

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
July 5, 2016

ACTIONS TAKEN

1. The Board approved the minutes of the June 6, 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 authorized the District's operator and engineer to do a comprehensive inspection of all District facilities.
 5. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 6. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
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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 July 5, 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 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"); Greg Camp and Jeff Cotton 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"); 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 June 6, 2016. After discussion, Director Rhodes made a motion to approve the minutes of the June 6, 2016, Board of Directors meeting, as written. Director Theriot 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 noted that the yearly HOA meeting is coming up and reminded Deputy Singh that the HOA would like for the Constable to attend.

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 there are no issues to report.

DEVELOPERS' REPORTS

GENESIS CAPITAL PARTNERS, L.L.C.

The Board next considered the status of development in the District by Genesis. Mr. Drewes stated that he had nothing new to report. Director Theriot asked about the status of flood recovery efforts. Mr. Drewes stated that all tenants are back in their buildings.

LONE STAR COLLEGE SYSTEM

The Board next considered the status of development in the District by Lone Star. Director Garner stated that Lone Star would like the Board to consider adding commercial irrigation meters to the District's Rate Order. After discussion, the Board concurred to add an item to the next agenda to consider the matter.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Ms. Arterburn presented and reviewed the attached Tax Assessor-Collector Report (**Exhibit B**) dated June 30, 2016. She reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Theriot made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Campbell seconded the motion, which carried unanimously.

Ms. Richardson next presented the attached list of delinquent accounts, dated May 6, 2016, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (**Exhibit C**).

OPERATIONS REPORT

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

Mr. Camp reviewed repairs EDP made during the month. The Board discussed a quote from NTS to repair the bar screen. Ms. Richardson explained the amendment to the Texas Ethics Commission rule which now requires that vendors present Forms 1295 before the Board can take any action to approve a contract. After discussion, the Board deferred approval of the quote.

Mr. Camp next reported that the work for the explosive gas meter has begun and is approximately 60% complete.

Mr. Camp next reported that the vent fans on top of each ground storage tank need replacement. He presented two proposals for the work. After discussion, the Board deferred taking any action until executed Form 1295s are presented.

Mr. Camp next reported that EDP received a request from the customer at 11418 Cypresswood Trail regarding an abnormally high water bill. Mr. Camp noted that the customer's average water bill is \$18.00 and that the bill in question is \$173. He noted that the customer attributes the high bill to a line break that occurred during the recent flooding when a military truck drove over the pipe connection while evacuating them from their home. After discussion, Director Theriot made a motion to authorize EDP to reduce the customer's bill to \$18.00. Director Campbell seconded the motion, which carried unanimously.

Mr. Camp next reported that EDP received a customer call during the month regarding the eroded area by the trail. He stated that there is caution tape around the eroded area. The Board discussed various options to repair the trail.

Director Rhodes next discussed a seminar at the AWBD conference that discussed reclaimed water usage. Director Rhodes suggested that Mr. Eby perform a study to look into the feasibility and costs associated with using reclaimed or “grey” water for irrigation purposes. After discussion, the Board concurred to add an item to the next agenda to consider grey water conversion.

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

PAYMENT SERVICES AGREEMENT

The Board next deferred considering approval of a Payment Services Agreement regarding new electronic payment options among EDP, First Billing Services, LLC, and the District.

ENGINEERING REPORT

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

Mr. Eby reported that the water line repair is complete and pending approval by HCFCD. He noted that he met with the HCFCD who informed him that the site needs to be reworked following the recent flooding. Mr. Eby suggested waiting until after the summer to try to fix it and noted that he is still holding the final check for the contractor.

Mr. Eby next reported that he is working on the plans for the lift station rehabilitation. He stated that he needs answers from Centerpoint regarding the electrical design, noting that the current configuration has the electricity metered and paid for by Lone Star.

Mr. Eby next reported that he is still working on the survey for the water and sanitary sewer to serve the new Lone Star Science Building. He stated that he sent a letter to Lone Star stating that the District has no objections to the proposed discharges and the District’s proposal to regularly test the effluent in the sample well. He also stated that the plans still need a few revisions and he is waiting on resubmittal.

Mr. Eby next reviewed various work performed by Brian Gardens (“BG”) during the month. He stated that BG installed the bicycle sign at the park and a new trail sign.

The Board next discussed the trail repairs. Mr. Eby stated that he spoke with Mr. Terpstra regarding the easement property and that Mr. Terpstra informed him that someone contacted him about possible constructing a soccer field on the property. He also reported that Mr. Terpstra asked if the District might be interested in buying the land to develop a park. Mr. Terpstra also told Mr. Eby that he would like to develop the frontage property as commercial development and donate the back property to an entity for the development of a park if such entity would agree to take care of the required mitigation for the entire tract. Mr. Eby stated that Mr. Terpstra further suggested that the

District build a fence along that portion of the trail. Director Theriot stated that she does not know if the District could put a fence in that location because it is in the floodway and would impede water flow. Mr. Eby stated that he will follow up with Mr. Terpstra.

Mr. Eby next reported that the damaged area of the trail is small and that there are caution signs there. Director Theriot suggested that BG keep tabs on the location to make sure that the signs remain in place until the area is repaired or that portion of the trail is relocated.

Mr. Eby next reported that he spoke with Mr. Thiry regarding various facility updates recommended by EDP. Mr. Eby suggested that the Board authorize himself and EDP to perform a comprehensive inspection of District facilities to determine a list of facility needs. After discussion, Director Garner made a motion to authorize Eby and EDP to perform a comprehensive inspection of all District facilities. Director Theriot seconded the motion, which carried unanimously.

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

UTILITY COMMITMENT REQUESTS

The Board next deferred consideration of the issuance of utility commitments, after noting that no requests had been received.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. She stated that she received a check from the District's insurance company relative to the flood damage. After discussion, Director Rhodes made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Campbell seconded the motion, which carried unanimously.

Ms. Redden stated that she will bring a draft budget next month for the District's fiscal year ending September 30, 2017 for the Board and consultants to review.

REQUEST FROM GHORBA

The Board next considered a request from the Greater Houston Off-Road Biking Association ("GHORBA") regarding trail maintenance. Ms. Richardson stated that she and Director Campbell will contact the Harris County Flood Control District to inquire about any existing Interlocal Agreements regarding the trails.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas.

ADJOURNMENT OF BOARD MEETING

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


Secretary, Board of Directors

LIST OF EXHIBITS

July 5, 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. Bookkeeping Report