

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
June 6, 2016

ACTIONS TAKEN

1. The Board approved the minutes of the May 2, 2016, meeting.
 2. The Board accepted the Oaths of Office, Qualification Statements, and Elections Not to Disclose Certain Information for Directors Geaslen, Rhodes, and Campbell and declared them re-elected for a four-year term.
 3. The Board declared that all officers of the Board be re-elected to the positions that they currently hold.
 4. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
 5. The Board authorized the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2015 and prior years.
 6. The Board approved the Operations and Maintenance Report presented by EDP.
 7. The Board approved the Consumer Confidence Report, contingent upon review by Marks Richardson PC.
 8. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 9. The Board approved an Emergency Water Supply Contract with Lake Forest Utility District.
 10. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
 11. The Board authorized the completion, execution and filing of the Voting System Annual Filing Form.
 12. The Board approved the request from the Records Management Officer to destroy notes of Board of Director's meeting from February, 2015 to February, 2016.
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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 June 6, 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 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 Jeff Cotton of Environmental Development Partners, L.L.C. ("EDP"); Roshell 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 May 2, 2016. After discussion, Director Theriot made a motion to approve the minutes of the May 2, 2016, 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**). Corporal Curry reviewed the report. Director Theriot stated that she appreciates Officer Singh patrolling areas that were flooded.

Corporal Curry exited the meeting at this time.

ACCEPTANCE OF OATHS OF RE-ELECTED DIRECTORS

The Board next considered the acceptance of the Oaths of Office ("Oaths"), Statements of Elected Officer ("Statements") and Elections Not to Disclose Certain Information ("Elections") for Directors Geaslen, Rhodes, and Campbell. Directors Geaslen, Rhodes, and Campbell took their respective Oaths and executed their respective Statements and Elections. Ms. Richardson advised that MRPC will file Oaths of Directors Geaslen, Rhodes, and Campbell with the Secretary of State in a timely manner. After discussion, Director Theriot made a motion to accept said Oaths, Statements and Elections for Directors Geaslen, Rhodes, and Campbell and declare them re-elected for four-year terms. Director Rhodes seconded the motion, which carried unanimously.

ELECTION OF OFFICERS

The Board next considered the election of officers of the Board of Directors. After discussion, Director Theriot made a motion to re-elect all officers of the Board to the positions that they currently hold. Director Rhodes seconded the motion, which carried unanimously.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Director Rhodes reported that reports have been coming in on a regular basis and 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. Vangrieken reported that 3 Chasewood is finishing up recovery efforts from the flooding, noting the building received 8 inches of water on the first floor.

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 May 31, 2016. She 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 Campbell seconded the motion, which carried unanimously.

COLLECTION OF DELINQUENT TAXES

The Board next considered authorizing Perdue to pursue the collection of delinquent taxes for 2015 and prior years, including the filing of lawsuits. After discussion, Director Theriot made a motion to authorize Perdue to proceed with the collection of the District's 2015 and prior years delinquent tax accounts, as set out above. Director Garner seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Thiry reviewed repairs EDP made during the month and discussed the water valve survey and repairs needed in connection with same. He estimated that the cost to replace the valve located in Compaq Center Drive, which the Board previously approved, would be \$9,500.

Mr. Thiry next reported that the automatic sampler is on order and should arrive in 6-8 weeks.

Mr. Thiry next reported that EDP received a quote from Wamhoff in the amount of \$19,460 to repair the flood damage. He noted that he believes that EDP can perform the repairs for approximately \$10,000, which would be less than the District's deductible. After discussion, the Board concurred that EDP can proceed with the repairs.

Mr. Thiry next reported that the repair of the booster pump and installation of the gas detector have both begun but are not complete.

Mr. Thiry next reported that EDP is getting proposals for the replacement of the ventilation fans on top of each ground storage tank and for the roof repairs at the water plant.

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

CONSUMER CONFIDENCE REPORT

The Board next considered approval of the Consumer Confidence Report (**Exhibit D**) and the distribution to customers. After discussion, Director Campbell made a motion to approve the Consumer Confidence Report, pending review by MRPC, and to authorize EDP to distribute the approved report to consumers. Director Theriot seconded the motion, which carried unanimously.

ENGINEERING REPORT

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

Mr. Eby reported that the water line repair is final but still needs to be inspected by HCFCD. He recommended that the Board sign the check for the contractor's retainage and noted that he would hold the check pending the inspection.

Mr. Eby next reported that he is working on the plans for the lift station rehabilitation.

Mr. Eby next reported that Lone Star signed an agreement with Eby to do the design work for the Science Building. He noted that the construction should take approximately 6-8 months.

Mr. Eby next reported that he sent a letter to Lone Star requesting the discharge information for the new Science Building. He stated that Lone Star provided a list of chemicals and related information but that he has not had time to complete a thorough review of the information. Mr. Eby noted that he spoke with the TCEQ who informed him that the chemicals on the list provided by Lone Star are commonly discharged by science departments and are not harmful to residential treatment systems.

