.

Upon motion by Director Smith, 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.

6. Hear Presentation on Chlorine Containment System and take necessary action. Mr. Capparos presented and reviewed information regarding secondary containment which protects the community from chemical releases. He stated that cylinders are processed from within and any failures will be contained. Mr. Capparos reviewed photos of the various systems and explained how they work.

7. Authorize Bookkeeper to open an account with Logic. Ms. Owens spoke on the Logic investment pool and reviewed the various advantages to investing with Logic. She stated that by moving the one account from Bank of New York Mellon to Logic, the District will start earning interest on the account.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted 3-1 to authorize the Bookkeeper to open an account with Logic. Director Watson opposed and President Smalls did not vote due to being temporarily out of the room.

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 14 checks for Board approval stating there are two additional checks being presented that were written after the report.

Upon motion by Director Babers, 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.

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 E*.

President Smalls reported on various items related to the District Administration Building. Ms. Carter reported on a community wide event to take place on Saturday, June 4th from 10:00 a.m. to 3:00 p.m.

President Smalls stated that the rental rules and regulations document has been uploaded to the District website.

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.

10. Discuss Building Manager salary, and take any necessary action. This item will be discussed in executive session.

11. Discuss commercial water rate and take any necessary action. Director Washington stated he wants to compare commercial water rates from other various Districts. This agenda item was tabled at this time.

12. Review and amend Rate Order. This agenda item was tabled.

13. Review and revise Ethics Policy. Mr. Wilson presented the current Ethics Policy for Board review, a copy of which is attached hereto as *Exhibit F*. The Board reviewed the Conference and Seminar Expenses portion of the policy in detail.

Extensive discussion ensued regarding gas expenses and reimbursement for travel. Upon motion by Director Watson, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted 4-1 to implement a surcharge for gas when driving their own vehicle to a conference should the cost of gas be \$4.00 or above per gallon. Director Babers opposed. The Board decided to discuss the surcharge amount at the second meeting in April.

Extensive discussion ensued regarding Director reimbursement for flights. Upon motion by Director Watson, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted unanimously to amend the Ethics Policy to state that lowest available coach rate, including direct flights, will be reimbursed upon Board ratification.

Upon motion by Director Watson, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted unanimously to include hotel parking and valet for Director reimbursement.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and having had the question put to the Board, the Board voted unanimously to not reimburse for alcoholic purchases.

The Board agreed to review the ethics policy offline and present additional revisions at the second April meeting.

Director Babers discussed revising the Ethics Policy to include a statement regarding treating other Board members with respect. Extensive discussion ensued.

14. Committee Progress Reports. Director Watson reviewed the upcoming 2022 conferences. A copy of the spreadsheet is attached hereto as *Exhibit G*.

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

16. Adjournment/Future Agenda Items. It was discussed that April meeting dates will be April 6th and April 20th at 11:30 a.m.

Director Babers left the meeting at this time.

17. Executive session pursuant to Section 551.071, Texas Gov't Code, to confer with attorney regarding matters where the duty of the attorney to the Board requires confidentiality. 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 enter into Executive Session at 3:32 p.m. pursuant to Section 551.071 Texas Gov't Code, to discuss a matter in which the duty of the governmental body under the Rules of Professional Conduct requires confidentiality. At this time all persons left the meeting, except the Board members, Mr. Wilson, and Ms. Koett.

19. Convene in public session. 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 enter into public session at 3:37 p.m. Ms. Koett checked to see if any members of the public wanted to enter the meeting but no one was there.

20. Motions. 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 increase the Building Manager's salary to an amount discussed by the Board.

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 4, 2022.

Shawn Swalle

President, Board of Directors

ATTEST:

Kathy Sheehy

Secretary, Board of Directors

