

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
November 6, 2017

ACTIONS TAKEN

1. The Board approved the minutes of the October 2, 2017, meeting.
 2. The Board conducted a public hearing and subsequently adopted an Order levying the 2017 tax rate.
 3. The Board amended the District Information Form in connection with the adoption of the 2017 tax rate.
 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 Pay Estimate No. 1 from W.W. Payton in the amount of \$189,430 for generator installation at the District's two lift stations presented by Eby.
 7. The Board accepted the Conveyance of Utility Facilities from Lone Star College.
 8. The Board authorized Eby to begin preparation of design plans for replacement of the lift station control panel at Wastewater Treatment Plant.
 9. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 10. 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 7979 Willow Chase Blvd., Houston, Harris County, Texas 77070 on November 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, except Director Garner, therefore constituting a quorum.

Also present were Deputy Singh and 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 Cotten of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn 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 October 2, 2017. After discussion, Director Theriot made a motion to approve the minutes of the October 2, 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**). Deputy Singh reviewed the report and stated that there was a car burglary on Faulkey Gully. Director Theriot stated that there are a large number of vacant homes within the District due to the flooding and she asked whether the Constable is patrolling those areas more frequently. Deputy Singh confirmed that she is driving by those homes on a regular basis.

PUBLIC HEARING

The Board next conducted a public hearing on the District's proposed 2017 maintenance tax rate. Mr. Arterburn presented a copy of the tax rate publication and advised that it had been published in accordance with state law requirements. The President announced the hearing open and invited members of the public to address the Board on the proposed 2017 maintenance tax rate. No members of the public were present and wishing to speak, so the President announced the hearing closed.

ADOPTION OF 2017 TAX

The Board next considered the adoption and levy of the District’s 2017 maintenance tax rate. After discussion, Director Rhodes made a motion that the District levy a 2017 maintenance tax of \$0.13 per \$100 of assessed valuation and to adopt the Order Levying Taxes (**Exhibit B**). Director Theriot seconded the motion, which carried unanimously.

APPROVAL OF DISTRICT INFORMATION FORM

Ms. Richardson next presented and reviewed an Amendment to the Second Amended and Restated District Information Form in connection with the 2017 tax rate. After discussion, Director Rhodes made a motion to approve the Form and to authorize the Board members present to execute the Form. Director Theriot seconded the motion, which carried unanimously.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Director Rhodes stated that one (1) camera in the park was not functioning properly, but that all other cameras have been repaired since the flood.

STATUS OF TRANSITION OF GARBAGE COLLECTION SERVICES

The Board next considered the status of garbage collection services from Residential Recycling and Refuse of Texas (“RRRT”). Director Theriot stated that RRRT distributed the recycling bins, and that she has not heard any complaints regarding the new service.

DEVELOPERS' REPORTS

The Board next considered the status of development in the District. Mr. Arterburn stated that he received notice that HP will soon be moving out of the District. Director Geaslen noted that he heard that HPI, a division of HP, would remain in the District. Mr. Arterburn stated that the potential impact may be a decrease in approximately \$159 million in taxable value in the District, but that any impact would not be realized until next year.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Mr. Arterburn presented the attached Tax Assessor-Collector Report (**Exhibit C**) dated October 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 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 Rhodes seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Thiry reported regarding disaster recovery efforts related to the recent flooding caused by Hurricane Harvey. He stated that EDP and Eby met with the Federal Emergency Management Agency ("FEMA") on November 3, 2017, and discussed the lengthy and detailed process for filing a claim with FEMA. He presented and reviewed the Facility Repairs and Inspections handout, attached to (**Exhibit D**), which highlights the costs of repairs to the Wastewater Treatment Plant ("WWTP"), Water Plant ("WP"), Lift Station and raising the equipment at the WWTP. The Board discussed how to initially pay for the costs associated with the damages and agreed to have Ms. Redden track storm-related expenses separately and pay the expenses out of the District's capital projects reserve fund.

Mr. Thiry reported that the District accounted for 82% of the water pumped during the month of September. He stated that he is unsure of the cause of the lower accountability but that EDP would be investigating the issue.

Director Rhodes asked Mr. Thiry if the missing meter box lids in the District have been replaced. Mr. Thiry stated that EDP is working to complete the replacement. Director Rhodes stated that there is a broken meter box located between his home and Director Theriot's home.

