

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
March 7, 2016

ACTIONS TAKEN

1. The Board approved the minutes of the February 1, 2016, meeting.
 2. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
 3. The Board approved the Operations and Maintenance Report presented by EDP.
 4. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 5. The Board adopted the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects.
 6. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
 7. The Board approved the Order Declaring Candidates Elected declaring Directors Geaslen, Rhodes and Campbell re-elected for an additional term expiring in May 2020.
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The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at the Board's regular meeting place, 20303 Chasewood Park Drive, Houston, Harris, County, Texas 77070 on March 7, 2016, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

David Geaslen, President
Michael Rhodes, Vice President
Steve Garner, Secretary
Rosalind Theriot, Assistant Secretary
Becky Campbell, Assistant Secretary

All of said persons were present, therefore constituting a quorum.

Also present were Corporal Curry and Deputy Singh of the Harris County Constable's Office, Precinct No. 4; Claudia Redden of Claudia Redden & Associates L.L.C.; Dennis Eby of Eby Engineers, Inc. ("Eby"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Kevin Drewes of Genesis Capital Advisors, L.L.C. ("Genesis"); Ed Jones of Hewlett Packard ("HP"); and Kara Richardson of Marks Richardson PC ("MRPC").

APPROVAL OF MINUTES

As the first order of business, the Board considered approval of the minutes of the Board of Directors meeting held on February 1, 2016. After discussion, Director Theriot made a motion to approve the minutes of the February 1, 2016, Board of Directors meeting, as written. Director Campbell seconded the motion, which carried unanimously.

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next considered the Security Patrol Report (**Exhibit A**). Deputy Singh reviewed the report. Director Theriot stated that she has received a couple of calls regarding residents not seeing a visible constable presence in the District. Deputy Singh stated that she was on vacation for a week which may be the reason for the decrease in visibility.

Corporal Curry and Deputy Singh exited the meeting at this time.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Director Rhodes stated that he had nothing new to report. Mr. Eby stated that he received a report that reflected quite a few call-outs. The Board discussed tweaking the monitoring schedules in connection with the upcoming time change.

DEVELOPERS' REPORTS
GENESIS CAPITAL PARTNER, L.L.C.

The Board next considered the status of development in the District by Genesis. Mr. Drew stated that someone hit a Type-E inlet and asked who would be the appropriate party to repair it. Mr. Eby stated that the inlet is likely the responsibility of Chasewood. He stated that many facilities were installed 8 years ago and noted that he does not believe any of the facilities were ever conveyed to the District. Ms. Richardson stated that she will check District records to confirm.

The Board discussed whether or not certain roads in Chasewood were conveyed to Harris County. Mr. Eby stated that he will look into the matter.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Mr. Arterburn presented and reviewed the attached Tax Assessor-Collector Report (**Exhibit B**) dated March 7, 2016. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He noted that collections for 2015 are at 99.44%. After discussion of the report, Director Rhodes made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Theriot seconded the motion, which carried unanimously.

Ms. Richardson next presented the delinquent tax report (**Exhibit C**) dated March 7, 2016, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit D**).

Mr. Thiry stated that EDP sent an invoice to HC MUD 468 for the water used through interconnect over the last several months.

Mr. Thiry next stated that EDP filed the Homeland Security Update with the TCEQ. Mr. Thiry further noted that EDP will include a notice of the scheduled valve flushing in the next water bill.

Mr. Thiry next discussed the status of the valve survey and various repairs. He stated that EDP has resolved 7 of the 9 valve issues listed in the survey. He noted that valve #7 on the survey cannot be located and that EDP will need to tear up concrete to locate it. He reviewed details regarding additional valves and noted that the cap on valve #9 blew while trying to test it which resulted in a portion of the neighborhood residents being without water from approximately 2:30 p.m. until 9:00 p.m.

The Board discussed possible courses of action to prevent residents from going without water in the future when and if problems arise. Director Geaslen asked Mr. Eby to look into potential interconnects with Lakewood Forest MUD ("LF MUD"). Mr. Eby stated that he has identified 3 potential locations and that he has scheduled a meeting with LF MUD's engineer next week to discuss the idea. He suggested constructing an unmetered interconnect with LF MUD but noted that LF MUD

has not converted to the use of chloramines so any potential interconnect could not be used long term. Mr. Eby stated that he believes the potential interconnect location on Normont may be the best location.

Director Campbell stated that the District needs a better means of communicating service issues to residents, citing a recent posting from a District resident stating that the District is not keeping up with preventative maintenance. The Board discussed options for informing residents, including the Annual Water Conservation meeting, the District's website, and water bills. After discussion, the Board concurred to put a instructions in the next water bill instructing residents to contact the District's operator to find out information during any service outages.

Mr. Thiry stated that EDP now has software where they can input GPS information for all valves into the system. He stated that he will share the information with Mr. Eby.

Mr. Thiry next reported that certain commercial customers are showing a reduction in usage. He stated that he spoke with Mr. Jones of HP to confirm the meters associated with the HP facility. He also noted that HP turned off an irrigation meter which could account for the reduction in usage.

