

MINUTES OF MEETING OF BOARD OF DIRECTORS

July 6, 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 July 6, 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
A.K. Babers, Assistant Secretary
Byron Keith Watson, Sr., Investment Officer

All members of the Board were present, except Director Smith, thus constituting a quorum. Mr. Victor Gilmore of Wheeler & Associates (“Wheeler”), tax assessor and collector for the District; Mr. Carlous Smith, Mr. Mike Thornhill 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; Ms. Kaity Malek of Norton Rose Fulbright US LLP (“NRF”), Paralegal for the District; Ms. Kandy Pfeffer of Elite Bookkeeping LLC, bookkeeper for the District; Ms. Juanita Williams, Building Manager for the District; Mr. Byron Thurmond, of BGT; Mr. Stephen Hamilton of Environmental Allies; and Mr. Mike Smith, 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. 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. Mr. Hamilton presented to and reviewed with the Board the Detention Facilities Report, a copy of which is attached hereto as Exhibit B. Mr. Hamilton reported on the maintenance at Brunswick Meadows, Brunswick Lakes, Morningside Place, Brunswick Lakes Channel, Morningside View, and the STP pond. Discussion ensued.

Mr. Hamilton presented to and reviewed with the Board the maintenance budget, see Exhibit B. He reported that due to inflation and market values, he is requesting a 60% raise in the budget. He stated that he recommends that the District put this out for bid and allow them to rebid. Extensive discussion ensued. It was the consensus of the Board to not move forward with Environmental Allies as the District’s maintenance company and to put this out for bidding.

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 detention facilities report.

5. **Trash Services Report.** This item was deferred to the next meeting.

6. **Security at District Facilities.** Mr. Thurmond reported on the District's security camera maintenance. Discussion ensued.

7. **Review Interlocal Agreement with Harris-Galveston Subsidence District and take any necessary actions.** This item was deferred to the July 20, 2022 meeting for further discussion with the District's attorney.

8. **Review report by Tax Assessor and Collector's Report and authorize payment of certain bills.** Mr. Gilmore 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 D.

Mr. Gilmore presented 19 checks and one wire for Board approval. Discussion ensued.

Mr. Gilmore reported that 98.95% of the District's taxes have been collected as of June 30, 2022.

Mr. Gilmore reported on the Delinquent list and uncollectables. He stated that there were two installments, one of which was paid and the other is showing significant progress on the payment.

Upon motion by Director Washington, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted 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.

9. **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 E.

Ms. Pfeffer provided a summary of all accounts.

Ms. Pfeffer presented checks for Board approval. Discussion ensued regarding the checks presented.

Ms. Pfeffer reviewed the debt service fund.

Ms. Pfeffer reviewed the investment report. She stated that there are no cd's up for renewal at this time. Discussion ensued.

Ms. Pfeffer reviewed the District's two month budget. Discussion ensued.

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 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.

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 98.99%.

Mr. Smith stated that Water Well No. 1 was pulled for inspection. Discussion ensued.

Mr. Smith stated that the manholes have been recoated and that Si is now waiting on the fittings to arrive. He stated that there is no scheduled delivery date at this time.

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

Mr. Smith stated that the District's Consumer Confidence Report was prepared in the month of June.

Mr. Smith reported on the delinquent cut off list for the month of June.

Director Babers discussed with the Board the previous issue regarding the manhole and concrete, as discussed in the June meeting. He stated that due to the cracked concrete, he is concerned with a failure in the manhole. Mr. Smith stated that after inspection of the manhole, Si found it to be intact and not failing at this time. Extensive discussion ensued regarding the responsibility of fixing the concrete surrounding the manhole. President Smalls requested that Director Babers contact the Brunswick Meadows HOA, as their stated representative on the WCID 89 Board, to explain the findings of the Engineer and Operator which was offered on multiple occasions as well as distinguishing between Harris County storm sewer manholes and District sanitary sewer manholes to avoid misinformation.

Babers inquired about the nitrification program that the District has in place. Mr. Thornhill stated that there is a plan in place but it is not active at this time due to our current use of 100% well water.

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 (1) approve the Operations Report and (2) approve the delinquent cut off list.

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 that the Morningside agreement was signed and will be moving forward with advertising and bids.

Mr. Kelley stated that the bond application report should be ready for presentation by the August meeting.

Mr. Kelley reported on Change Order No. 17, stating that it is a credit to the District for the cost of the plumbing repair on the domestic water line and resulting in a decrease of \$590 to the total contract price.

Mr. Kelley reported that he received the operational permit for the meeting building and that it will be renewed annually, July 5, 2023. Discussion ensued regarding the HCFMO inspection.

Mr. Kelley reported that MK is currently evaluating the option of adding a GST to accept surface water 24 hours per day and will present the findings at a future meeting.

Mr. Kelley reported that the District surface water meters are planned to be connected to the SCADA system once that project is authorized and constructed.

Mr. Kelley compared the District water well numbers one and two. He stated that should the District desire to increase the capacity of Water Well No. 1, the pump and motor could be replaced with a larger pump and motor which could increase the capacity. Discussion ensued.

Mr. Kelley reported that during the semi-annual evaluation of Water Well No. 2, GM Services noted high sand production from the well. He stated that even though the sand production is elevated, GM Services did not find any brass in the water and the capacity of the pump has not suffered. Discussion ensued.

Upon motion by Director Watson, 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. Discuss the Interlocal Agreement with Harris County Flood Control regarding installment payments and take any necessary actions. Director Smalls stated that the commissioners court passed the agreement on June 14, 2022 and that the District is now in agreement with Harris County Flood Control. Discussion ensued regarding the installment payments. Upon motion by Director Watson, seconded by Director Washington, after full discussion and the question being put to the Board, the Board voted to approve the first of three installment checks in the amount of \$100,000.00.

13. Approve Minutes of June 1, 2022 and June 15, 2022. The proposed minutes of the June 1, 2022 meeting, previously distributed to the Board, were submitted for consideration and approval. 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 minutes of the June 1, 2022 regular meeting, as presented.


The proposed minutes of the June 15, 2022 meeting, previously distributed to the Board, were submitted for consideration and approval. Upon motion by Director Watson, seconded by Director Babers, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the June 15, 2022 regular meeting, as amended.

14. Adjournment/Future Agenda Items. Director Babers inquired about obtaining a copy of the employee contract for the new building manager, Ms. Juanita Williams. 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 August 3,
2022



President, Board of Directors

ATTEST:



Secretary, Board of Directors