Mr. Eby next reviewed various work performed by Brian Gardens ("BG") during the month and the status of the flooding clean up and repairs. The Board discussed the cracks on the trails and concurred that the cracks need to be repaired. Director Geaslen reported that the fence between Cypresswood Drive and Jones Road has fallen due to land erosion from the rain. The Board discussed

sand accumulation due to the recent rains and asked that Mr. Eby make sure that the affected areas are cleaned out.

Mr. Eby next reviewed an email attached to his report regarding the repair of 3 pieces of exercise equipment at the park. The Board concurred to hold off on the repairs at this time.

Mr. Eby next reviewed the proposed new trail area that would be needed to divert the existing trail around the area of the drop off in the existing trail. He noted that the District will need to get an easement from the landowner. After discussion, the Board asked Mr. Eby to reach out to the landowner and offer \$5,000 for the proposed easement.

Mr. Eby next reported that he received a call from a potential lessee for the Centre at Cypress Creek regarding utility capacity. He noted that the lessee requested over 300,000 gallons per day and that he informed the lessee that the District currently does not have sufficient capacity in the wastewater treatment plant to accommodate such usage.

The Board next discussed the repair of the security cameras at the wastewater treatment plant. Mr. Thiry stated that the electrical work needs to be completed before the cameras are repaired.

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

EMERGENCY WATER SUPPLY CONTRACT

The Board next considered the approval of an Emergency Water Supply Contract with Lake Forest Utility District ("LFUD"). Mr. Eby stated that he will put together plans and coordinate with LFUD's engineer. After discussion, Director Campbell made a motion to approve the Emergency Water Supply Contract and to authorize the President to execute same on behalf of the Board and District. Director Theriot 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. After discussion, Director Campbell made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Theriot seconded the motion, which carried unanimously.

Director Geaslen next suggested that the District use capital improvement account funds to cover the costs associated with the construction of the proposed interconnect with LFUD. The Board discussed setting a minimum threshold amount for projects to be funded from such account. After discussion, the Board concurred to fund projects exceeding \$10,000 from the capital improvement

account. Mr. Eby recommended that he and the Board review the current Capital Improvement Plan to determine if the projects currently included in the Plan are still needed, and to prioritize project need.

AGREEMENT WITH GHORBA

The Board next considered approval of an Agreement with the Greater Houston Off-Road Biking Association (“GHORBA”) (**Exhibit G**) regarding trail maintenance. Ms. Richardson noted that GHORBA is requesting permission to maintain certain trails for use by cyclists. Mr. Eby stated that the District does not own or maintain the trails for which GHORBA is asking permission to maintain. Ms. Richardson noted that the District cannot approve the Agreement and grant GHORBA permission to maintain the trails because The District does not have any authority with respect to the trail property. She noted that she will inform GHORBA of the legal limitations.

DISTRICT WEBSITE

The Board next considered the status of the District's website. Director Theriot stated she had nothing new to report.

ELECTRIC ENERGY SALES AGREEMENT

The Board next discussed the District’s Electric Energy Sales Agreement with Reliant Energy Retail Services, LLC. After discussion, the Board concurred to take no action at this time as the District has 3 years left with the existing contract.

VOTING SYSTEM ANNUAL FILING FORM

Ms. Richardson next discussed for the Board’s information and approval a Voting System Annual Filing Form ("Form") from the Secretary of State’s Office. She advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file the Form with the Secretary of State’s Office. After discussion, Director Campbell made a motion to approve the Form and authorize MRPC to file same with the Secretary of State’s Office, as required by law. Director Rhodes seconded the motion, which carried unanimously.

RECORDS DESTRUCTION REQUEST

The Board next considered a request from the Records Management Officer to destroy notes of Board of Directors meetings from February, 2015, to February, 2016, in accordance with the Records Retention Schedule for General Records. Ms. Richardson presented the attached request of the Records Management Officer with attached list of records (**Exhibit H**) and advised that the time limitations for retention had passed for all records listed, that, to the best of her knowledge and belief, none of the records’ subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Theriot made a motion to authorize the destruction of the notes, as requested in accordance with the provisions of

the District's Records Management Program and the Schedule. Director Rhodes seconded the motion, which carried unanimously.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to move the July meeting to Tuesday July 5, 2016, due to the holiday.

ADJOURNMENT OF BOARD MEETING

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


Secretary, Board of Directors

LIST OF EXHIBITS

June 6, 2016

- Exhibit A. Patrol Report
 - Exhibit B. Tax Assessor-Collector's Report Taxes
 - Exhibit C. Operations and Maintenance Report
 - Exhibit D. Draft CCR
 - Exhibit E. Engineering Report
 - Exhibit F. Bookkeeping Report
 - Exhibit G. Proposed GHORBA Agreement
 - Exhibit H. Records Destruction Request
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