

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 15, 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 15, 2022, at 11:30 a.m. at 3455 Fellows Rd, Houston, TX 77047. 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, except Director Smith, 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. Kandy Pfeffer of Elite Bookkeeping LLC, bookkeeper for the District; Mr. Matthew Kelley of MK Engineering (“MK”), engineer for the District; Ms. Linda Carter, Building Manager for the District; Mr. Malik Qulaniy, resident 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.** The President called the meeting to order.

**1. Opening Prayer.** Director Watson opened the meeting with a prayer.

**2. Public Comments.** Mr. Qulaniy stated that he is here regarding his water bill fee. He presented to the Board the receipt showing that he mailed his check certified mail on May 9, 2022. He stated that the bill was due by May 23, 2022 but it was not picked up by Si until May 24, 2022, resulting in a late payment and penalties. Mr. Qulaniy was advised that to avoid this issue in the future, Certified Mail should not be sent to the SI post office box but instead to the office address directly. Discussion ensued.

Director Babers joined the meeting at this time.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted to remove the penalty fees from Mr. Qulaniy’s account since the USPS and certified mail receipt was provided showing the payment to be mailed on time.

**3. Report by Harris County Constables, Precinct No. 7.** There was nothing to report.

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

Mr. Smith stated that the force main has been completed and the redirection is scheduled next week.

Mr. Smith reported on the COH meter reading, stating that the secondary meter has been installed and that will be used to compare to the original meter. Extensive discussion ensued regarding installing a flow meter for further comparison.

Mr. Smith reported that a resident reached out to Si regarding a sidewalk repair. Si investigated the manhole and sidewalk in question and found the manhole to be structurally sound and stated that the sidewalk is to be repaired by the HOA. Extensive discussion ensued regarding potential manhole and sidewalk repairs. Director Babers was requested to assist in educating the Brunswick Meadows HOA about their responsibility to repair their own sidewalks if the District manholes and facilities remain unchanged.

Director Washington inquired about the District's aerators. Mr. Smith stated that the contractor has verified that everything was working properly.

Mr. Smith reported in the Water Plant fencing, stating that that repair at Water Plant #2 is still under modifications and that Water Plant #1 has been completed. He further stated that quotes are still being gathered for Lift Station #2.

Director Washington inquired about Magana flow's schedule. Mr. Smith stated that they have been on schedule and are being monitored.

**5. 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*.

Mr. Kelley reported on the Morningside Place storm sewer improvements with Harris County Flood Control District, stating that the agreement has been signed and will be presented to Commissioner's Court for approval at their next meeting.

Mr. Kelley reported on the lift station rehab project stating that MK is awaiting approval from the COH and Harris County. Discussion ensued.

Mr. Kelley stated he is working with the District's consultants on the bond application and that it will be submitted in August.

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 that he is currently working with the District's attorney to set up a meeting and is waiting on the GST evaluation to be completed.

Mr. Kelley reported that the District surface water meters have been installed.

Mr. Wilson reported that he has been in contact with the Best Box attorney regarding the water connection request. Extensive discussion ensued regarding the disincentive feeds and connection count. The request was denied

Upon motion by Director Washington, seconded by Director Watson, after full discussion and having had the question put to the Board, the Board voted to approve the Engineer's Report.

**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 22 checks for Board approval with four additional checks for refunding. Discussion ensued regarding the checks presented.

Ms. Pfeffer reported on the District's investments. Extensive discussion ensued regarding the rise of rates and CD renewal terms. Director Watson stated that he is requesting prior notice to review the investment report.

Ms. Pfeffer reported on the District's capital projects funds.

Upon motion by Director Watson, seconded by Director Babers, 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.

**7. 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 stated that she is working with the District's engineer, operator and attorney regarding the COH water meter reading issue. Mr. Wilson stated that he received a missed phone call from the City's attorney and called them back with no answer and is awaiting their return call. President Smalls stated that Texas Rural Water came out and assessed the meter issue and suggested that the District get a flow detection meter. Discussion ensued.

President Smalls reported that the District's first event, Health Fair Goals 2022, was a great success. She stated that she is looking to hold an event moving forward on a quarterly basis. Discussion ensued.

President Smalls reported on various items related to the District Administration Building.

Upon motion by Director Watson, seconded by Director Washington, after full discussion and having had the question put to the Board, the Board voted 3-1, with President Smalls abstaining, to approve the General Manager's report.

**8. Committee Progress Reports.** Director Watson stated that he received an email for the Water Environment Federation's Technical Exhibition and Conference which will be held in New Orleans on October 8 thru October 12, 2022.

Director Babers stated he would like to see the asset management committee consider adopting the guidelines set by the AWWA in the materials from the ACE22 conference.

Discussion ensued. It was the consensus of the Board to further discuss this offline through the committee prior to involving the consultants.

**9. Approve minutes of May 18, 2022.** The proposed minutes of the May 18, 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, 3-1, with Director Babers abstaining, to approve the minutes of the May 18, 2022 regular meeting, as amended.

**10. Review and revise Ethics Policy.** The Board reviewed the District's Ethics Policy and extensively discussed the mileage reimbursement rates. Director Watson proposed that with the increase of gas prices, the reimbursement rate should be raised and Director Babers expressed his opinion that the standard rate of \$0.585 was enough to cover gas and mileage. The motion failed due to a lack of a second. It was the consensus of the Board to leave the mileage rate at \$0.585 per the IRS standard but to continue to monitor the price of gas and possibly reconsider.

The Board extensively discussed the Director Fees of Office and Reimbursement of Expense. Upon motion by Director Washington, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted. 3-1, with Director Babers abstaining to approve the revised Ethics Policy: Director Fees of Office and Reimbursement of Expenses to include that all advances shall be reconciled within two regular board meetings or no further advances shall be given to Directors who fail to reconcile their expenses in a timely fashion twice.

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

**12. Adjournment/Future Agenda Items.** There was nothing to report.

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 July 6, 2022.

*Shayn Smalls*  
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President, Board of Directors

ATTEST:

*Kathie Sheehy*  
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Secretary, Board of Directors

