

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 21, 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 September 21, 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. Kandy Pfeffer of Elite Bookkeeping, bookkeeper for the District; Ms. Juanita Williams, Building Manager for the District; Mr. David Lucyk of Lake Olympia Estates 1 LTD; Ms. Victoria Lastee and Mr. Mike Smith, residents of the District; and Deputies O. Urbina and M. Rodriguez with Constables Office.

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. Mr. Lucyk stated that he is here to inquire about the Subsidence District capacity issues within the District. Mr. Wilson stated that this will be discussed during the Engineer’s report. Mr. Wilson stated that the District is waiting on the paperwork from the COH to allow District to enter into the Ground Water Reduction plan to supply the remainder of the District. Discussion ensued.

Ms. Lastee inquired if the District has secured a new mowing contract for the District. President Smalls stated that Seaback, the contract that maintains the facilities, is currently mowing throughout the District until a new contract has been secured. Discussion ensued.

Mr. M. Smith discussed with the Board the issues surrounding the removals of the election yard signs. Extensive discussion ensued.

Director Smith joined the meeting at this time.

Mr. M. Smith inquired about the mowing schedule within the neighborhoods. President Smalls stated that the companies mower broke and is currently being fixed. Once that is back online the mowing will continue as scheduled within the neighborhoods and she will continue to follow up with the HOA Boards. He then stated that the grass on the vacant property near Brunswick Lakes needs to be cut. Director Washington stated that he will reach out to the private owner to have it mowed.

Director Babers inquired about the District's general email, Directors@WCID89.org. President Smalls stated that unfortunately that email is not working at this time and stated that should a resident have concerns then to direct them to any Directors personal WCID89 email address. Extensive discussion ensued.

3. Approve Continuing Disclosure Report and filing with EMMA. Mr. Wilson requested authorization to file the Disclosure Report with the Municipal Securities Rulemaking Board, a copy of which is attached hereto as Exhibit B and noted that it will be posted for public view on the Electronic Municipal Market Access ("EMMA") website. Mr. Wilson stated that the Audit Report will also be submitted with the Continuing Disclosure Report. 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 authorize NRF to file the Disclosure Report and the Audit Report with the Municipal Securities Rulemaking Board.

4. Review Operator's Report and authorize necessary repairs. Mr. Smith presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit C.

Mr. C. Smith reported that he has received a quote for the fire hydrant paintings within the District. Director Watson inquired if the quote received included all of the hydrants within the District to be painted or if it included only the hydrants that are chipping. Mr. C. Smith stated that this was for all of the hydrants in the District. He stated that he recommends having them all painted at once for uniformity. Extensive discussion ensued. It was the conclusion of the Board to have Si reach out for more bids for comparison and bring back for further discussion at the next meeting.

Director Babers left the meeting at this time.

Mr. C. Smith stated that Si received a quote for the driveway repair at the District facility. He stated that this will be completed after the well work is completed.

Mr. C. Smith reported on the Sewer Treatment Plant cleaning and valve stem replacement, see exhibit C. discussion ensued regarding the replacement.

Upon motion by Director Smith, seconded by Director Watson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's report and approve the valve stem replacement.

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 D.

Mr. Kelley reported that the Morningside Place storm sewer improvements project will be moving to the advertising and bidding phase with construction expected to begin by the end of the year. He stated that the project will be split into two phases and that construction will start around February 2023.

Mr. Kelley reported that MK received plans back from the COH for the Lift Station rehabilitation and will be advertising and bidding the project over the next few weeks and anticipate construction starting towards the end of the year.

Mr. Kelley reported that the Bond report is being circulated for final review before submitting to the TCEQ and that Mk will email it to the Board for review with intent to have order for next meeting.

Mr. Kelley reported that Frost Construction and Grey Mechanical continue working on the condensation issues. President Smalls stated that Frost Construction came in last week to review this issue

and that the contractor stated he believes the reason for the extra heat in the bathroom could be from the very little insulation installed. Discussion ensued.

Mr. Kelley stated that Iron Access continues to work on the fence and has completed approximately 70% of the work.

