

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
August 7, 2017

ACTIONS TAKEN

1. The Board approved the minutes of the July 6, 2017, meeting.
 2. The Board engaged Roth & Eyring, PLLC to prepare the District's audit reports for the fiscal years ending September 30, 2017, and September 30, 2018.
 3. The Board authorized the termination of the District's Municipal Solid Waste Collection and Transportation Agreement with Waste Management Inc. effective November 1st and authorized Marks Richardson PC to begin contract negotiations with Residential Recycling & Refuse of Texas.
 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 approved the Operations and Maintenance Report presented by EDP.
 6. The Board approved a quote for repair and a quote for monthly maintenance from Patriot Production relative to the flare at the Water Plant.
 7. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 8. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
 9. The Board approved a contribution of \$3,000 in connection with the Water Conservation Meeting that will take place in conjunction with National Night Out on October 3, 2017.
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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 August 7, 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 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"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Mark Eyring of Roth & Eyring, CPA; Russell Wolfe and Curtis Brown of Residential Recycling & Refuse of Texas, 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 July 6, 2017. After discussion, Director Theriot made a motion to approve the minutes of the July 6, 2017, Board of Directors meeting, as written. Director Rhodes seconded the motion, which carried unanimously.

ENGAGEMENT OF AUDITOR

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal years ending September 30, 2017, and September 30, 2018. Mr. Eyring made a presentation to the Board and advised that Roth & Eyring, PLLC's fee for the preparation of the audit reports is \$9,300 per year for the next two years. He presented an executed TEC Form 1295 in connection with same. After discussion, Director Theriot made a motion to engage Roth & Eyring, PLLC to prepare the District's audit reports for the fiscal years ending September 30, 2017, and September 30, 2018. Director Garner seconded the motion, which carried unanimously.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Mr. Eby stated that one camera currently does not work but that everything else is working well.

REVIEW OF SOLID WASTE AND RECYCLING PROPOSALS

The Board next considered review of proposals for solid waste and recycling collection services. Mr. Brown introduced himself to the Board and gave an overview of RRRT and its proposal

(Exhibit A). He stated that RRRT has live humans answer the phones and offers valet service at no costs for residents that are elderly, infirm or handicapped and that the proposal also includes biannual e-waste and shredding events in the District. Mr. Brown stated that 95% of RRRT trucks are equipped with cameras. Director Theriot asked about heavy trash pickup. Mr. Brown stated that heavy trash will be picked up on both collection days. He stated that RRRT will provide recycling bins for all residents and a monthly recycling report for the Board. Director Theriot noted that the Board would discuss the proposal later in the meeting and get back to them with a decision.

Mr. Brown and Mr. Wolfe exited the meeting at this time.

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next considered the Security Patrol Report **(Exhibit B)**. Corporal Curry reviewed the report noting that it was a very quiet month.

Corporal Curry exited the meeting at this time.

REVIEW OF SOLID WASTE AND RECYCLING PROPOSALS (cont.)

The Board next considered review of the additional proposals for solid waste and recycling collection services **(Exhibit C)**. Ms. Richardson stated that she received a notice from Waste Management of a CPI increase for the District effective January 1st which would bring the price to \$19.21 per home. Director Theriot distributed and reviewed a comparison spreadsheet summarizing the proposals received from RRRT, Direct Waste Solutions, Waste Management and Pinnacle Waste Solutions. She noted that RRRT's bid price was \$14.15 per home and that they will hold that price firm for three (3) years, with no automatic, annual CPI increase. She stated that she recommends that the Board hire RRRT based upon the cost savings they would provide along with the valet option for elderly or infirm residents. After discussion, Director Theriot made a motion to terminate the District's Municipal Solid Waste Collection and Transportation Agreement with Waste Management Inc. effective November 1st and to authorize MRPC to begin contract negotiations with RRRT. Director Rhodes seconded the motion, which carried unanimously.

DEVELOPERS' REPORTS

The Board next deferred considering the status of development in the District, noting that no developer representatives were present.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Mr. Arterburn presented the attached Tax Assessor-Collector Report **(Exhibit D)** dated July 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, 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.

OPERATIONS REPORT

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

Mr. Thiry reported on the lift station power issues. He stated that AT&T replaced the conductors under the road and that there have been no problems since. He stated that EDP relocated the generator back to the water plant.

Mr. Thiry next reported on the recommended repairs to the Water Plant. He stated that EDP modified the storm water inlet by adding rebar screening and replaced the two 2-inch pressure relief devices on the hydropneumatic tanks. He stated that EDP is currently obtaining prices for storage tank security hatches.

Mr. Thiry next reported that EDP is working on repairs to the antenna and cable to try and resolve communication issues between Water Plant 1 and Water Plant 2. He noted that the fix would probably cost around \$1,000.

