

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
April 4, 2016

ACTIONS TAKEN

1. The Board approved the minutes of the March 7, 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 adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
 4. The Board approved a quote from Alsay to repair the booster pump no. 1 at the water plant.
 5. The Board approved the Operations and Maintenance Report presented by EDP.
 6. The Board approved additional correspondence to Harris County regarding the Board's request for the installation of a 4-way stop sign in the District.
 7. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
 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 4, 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 and 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"); Joanne Ramos of Utility Tax Service, L.L.C. ("UTS"); 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 7, 2016. After discussion, Director Theriot made a motion to approve the minutes of the March 7, 2016, Board of Directors meeting, as written. Director Campbell 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.

Corporal Curry and 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 and that he will forward the report from Advantage to the Board. Mr. Eby stated that he read the report which reflected a few minor call-outs.

DEVELOPERS' REPORTS

LONE STAR

The Board next considered the status of development in the District by Lone Star. Director Garner reported on the potential leasing of space in the Lone Star buildings.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Ms. Ramos presented and reviewed the attached Tax Assessor-Collector Report (**Exhibit B**) dated March 31, 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.

Director Theriot next asked about an update on the delinquent tax accounts. Ms. Ramos stated that she will bring an update for the Board next month.

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 reported that EDP has located all of the valves from the valve survey. He noted that one valve, located in the street on Compaq Center Drive, is inoperative and will need to be replaced. He stated that EDP would like to install a new 12-inch valve to replace the inoperative valve while leaving the inoperative valve in place. Mr. Thiry stated that the cost of the replacement would be approximately \$9,834.50. Director Geaslen asked why the valve needs to be replaced. Mr. Eby stated that the valve is an isolation valve and noted that if it is not replaced and an issue arises, EDP would have to go to the next valve to shut off the water, which would result in more District customers being without water during the pendency of the event. Director Geaslen stated that he would like to see more detail on the impact of not replacing the valve before the Board takes any action.

Mr. Thiry next reported that EDP will submit the Annual Water Audit to the Texas Water Development Board prior to May 1st.

Mr. Thiry noted that the annual fire hydrant testing is scheduled for this week.

Mr. Thiry next reported that Fitch Services expects to receive the equipment for the new gas detection system installation by the end of the month.

Mr. Thiry next reported that No. 1 booster pump at the water plant has been pulled due to a leaking mechanical seal. He noted that EDP received a quote from Alsay for \$4,100 to repair and reinstall the pump and a quote of \$8,500 to install a new pump. Mr. Eby noted that booster pumps

should last approximately 20 years and recommended that the Board approve the installation a new pump. Mr. Thiry stated that Alsay includes a 1-year warranty on either the repair or the replacement and recommended that the Board approve the repair of the pump. After discussion, Director Theriot made a motion to approve the quote from Alsay to repair the booster pump contingent upon receipt of an executed Form 1295. Director Rhodes seconded the motion, which carried unanimously.

Ms. Richardson updated the Board on the status of its request to the North Harris County Regional Water Authority (the "NHCRWA") for a credit on the surface water fees attributable to the water lost during the water line break in early January. She noted that the attorney for the NHCRWA had not seen a copy of the District's original request correspondence so she forwarded a copy for her review.

After discussion, Director Rhodes 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 Campbell made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Theriot 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 F**).

Mr. Eby reported that the water line repair is complete and presented photos of the of the water line and course of repair. He noted that there were a few safety issues with the contractor wanting to complete the project in a hurry and that he had to shut down the construction temporarily to make sure that the construction site was safe. He stated that he is waiting on bacteriological test requilts to come back before closing out the project. Mr. Eby stated that he prefers to wait until after 4:00 p.m. to open the pipe back up so that HP's water quality is not affected. Director Geaslen recommended that Mr. Eby inform HP and Lone Star prior to opening the line so that their air conditioning systems are not adversely affected. Mr. Eby stated that he will coordinate the line opening with Mr. Thiry.

Mr. Eby next reported that he is working on the plans for the lift station rehabilitation and noted that he will utilize an electrical engineer to design the electric parts of the rehab.

Mr. Eby next reported that he still needs to get quotes for the repair of the cracks in the trail.

Mr. Eby next presented a mock-up of signage for the park notifying bikers to park in the designated parking lot. Director Campbell noted that the address reflected on the mock-up is incorrect. Mr. Eby stated that he will update the mock-up to read "Cyclists, please use parking lot located at _____" and that he will confirm the address of said parking lot with Director Campbell.

Mr. Eby next reported that there is a precarious drop in the trail between Cypresswood and Jones Road. He noted that the District has an easement there and that he will investigate moving the trail elsewhere on the easement. He stated that he will instruct his surveyor to survey the site to find the best place to move the trail. Mr. Eby recommended that the District erect a temporary construction fence around the drop until the trail can be moved. Ms. Richardson stated that she could help draft language to use for the signage.

Mr. Eby next reported that he completed his review of the construction plans for the proposed Lone Star Science Building and that Lone Star is revising the plans per his comments. Ms. Richardson stated that she is working on an agreement between the District and Lone Star regarding the construction. Director Garner stated that Lone Star would prefer to have the construction contract in Lone Star's name and convey the project to the District after completion.

Mr. Eby next reported that he spoke with Lake Forest UD ("LFUD") regarding the construction of an emergency interconnect water line. He stated that LFUD is interested but would like additional information. Mr. Eby stated that he prepared a preliminary cost estimate for the project reflecting an estimate of \$32,500.

Mr. Eby next reported that Advantage repaired the monitor at the WWTP and repaired a couple of cameras at the park.

Director Geaslen next discussed the status of the Board's request to Harris County to install a 4-way stop sign at Cypresswood Crossing. He noted that he has followed up on the Board's initial correspondence to the County but has not received a response. He presented a second letter to the County requesting a response to the Board's request. After discussion, Director Rhodes made a motion to approve the second letter to Harris County. Director Campbell seconded the motion, which carried unanimously.

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

UTILITY DEVELOPMENT AGREEMENT WITH LONE STAR COLLEGE

The Board noted that item was discussed under the Engineer's report.

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 G**), including the checks presented for payment. Director Geaslen asked if the District received a check from HC MUD 486 for the water purchased through interconnect with the District. Mr. Thiry stated he will follow up with HC MUD 486 on the matter. 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.

DISTRICT WEBSITE


The Board next considered the status of the District's website. Director Theriot discussed the updates to the District's website.

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 4, 2016

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