

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
July 6, 2017

ACTIONS TAKEN

1. The Board approved the minutes of the June 5, 2017, 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 a Compass Treasury Management Agreement.
 5. The Board approved Pay Application No. 1 from T Construction, LLC in the amount of \$191,942.52.
 6. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 7. 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 6, 2017, 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 Sergeant Gonzales 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 Andy Phelps of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Paul Vangrieken 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 5, 2017. After discussion, Director Garner made a motion to approve the minutes of the June 5, 2017, Board of Directors meeting, as written. Director Rhodes seconded the motion, which carried unanimously.

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next considered the Security Patrol Report (**Exhibit A**). Sergeant Gonzales reviewed the report. Director Rhodes requested that Sergeant Gonzales thank Deputy Singh for her patrolling of the neighborhoods on July 4th as it deterred people from shooting off fireworks.

Sergeant Gonzales exited the meeting at this time.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Mr. Eby stated that the security company called him today to report that the cameras at the Water Plant and Wastewater Treatment Plant were out today, nothing that it is likely due to a Comcast issue. He stated that the modem my need to be reset.

Director Campbell and Mr. Vangrieken entered the meeting at this time.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Mr. Arterburn presented the attached Tax Assessor-Collector Report (**Exhibit B**) dated June 30, 2017. The Board 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, to approve the checks identified in the report for payment, and to authorize moving the subject delinquent accounts to collections. Director Garner seconded the motion, which carried unanimously.

DEVELOPERS' REPORTS

GENESIS CAPITAL PARTNER, L.L.C.

The Board next considered the status of development in the District by Genesis. Mr. Vangrieken reviewed the status of various projects with the Board. He discussed the electricity connection from the Lift Station to the freeway, noting that CenterPoint wanted to install polls to run the lines overhead but that Genesis is not in favor of that because it could potentially decrease the value of the property. Mr. Vangrieken stated that CenterPoint agreed to install the power lines in the ground.

Mr. Vangrieken next reported that Genesis met with Harris County regarding the existing trails extending into the Chasewood property and noted that Chasewood will provide the easements necessary to help connect the trails to Kickerillo Park.

Mr. Vangrieken next reported that Genesis is currently reevaluating what to do with the remaining land in Chasewood as it has not yet sold. He discussed the possibility of bringing the remainder of the site out of the floodplain to develop an apartment complex. He requested that the Board authorize Mr. Eby to work with Dannenbaum Engineers, on the feasibility of such development. Mr. Eby stated that the District allocated a total of 65,000 gallons of sewer plant capacity to Genesis so that would need to ensure that any new development would keep Genesis' total capacity allocation below such amount. After discussion, the Board concurred that Mr. Eby could work with Dannenbaum to investigate the feasibility of the proposed development.

OPERATIONS REPORT

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

Mr. Camp reviewed repairs EDP made during the month. He stated that NTS replaced Blower 4 at a cost of \$10,788.

Mr. Camp next reported on the lift station power issues. He stated that AT&T replaced the conductors which will hopefully allow for a more consistent power supply to the lift station.

Mr. Camp next reported that someone cut and stole some wires at Lift Station No. 1. He stated that NTS has replaced the damaged wires.

Mr. Phelps next reported that the District's Consumer Confidence Report has been distributed to District customers.

Mr. Camp next reported that the District had 96% accountability.

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

COMPASS TREASURY MANAGEMENT RESOLUTION

The Board next considered approval of a Resolution Approving Treasury Management Services and Authorizing Operator ("Resolution"). Mr. Phelps stated that said Resolution would authorize Compass to process water bill payments on behalf of EDP. He noted that this would shorten the processing time for water bill payments and relieve EDP of the administrative burden of processing payments. After discussion, Director Theriot made a motion to approve the Resolution and to authorize the President to execute and the Secretary to attest to same on behalf of the Board and District. Director Rhodes seconded the motion, which carried unanimously.

ENGINEERING REPORT

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

Mr. Eby reported on the status of the contract with T Construction, LLC ("T Con") for the water and sanitary sewer to serve the Lone Star Science Building. He reported that the project is substantially complete and presented Pay Application No. 1 in the amount of \$191,942.52. After discussion, Director Theriot made a motion to approve Pay Application No. 1 as outlined above. Director Garner seconded the motion, which carried unanimously.

Mr. Eby next reported on the status of the contract with W.W. Payton Corporation ("Payton") for the generator installation at the District's two lift stations. He stated that he met with Payton for the pre-construction meeting. He noted that the gas line needs to be extended to the lift station and that CenterPoint invoiced the District for that portion of the project as the District is responsible for extending the gas line.

Mr. Eby next reported on the status of the lift station rehabilitation project. He stated that once the CenterPoint meter has been installed, he will bid the project.

Mr. Eby next reviewed a proposal from Patriot Production relative to the repair of the back-pressure gas regulator and inspection of the flare. He also reviewed a proposal for monthly maintenance. The Board deferred approval of the proposals until Patriot Production provides the District with an executed TEC Form 1295.

Mr. Eby next reviewed various invoices from Brian Gardens for a safety fence installation and debris removal. He presented a proposal for the repair of a swing from Vista and proposals from Brian Gardens for Kiddie Cushion installation and tree removal. Mr. Eby presented the invoice for

the paint for the skate park, noting that the park had been graffitied after the park was painted but that it has since been painted over.

Mr. Eby next reported that he is working on the District's discharge permit renewal.

Mr. Eby next reported on his June 5th meeting with CenterPoint, AT&T and Lone Star. He discussed the potential tie in locations for the service line. He noted that it will take approximately 3-4 months to complete the project so the District will need to keep the existing generator at the lift station or rent a temporary generator to keep at the lift station until the meter is installed.

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

REQUEST FROM GHORBA

The Board next considered a request from the Greater Houston Off-Road Biking Association ("GHORBA") regarding trail maintenance. Director Campbell stated that Bill Collier has the coordinates for the trail map but that he has not yet had time to get them to her.

FACILITIES INSPECTION REPORT

The Board next considered the Facilities Inspection Report. Mr. Eby reviewed the list of prioritized items for the District's Water Plant and Wastewater Treatment Plant, as outlined on Exhibits A and B to his report. Mr. Eby stated that items 4 and 5 on Exhibit A have been taken care of and that item 3 can wait until the next inspection.

Mr. Eby reviewed the items on Exhibit B. The Board concurred to complete the items identified as priority '1'. Mr. Eby stated that he will bring cost proposals to the next meeting for those items. The Board discussed draining the plant and cleaning it out. Mr. Phelps stated that it is probably a good idea to do that every 5-10 years. Director Geaslen stated that he would like EDP to get a quote to drain and clean the plants.

After further discussion, the Board concurred that they would like to tour the facilities to see the items that are indicated for repair.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit E**), including the checks presented for payment. Director Geaslen asked about the payment reflected on page 8 to T Con in the amount of \$191,942.52, noting that it should have been paid out of the funds escrowed with the District by Lone Star since Lone Star is responsible for paying for the project. Ms. Redden stated that she will revise the report accordingly. After discussion, Director Rhodes made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Garner seconded the motion, which carried unanimously.

WATER SUPPLY CONTRACT

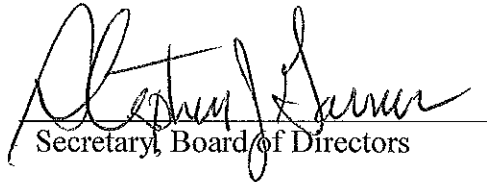
The Board next considered approval of a Water Supply Contract by and between the District and SIR NE Houston, LLC ("SIR"). Ms. Richardson stated she had nothing new to report as she is still waiting on the Form 1295 from SIR.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. Director Geaslen presented a Waste Collection Proposal from Residential Recycling and Refuse of Texas (**Exhibit F**). After discussion, the Board requested that Ms. Richardson solicit proposals from several other garbage providers for the Board to review next month and to add an item to the agenda relative to same.

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 6, 2017

- Exhibit A. Patrol Report
- Exhibit B. Tax Assessor-Collector's Report
- Exhibit C. Operations and Maintenance Report
- Exhibit D. Engineering Report
- Exhibit E. Bookkeeping Report
- Exhibit F. Waste Collection Proposal