

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 18, 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 May 18, 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. Carlos Smith and Mr. Laney Brown, of Si Environmental, LLC (“Si”), operator of the District’s facilities; Mr. Reginald Wilson and Ms. Kaity Malek of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; Ms. Linda Carter, Building Manager for the District; Mr. Byron Thurmond of BGT; and Ms. Victoria Lastee and Mr. Mike 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. Public Comments. Ms. Lastee inquired about utilizing the Iris system notifying residents that the meeting will be in person moving forward as well as notifying the residents about the upcoming fair on June 4th. Director Smith stated that the Iris system is only used for alerts. She stated that the website has information regarding the meeting time and place as well as upcoming events. Discussion ensued.

Director Babers inquired about a notification system for non-emergency alerts. Director Smith stated that at this time the District does not have a non-emergency alert system.

Ms. Lastee inquired about the District’s Interlocal Agreement. President Smalls stated that the agreement will be discussed during the engineering report.

Ms. Lastee inquired about the District having evening meetings allowing the residents to attend. President Smalls stated that at this time the District will continue having lunch meetings due to scheduling conflicts with the consultants. She stated that the Board will discuss reinstating quarterly town hall meetings.

Ms. Lastee inquired about the administration building being open to the public. Discussion ensued regarding the water code allowing this to be open to the public when the Board hosts events.

Mr. Smith inquired about the HOA's using the administration building for meetings. President Smalls stated that the HOA will just need to call and schedule a date for use.

3. Review Operator's Report and authorize necessary repairs. Mr. Smith stated that there is no formal report for this meeting.

Mr. Smith updated the Board on the manhole and force mains stating that they are onsite and that the wet well has been virtually fitted.

Mr. Smith reported on the Well #1 progress, stating that Alsay will be pulling the well motor and seeing if there will be any additional costs associated with the project.

Mr. Smith reported that the fencing has not been installed at this time but he will let the Board know once Si knows the date of installation.

President Smalls reported that she was in contact with the Texas Rural Water Association ("TRWA") regarding the water loss with the District's meters. Extensive discussion ensued regarding what has been done thus far and what steps need to be taken to correct this issue with the City of Houston.

Director Watson joined the meeting at this time.

Upon motion by Director Smith, seconded by Director Washington, after full discussion and having had the question put to the Board, the Board voted 4-1, with Director Watson abstaining, to approve the Operator's Report.

4. Review Engineer's Report and take any necessary actions. President Smalls presented and reviewed the engineer's report, a copy of which is attached hereto as *Exhibit B*.

President Smalls reported on the Morningside Place Storm Sewer Improvements, stating that a meeting was held with the HCFCD regarding the agreement. She stated that during the meeting, they discussed payment over three years as well as the erosion issued along the channel. Discussion ensued.

President Smalls discussed with the Board the Bond application, stating that the bond issue will be in the amount of \$3,250,000. She stated that MK is looking for authorization to move forward with preparation of the Bond Application Report for TCEQ submission. Extensive discussion ensued regarding adding the GST to the bond application and any added benefits.

President Smalls stated that MK is currently working with the attorney to schedule a meeting with the COH and HGSD in an effort to develop a plan moving forward that will satisfy all parties. Discussion ensued regarding how to move look to the future in helping the District financially.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and having had the question put to the Board, the Board voted 4-1, with Director Babers

abstaining, to: (1) approve the Engineer's Report; (2) authorize MK to move forward with preparation of the Bond Application Report for TCEQ submission.

5. Review Supplemental Bookkeeper's Report and take any necessary action. Director Smalls reviewed a copy of the supplemental bookkeeper's report, a copy of which is attached hereto as *Exhibit C*.

Director Smalls presented 17 checks for Board approval. Discussion ensued regarding the checks presented.

Discussion ensued regarding Director's expense reports.

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 approve the Supplemental Bookkeeper's Report, to authorize payment of the expenditures listed therein.

6. 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 D*.

President Smalls discussed the ground water credits. She stated that the District will contact the Subsident District regarding the purchase of additional credits. Discussion ensued.

Ms. Carter updated the Board on the June 4th event being held at the administration building. She briefly spoke about the confirmed sponsors and what they would be speaking about throughout the day. She stated that the fair would be held from 10 a.m. until 3 p.m.

It was reported that there was a meeting with Si regarding the sludge haul request. Magna flow confirmed that they will follow the schedule and Si will be monitoring Magna Flows entrance into the plant to make sure they stick to the scheduled pickups.

Director Babers inquired about the staff onboarding and training sections of the report. President Smalls stated that this is included on the report to track the day to day training that is required of the District employees.

Director Watson inquired about the men's bathroom not working properly. President Smalls stated that the battery pack needs to be replaced on the toilet due to the sensor not working properly. Discussion ensued.

Director Babers inquired about having consultant evaluations allowing the Board to track their contributions to the District. Discussion ensued.

Upon motion by Director Watson, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board voted 3-2, with President Smalls and Direcor Babers abstaining, to approve the General Manager's report.

7. Committee Progress Reports. Director Smith discussed with the Board the email and text alerts that will be sent out for testing within the next few months.

8. Approve minutes of March 2, 2022, April 6, 2022 and April 20, 2022.

The proposed minutes of the March 2, 2022 meeting, previously distributed to the Board, were submitted for consideration and approval. Upon motion by Director Watson, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted 4-1, with Director Babers opposed, to approve the minutes of the March 2, 2022 regular meeting, as amended.

Director Babers left the meeting at this time.

The proposed minutes of the April 6, 2022 meeting, previously distributed to the Board, were submitted for consideration and approval. Upon motion by Director Watson, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted to approve the minutes of the April 6, 2022 regular meeting, as amended.

The proposed minutes of the April 20, 2022 meeting, previously distributed to the Board, were submitted for consideration and approval. Upon motion by Director Watson, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted to approve the minutes of the April 20, 2022 regular meeting, as amended.

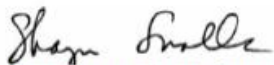
9. Review Consultant Contracts and take any necessary action. This agenda item was tabled.

10. Adjournment/Future Agenda Items. Director Watson inquired about the District's Ethic Policy and clarification of policies listed. Discussion ensued. It was the consensus of the Board to review the Ethics Policy at the June 15th 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 June 1, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