Ms. Richardson stated that she will follow up on the correspondence previously sent to the North Harris County Regional Water Authority requesting a credit on the surface water fees attributable to the water lost during the water line break in early January.

Mr. Thiry next stated that he would like to test the interconnect meter with HC MUD 468 to ensure it is properly measuring flow. The Board agreed that EDP should test the meter.

After discussion, Director Rhodes made a motion to approve the Operations and Maintenance Report as presented. Director Garner seconded the motion, which carried unanimously.

AMENDMENT TO OPERATOR CONTRACT

The Board next considered amending the Agreement for Operating Services to increase EDP's authority to act on behalf of the District to undertake certain repairs without prior approval of the Board. After discussion, the Board deferred amending the Agreement at this time.

ENGINEERING REPORT

The Board next considered the Engineering Report (**Exhibit E**).

Mr. Eby reported that the water line repair was scheduled to start today but that the start date has been delayed due to the pending storms over the next few days.

Mr. Eby next reported that he is starting to work on plans for the lift station rehabilitation again, noting that the design process was temporarily put on hold to address the water line break.

Mr. Eby next reported that the trail is cracking badly in certain areas and recommended that the District authorize repairs. Director Geaslen reported a dead tree located near the track. Mr. Eby stated he will get a proposal for the track repairs and contact Brian Gardens about the dead tree.

Director Theriot next stated that she believes that bikers are parking in the park parking lot before biking as opposed to the new parking lot constructed for the bikers. Director Campbell stated that the bike club is notifying bikers of the new parking lot. Directors Garner and Theriot discussed installing a sign stating that the parking lot at the park is for park patrons only. The Board discussed the possibility of expanding the parking lot. Mr. Eby stated that he will look into the matter.

Mr. Eby next reported that he is working with on Lone Star on the design for the construction of the lines to serve Lone Star's new building.

After discussion, Director Rhodes made a motion to approve the Engineering Report and the invoices set forth therein. Director Theriot seconded the motion, which carried unanimously.

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE

The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and consideration of authorizing a survey of wages. Ms. Richardson presented a spreadsheet reflecting Prevailing Wage Rates for Construction Projects for the Harris County Department of Labor (**Exhibit F**) and reviewed the Resolution with the Board. After discussion, Director Rhodes made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the Harris County Department of Labor rates. Director Theriot seconded the motion, which carried unanimously.

UTILITY DEVELOPMENT AGREEMENT WITH LONE STAR COLLEGE

The Board next deferred approval of a Utility Development Agreement with Lone Star College, as Ms. Richardson noted that she is waiting on comments from Mr. Eby.

UTILITY COMMITMENT REQUESTS

The Board next considered the issuance of utility commitments, including ratification of commitment letter with Lone Star. No one present had any to report.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit G**), including the checks presented for payment. The Board asked about the SPA adjustment line item on September 30, 2015. Ms. Redden stated that she will look into it. Ms. Redden reviewed current developer deposits (**Exhibit F**) and asked Mr. Eby to check on the status of projects so that she can return any unused deposits back to the developers. After discussion, Director Campbell made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded the motion, which carried unanimously.

UNCLAIMED PROPERTY REPORT

The Board next considered authorizing the bookkeeper and tax assessor to prepare a 2016 Unclaimed Property Report and the filing of same with the State Comptroller prior to the July 1, 2016 deadline. After discussion, Director Rhodes made a motion to authorize the District's consultants to research the District's accounts to determine the necessity of preparing an Unclaimed Property Report, and, if such report is necessary, authorize the District's Bookkeeper to file same with the State Comptroller prior to July 1, 2016. Director Theriot seconded the motion, which carried unanimously.

DISTRICT WEBSITE

The Board next considered the status of the District's website. Director Theriot stated that the website is up to date.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. Mr. Eby stated that he will order a sign for the parking lot at the park.

SUPPLEMENTAL AGENDA
CANCEL DIRECTOR ELECTION

The Board next considered the adoption of an Order Declaring Candidates Elected and the cancellation of the May 7, 2016, Director Election. Ms. Richardson advised that in accordance with Subchapter C, Chapter 2 of the Election Code and Section 2.052 of the Election Code, after 5:00 p.m. on February 19, 2016, the District may cancel the election if each candidate whose name appears on the ballot and/or has registered as a write-in candidate is unopposed in such election, and the Board of Directors of the District can declare such unopposed candidates to be re-elected for an additional term. Ms. Richardson presented a certificate declaring all candidates unopposed and the Order Declaring Candidates Elected. After discussion, Director Rhodes made a motion to adopt the Order declaring Directors Geaslen, Rhodes, and Campbell re-elected for an additional term expiring in May 2020 and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Garner seconded the motion, which carried unanimously.

ADJOURNMENT OF BOARD MEETING

There being no further business to come before the meeting, it was adjourned.


Secretary, Board of Directors

LIST OF EXHIBITS

March 7, 2016

- Exhibit A. Patrol Report
- Exhibit B. Tax Assessor-Collector's Report Taxes
- Exhibit C. Delinquent Tax Report
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineering Report
- Exhibit F. Wage Rate Scale
- Exhibit G. Bookkeeping Report
- Exhibit H. Developer Deposits