Mr. Thiry next reported that the wastewater treatment plant flows have decreased significantly over the past several months. He noted that the decrease could be attributable to the reduction in the employee population at the HP complex.

Director Garner next reported that he turned in a service request to Harris County for storm sewer work on an area at the end of his street that does not drain properly and often floods. He stated that Harris County confirmed receipt of his request but that he has not heard anything else since. Mr. Eby noted that he would discuss drainage issues under his report.

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

ENGINEERING REPORT

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

Mr. Eby presented subdivision drawings with drainage areas and storm sewers highlighted. He discussed the three areas that are causing drainage issues and street flooding in the District. He stated that the flooding is likely attributable to certain design features and certain wood fencing constructed by residents obstructing flow. He also stated that debris could be clogging some of the storm sewers. Mr. Eby stated that the cost to televise the storm sewer would be approximately \$3.75 per foot and that there is around 1,000 feet of line that should be televised. He stated that enlarging inlets might help the issues but that Harris County would have to be involved in that type of work. Director Rhodes requested that Mr. Eby begin preparing plans to enlarge the inlets. Mr. Eby stated that he would need to get a topographic survey before preparing plans. After discussion, the Board concurred that Mr. Eby should have the lines televised and talk with Harris County regarding the issues and how to proceed. The Board also concurred that Mr. Eby should proceed with getting a topographical survey.

Mr. Eby next 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.

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 Payton is forming the foundation for the generator at the Chasewood Lift Station.

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 proposals from Patriot Production relative to the repair of the back-pressure gas regulator and monthly inspection and maintenance of the flare. He also presented an executed TEC Form 1295 in connection with same. After discussion, Director Rhodes made a motion to approve the proposal for the repair work in the amount of \$2,695 and to approve the proposal for monthly maintenance at a cost of \$3,031 for the first month and \$1,182 for subsequent months. Director Garner seconded the motion, which carried unanimously.

Mr. Eby next reviewed various invoices from Brian Gardens. He stated that a swing was replaced, the kiddie cushion was installed and signage was installed at the park. He also stated that the trail was cleaned up by Brian Gardens.

Director Campbell next reported that she received the updated trail map from the Greater Houston Off-Road Biking Association ("GHORBA") and forwarded it to Mr. Eby. The Board next discussed potentially adding the trails reflected on the map to the District's existing Interlocal Agreement with Harris County Flood Control District ("HCFCD"). Mr. Eby noted that he forwarded the map to HCFCD to see if it was acceptable. Ms. Richardson reminded the Board that GHORBA requested that the District add the additional trails to the existing Interlocal Agreement and that GHORBA has agreed to take on the maintenance responsibilities for the additional trails. Ms. Richardson noted that the responsibility for maintenance would revert back to the District if GHORBA dissolved or otherwise neglected to fulfill its agreement with the District to maintain the trails. The Board next asked what sort of maintenance would be required for the additional trails. Ms. Richardson stated that she would contact HCFCD to find out what the maintenance obligations would entail.

Director Geaslen next reported that he exchanged emails with Harris County regarding Mr. Terpstra's property. He stated that he witnessed representatives from the County performing a survey for purposes of eminent domain to take certain property along the trail.

Mr. Eby next reported that the District's discharge permit renewal application was submitted during the month.

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

FACILITIES INSPECTION REPORT

The Board next noted that the Facilities Inspection Report had been previously discussed.

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 G**), including the checks presented for payment. After discussion, Director Theriot 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 presented the draft operating budget (**Exhibit H**) for the District's fiscal year ending September 30, 2018.

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 presented an executed TEC Form 1295 from SIR, noting that she has not yet received the executed Water Supply Contract back.

REQUEST FROM GHORBA

The Board next noted that the request from the GHORBA regarding trail maintenance had been previously discussed.

WATER CONSERVATION MEETING

The Board next discussed the annual Water Conservation Meeting. Director Theriot reported that the meeting will take place in conjunction with National Night Out on October 3, 2017, at 6:00 p.m., within the District. She requested that the Board contribute \$3,000 for the event. After discussion, Director Rhodes made a motion to authorize a District contribution of \$3,000 for the event. Director Campbell seconded the motion, which carried unanimously.

DISTRICT WEBSITE

The Board next considered the District website. Director Theriot stated that the traffic reports for the District's website reflect that the website is receiving traffic from new users and recommended that the Board advertise the website at the Water Conservation Meeting.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to next meet on Monday, September 11th due to the Labor Day 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

August 7, 2017

- Exhibit A. RRRT Waste Collection Proposal
- Exhibit B. Patrol Report
- Exhibit C. Additional Waste Collection Proposals/Comparison Chart
- Exhibit D. Tax Assessor-Collector's Report
- Exhibit E. Operations and Maintenance Report
- Exhibit F. Engineering Report
- Exhibit G. Bookkeeping Report
- Exhibit H. Draft Budget