Mr. Kelley stated that as discussed previously, the COH has proposed that the District join the COH GRP. MK is awaiting the City's delivery of a sample contract, a list of potential buy-in costs, and any effects that joining the COH GRP will have on the District's ability to use well water as it chooses. Mr. Wilson stated that the COH has gone silent and that he will follow up with them. He further stated that the Board will need to enter into an executive session at the end of the meeting to discuss the HGSD.

Mr. Kelley reported that the apartment complex from Mega Energy has reached out to get an extension on capacity letter due to the previous letter expiring. He further stated that he will let them know that the property they own needs to be maintained.

Mr. Kelley reported that MK has received two bids for the Water Well No. 1 pump and motor replacement, both of which came in over the contractor's estimate, see exhibit D. He stated that both contractors are fully capable, of performing the work and MK offers no objection to awarding the project to either contractor for the base bid or the base bid plus alternates. Extensive discussion ensued. Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted to award the project to Alsay in the amount of \$181,310.00.

Mr. Kelley stated that as discussed previously, once Well No. 1 is placed back in service, the District should pull the Water Well No. 2 pump and televise the well to determine if repairs need to be made to the screens or casing.

Upon motion by Director Washington, seconded by Director Smith, after full discussion and having had the question put to the Board, the Board 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 E.

Ms. Pfeffer presented 17 checks for Board approval-

Ms. Pfeffer reported on the District's debt service funds.

Ms. Pfeffer reported on the District's investments. She stated that there are several CD's that are up for renewal that have matured. She discussed with the Board the CDs that will be renewing. 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 Ms. Pfeffer to move forward with renewing Vertex and Tx Capital at 12 months. Ms. Pfeffer then discussed the debt service CD's that are up for renewal. 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 Ms. Pfeffer to move forward with moving funds from Ban Corp to Sunflower and Spirit to Live Oak for the best rates and to renew the remaining accounts at the highest rates for 12 months.

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

Ms. Pfeffer reported on the current budget with the Board and the line items listed therein. Discussion ensued.

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 approve the Supplemental

Bookkeeper's Report excluding the Investment Report, to authorize payment of the expenditures listed therein.

7. Discuss General Manager 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 F.

President Smalls reported that she will send the operator a few names of manufactures for the flow detection meters.

President Smalls reported that the District will be hosting a neighborhood night out on October 4, 2022 at 6:00 P.M. She stated that administration has been actively in contact and involved with talking to the HOA Boards and coming out to get together. Ms. Williams discussed with the Board the various companies that will be in attendance as well as the various activities throughout the night. She further stated that there will be a Women's Business Forum held at the administration building on October 22.

President Smalls reported that the District received an enforcement letter from the TCEQ regarding the low chlorine residuals. She stated that there is a \$526 penalty for it being low at the time of their testing. Mr. C. Smith stated that while the TCEQ was testing the District's water, Si was also flushing and was made aware of the low chlorine. He stated that Si took immediate action and resolved the issue and the TCEQ adjusted the price to a \$421 fine. Discussion ensued.

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, with President Smalls abstaining, to approve the General Manager's report and the TCEQ low chlorine residuals enforcement letter in the amount of \$421.00.

8. Committee Progress Reports. Director Washington stated that in light of Mr. M. Smith's concerns for the overgrowth at the District facilities he will gather quotes for trimming the trees and shrubs back. He stated that there is another tree on the channel that will possibly need to be cut back as well.

President Smalls stated that she will have all of the minutes uploaded this week.

9. Executive session pursuant to Section 551.071 for the purpose of a private consultation with the Board's attorney on matters in which the attorney's duty to the governmental body requires confidentiality under the Rules of Professional Conduct of the State Bar of Texas. The President opened discussion to an executive session under Section 551.071 of the Open Meetings Act for a private consultation with its attorneys. Upon motion by Director Washington, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously at 1:22 p.m. to enter into executive session pursuant to Section 551.071, Texas Gov't Code, for private consultation with its attorney on a matter in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas requires confidentiality. The following persons in attendance: the Directors, Mr. Wilson, Ms. Malek, Mr. Kelley. 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 reconvene in public session at 2:01 p.m.

10. Adjournment/Future Agenda Items. The Board discussed adding the ethics policy and outstanding issues regarding such for the October 19th 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 October 5, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors