

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
April 3, 2017

ACTIONS TAKEN

1. The Board approved the minutes of the March 8, 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 adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
 4. The Board approve the waiver of late fees for Lone Star.
 5. The Board approved the Operations and Maintenance Report presented by EDP.
 6. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
 7. The Board approved a quote from Brian Gardens to perform clearing at Water Plant No. 2.
 8. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 9. 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 April 3, 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 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 and Greg Camp of Environmental Development Partners, L.L.C. ("EDP"); Mike 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 March 8, 2017. After discussion, Director Rhodes made a motion to approve the minutes of the March 8, 2017, Board of Directors meeting, as revised. 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. She discussed the motor vehicle burglaries at the hotel parking lot and stated that she has suggested to the hotel that they install security cameras. Deputy Singh noted that the burglars are targeting trucks. She discussed possibly temporarily changing her patrol schedule to see if she can catch the burglars. Director Geaslen discussed issues with a certain house in the District that frequently has loud house parties on Saturdays. Deputy Singh noted that a constable was dispatched to the home for a noise violation.

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.

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

The Board next considered the status of development in the District by Genesis. Mr. Drewes stated he had no additional concerns other than the burglaries previously discussed.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Ms. Ramos presented the attached Tax Assessor-Collector Report (**Exhibit B**) dated March 31, 2017. The Board reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. 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.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Rhodes made a motion to adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes (**Exhibit C**). Director Garner seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Thiry reviewed repairs EDP made during the month, including the generator battery charger, generator block heater and muffler, and generator thermostat. He stated that GenServices performed a load test on the generator. Mr. Thiry reported that the blower repair at the wastewater treatment plant is not complete yet but that the parts have been ordered.

Mr. Thiry next reported that the power to the lift station on Compaq Center Drive went out for approximately 24 hours. He stated that a mobile generator was used to provide power and that EDP is currently investigating the cause of the outage. Mr. Thiry stated that EDP purchased a float from NTS so that EDP can now hook up the generator rather than calling NTS to hook it up.

Director Geaslen next asked about the status of the permanent electrical line fix. Mr. Eby stated that he has reached out to CenterPoint but has not heard back. He stated that he will reach out again.

Mr. Thiry next reported that the TCEQ contact update has been submitted.

Mr. Thiry next gave an update on the District's identity theft prevention program and noted that there were no reports of identity theft in the last year. He recommended no changes to the program.

Mr. Thiry next reported that the North Harris County Regional Water Authority (the "NHCRWA") fees increased April 1st and that the District's commercial accounts are now being billed the NHCRWA fees pursuant to the District's recent amendment to the Rate Order.

Mr. Thiry next reported that Lone Star has requested a waiver of late fees totaling \$1,752.50. He explained that these late fees accrued when Lone Star was closed for the winter break. Director Rhodes recommended waiving the fees if all issues with Lone Star have been taken care of. Mr. Eby stated that he spoke with the new CFO for Lone Star and suggested that the District could likely work with her to solve this problem going forward. After discussion, Director Rhodes made a motion to waive the late fees owed by Lone Star, as set out above. Director Theriot seconded the motion, which carried unanimously.

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

CONSUMER CONFIDENCE REPORT

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Theriot made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Campbell seconded the motion, which carried unanimously.

IDENTITY THEFT PREVENTION PROGRAM

The Board next considered the annual report on the District's Identity Theft Prevention Program. Mr. Thiry noted that there are no identify theft issues to report.

ENGINEERING REPORT

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

Mr. Eby reported on the status of the contract with CES Utilities Inc. ("CES") for the water and sanitary sewer to serve the Lone Star Science Building. He discussed the previously approved Change Order No. 1. Mr. Eby stated that he issued the notice to proceed with a start date of today but that CES notified him that they could not start today because they are busy with other projects. He noted that he informed CES of the \$500 per day liquidated damages clause in the contract which can be triggered if they exceed the number of days allocated for the project. He stated that he explained to CES that any time extension would need to be submitted in writing and approved by the Board. Mr. Eby stated that Lone Star wants to start classes in the new building on June 15th. He requested that EDP go ahead and ask Lone Star to pay the tap fee so that EDP can order the meters and have them ready to install immediately on completion of construction. Mr. Thiry stated that he will ask Lone Star to pay the tap fees so that EDP can order the meters.

Mr. Eby next reported on the status of the lift station rehabilitation project. He stated that he is waiting on a plan from CenterPoint for the new electrical meter.

Mr. Eby next reported that the plans for the generator installation at the District's two lift stations are ready. He stated that the plans call for the mobile generator to be moved to Chasewood and for the construction of a cover over the generator. He stated that a new 60 kW generator will be installed at the Jones Road lift station along with an acoustic cover and automatic transfer switch. Director Geaslen asked about the projected costs of the project. Mr. Eby stated that the costs will be around \$100,000. After discussion, Director Rhodes made a motion to approve the plans and to authorize Eby to advertise for bids for the project. Director Campbell seconded the motion, which carried unanimously.

Mr. Eby next stated that once the mobile generator is moved and installed at Chasewood, it won't be available for use anywhere else in the District. The Board discussed reserving a backup generator for hurricane season. Mr. Thiry stated that he will coordinate the backup generator reservation.

Mr. Eby next reported that roofing repair for Water Plant No. 1 is complete and presented an invoice in the amount of \$15,597.00. After discussion, Director Theriot made a motion to approve payment of the invoice. Director Campbell seconded the motion, which carried unanimously.

Mr. Eby next reviewed various repairs made by Brian Gardens during the month. He presented an estimate in the amount of \$2,750.00 and executed TEC Form 1295 for brush clearing work at Water Plant No. 2. After discussion, Director Theriot made a motion to approve the estimate and to authorize Brian Gardens to perform the work. Director Rhodes seconded the motion, which carried unanimously.

Mr. Eby reported on acquiring an easement from Mr. Terpstra relative to the trail modifications. He noted that Mr. Terpstra is trying to put in a soccer field in the area and that they want Harris County to approve a driveway and waterline before they will agree to the grant of the easement. He noted that Mr. Terpstra also wants to convey the property in fee to the District in exchange for the District building a fence along his property line. He stated that the County has agreed to provide the labor for the fence project but the District would need to buy the fencing equipment. Mr. Eby suggested that Mr. Howlett from Precinct 4 might help facilitate the permitting process between the Harris County engineering department and Mr. Terpstra.

Mr. Eby next noted that he is waiting to receive the paint for the park. Mr. Drewes asked if the water fountain in the park had been removed. Mr. Camp stated that it hasn't been removed yet.

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

TRAIL REPAIRS

The Board next noted that the discussion regarding the trail repairs, including the proposed easement acquisition from Mr. Terpstra had been previously discussed.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. After discussion, Director Garner made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Campbell seconded the motion, which carried unanimously.

ASSIGNMENT OF WATER SUPPLY CONTRACT

The Board next considered assignment of the Water Supply Contract by and between the District and TCH Northwest Associates, LLC ("TCH"). Ms. Stated that TCH sold the building to a new company and that the District should enter into an agreement with the current owner if the District wants to continue to provide service to the building's parking garage. She stated that the owner, as of January 13, 2015, is SIR NE Houston, LLC ("SIR"). After discussion, the Board concurred that Ms. Richardson draft a new Water Supply Contract between the District and SIR.

REQUEST FROM GHORBA

The Board next considered a request from the Greater Houston Off-Road Biking Association ("GHORBA") regarding trail maintenance, including approval of amendment to the Interlocal Agreement with HCFCD. Ms. Richardson stated that she forwarded the map and formal request to amend the Interlocal Agreement to HCFCD. She noted that she also sent correspondence to GHORBA regarding obstacles on the trails and to be on the lookout for bikers who might be building such obstacles. She noted that she has not received a response relative to same.

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

April 3, 2017

- Exhibit A. Patrol Report
- Exhibit B. Tax Assessor-Collector's Report
- Exhibit C. Resolution Authorizing Additional Penalty on Delinquent Taxes
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineering Report
- Exhibit F. Bookkeeping Report