

MINUTES OF MEETING OF BOARD OF DIRECTORS

June 1, 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 June 1, 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 Mr. Victor 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. Reggie Wilson and Ms. Kaity Malek of Norton Rose Fulbright US LLP (“NRF”), Attorneys for the District; Ms. Kandy Pfeffer of Elite Bookkeeping LLC, bookkeeper for the District; Ms. Linda Carter, Building Manager for the District; Mr. Byron Thurmond, of BGT; Ms. Christi Leighton of Best Trash.

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. President Smalls called the meeting to order.

1. **Opening Prayer.** Director Washington opened the meeting with a prayer.
2. **Public Comments.** There were no public comments.
3. **Constables Report.** There was nothing to report.
4. **Detention Facilities Report.** Director Washington stated that he is awaiting the information regarding desilting on the Brunswick Channel.

Director Smith joined the meeting at this time.

5. **Trash Services Report.** Ms. Leighton presented to and reviewed with the Board the Best Trash Proposal for a Temporary Fuel Recovery Fee, a copy of which is hereto attached as Exhibit B. She reported that with fuel being at an all-time high, Best Trash is seeking approval of a temporary fuel recovery fee until fuel goes below \$3.25. Extensive discussion ensued regarding the fuel calculations and percentage of overall fuel usage. Upon motion by Director Smith, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted 3-1, with Director Washington opposing, to review the updated proposal offline

and allow President Smalls to approve the Temporary Fuel Recovery Fee proposal at a reasonable cost for the District.

6. Security at District Facilities. Mr. Thurmond reported on the District's security cameras. Discussion ensued regarding the cost, and warranty of replacement cameras.

Director Babers joined the meeting at this time.

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 security report and to authorize BGT to submit an estimate on the cameras at all locations and start the replacement of the cameras.

7. 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 and the Delinquent Tax Report, a copy of which is attached hereto as Exhibit C.

Ms. Mata presented 10 checks and two wires for Board approval.

Ms. Mata reported that 98.75% of the District's taxes have been collected as of May 31, 2022.

Ms. Mata reported on the District's 2021 preliminary values.

She reported on the District's penalty and interest.

She reported on the Delinquent list and uncollectables. Discussion ensued.

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 Washington abstaining, 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, and approve sending the delinquent accounts to uncollectables.

8. 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 D.

Ms. Pfeffer provided a summary of all accounts.

Ms. Pfeffer presented checks for Board approval. Extensive discussion ensued regarding the checks presented.

Ms. Pfeffer reviewed the debt service fund.

Ms. Pfeffer reviewed the investment report.

Ms. Pfeffer reviewed the District's budget. She stated that this is a one month budget for April. Discussion ensued.

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.

9. 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 98.68%.

Director Smith left the meeting at this time.

Mr. Smith reported on the District's reoccurring maintenance items.

Mr. Smith reported that the water meter installation at the Water Plant. He stated that the meters did not arrive on time and the installation will be pushed back by 2-3 weeks. Discussion ensued.

Mr. Smith stated that the gate installations have been completed.

Mr. Smith reported that at the Water Plant No. 1 the jockey pump will need to be repaired or replaced. Discussion ensued regarding the warranty and life expectancy of the pump.

Upon motion by Director Babers, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to (1) approve the Operations Report; (2) approve the replacement of the jockey pump at Water Plant No. 1; (3) approve the delinquent cut off list.

10. 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, stating that the agreement has been signed by the District and will be presented at the Commissioner's Court at the next meeting.

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 that the Bond application is in preparation for TCEQ submission.

Mr. Kelley reported on various items regarding the District meeting building, see Exhibit G. Mr. Kelley stated that the kitchen hood fire system was not initially inspected. Once it passes inspection, MK will re-submit the application for the operational permit approval. Discussion ensued.

Mr. Kelley reported on the Subsidence District and City of Houston usage. Director Babers inquired about surface water usage due to coming up on one year of the COH contract. Discussion ensued regarding how to prove the water usage issue, continued payment of the contract and potential of a ground storage tank.

Mr. Kelley reported on the District surface water meters, stating that Si is working on the installation at both plants.

Mr. Kelley reported on a utility service request. He stated that BestBox inquired about a storage facility water one connection. He stated that they are requesting a letter from the District for future water connection once capacity becomes available. Discussion ensued regarding the capacity letter.

Mr. Kelley reported that the Morningside Place Section 2 SWQ Permit is due for renewal July 1. He stated that with Board authorization MK will coordinate the renewal with Harris County.

Director Babers left the meeting at this time.

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: (1) approve the Engineer's Report; (2) authorization for MK to coordinate with Harris County regarding the Morningside Place Section 2 SWQ Permit renewal; (3) authorize MK to create a cost analysis for a GST; (4) ratify the Interlocal Agreement with HCFCFCD.

11. Approve Minutes of May 4, 2022. The proposed minutes of the May 4, 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 unanimously to approve the minutes of the May 4, 2022 regular meeting, as presented.

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

13. Adjournment/Future Agenda Items. Ms. Carter discussed the Health Goals 2022 event that is being held this Saturday, June 4th, from 10 a.m. until 3 p.m.

Mr. Wilson stated that the November elections are right around the corner and that Directors Watson and Washington will be up for re-election. He stated that the application period will be from July 23, 2022 until August 22, 2022. Discussion ensued.

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 June 15, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