Mr. Thiry reported that EDP inadvertently disconnected two (2) accounts last month despite the Board's instructions to temporarily withhold terminations for delinquent accounts. He stated that he called the property owners on both of the accounts to apologize.

Mr. Thiry reported that the temporary rental generator and new transfer switches have been installed at the WWTP. He also noted that one blower repair has been completed. He stated that GenSolutions LLC is working on completing the blower repairs, but that it is taking longer than expected. He stated that EDP will make every effort to ensure that the remaining blowers are completed in a timely manner.

Mr. Thiry reported regarding the flood damage to the office building at the WWTP. He stated that work will begin soon to replace the drywall in the building. Director Theriot asked whether there was an alternative for the drywall that could be used to repair the walls. The Board discussed the option of removing interior walls in the building as they are not needed. After discussion, the Board concurred to have EDP use sheetrock to repair the walls in the building and to remove one (1) of the interior walls.

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

DISASTER RECOVERY EFFORTS

The Board next noted that discussion on disaster recovery efforts had been discussed under the operator's report.

ENGINEERING REPORT

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

The Board considered the status of the contract with WW Payton Corporation ("Payton") for the generator installation at the District's two lift stations. Mr. Eby presented Pay Application No. 1 in the amount of \$189,430.00 and recommend that the Board approve payment of same. He stated that 5% of the contract amount is being held as retainage. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 1, as set out above. Director Rhodes seconded the motion, which carried unanimously.

Mr. Eby stated that W.W. Payton has asked if they can have the portable generator and accompanying trailer in exchange for \$2,500 worth of construction work. After discussion, the Board concurred to give W.W. Payton the portable generator and trailer in exchange for them providing work to the District commensurate with the value of the generator. Mr. Thiry noted that title to the trailer is in the District's name and asked Ms. Richardson if she can help with the transfer of same to W.W. Payton.

Mr. Eby next reported on the status of the lift station rehabilitation project. He stated that CenterPoint has proposed a new design layout for the electrical service line and meter and that he is in agreement with the proposed layout. Mr. Eby stated that once he knows the timing for the installation of the CenterPoint meter, he will bid the project.

Mr. Eby reported on the repair of the back-pressure gas regulator and monthly inspection and maintenance of the flare by Patriot Production ("Patriot"). He stated that Patriot performed the inspection, but that they have not yet installed the new regulator.

The Board next considered the acceptance of conveyance of utility facilities from Lone Star College relative to the facilities to serve the Science Building. Ms. Richardson reported that the Conveyance documents for Lone Star College have been prepared and recommended that the Board approve the Conveyance of Facilities for Lone Star College, subject to execution by all respective parties. After discussion, Director Theriot made a motion to approve the Conveyance, subject to execution by all respective parties, and to authorize the President to execute and the Secretary to attest same on behalf of the Board and District. Director Rhodes seconded the motion, which carried unanimously.

Mr. Eby next reported that he received the tapes for the televising of the storm sewer lines. He stated that the tapes showed very little debris in the sewer lines, and that he will coordinate with EDP to have the sewer lines cleaned out. Mr. Eby next suggested that the District consider replacing the inlet plates with grates which might help the flow of flood water in the future. He stated that there are twenty-two (22) inlet plates to be replaced and that they cost approximately \$100 per grate. The Board concurred to authorize EDP to replace the plates as recommended.

Mr. Eby next presented and reviewed an estimated summary of costs to replace certain equipment at the WWTP. He stated that the design for the generator project listed on the summary is already in progress. He then stated that the District might consider raising the blowers to avoid

damage from future flooding. He stated that the estimated cost to raise the blowers is approximately \$274,300 which does not include the cost of the blowers, which are approximately \$300,000. Mr. Thiry stated that FEMA would most likely cover the costs associated with raising the generators and blowers. Mr. Eby recommended continuing to move forward with the preparation of design plans for raising the generators and for the new motor control center, and to wait on a decision on raising the blowers until the District determines which costs FEMA will cover. He stated that a lift station control panel will also be needed and that FEMA will likely pay for same. After discussion, Director Theriot made a motion to authorize Eby to begin the preparation of plans for the lift station control panel. Director Rhodes seconded the motion, which carried unanimously.

After discussion, Director Theriot made a motion to approve the Engineering Report. Director Rhodes seconded the motion, which carried unanimously.

FACILITIES INSPECTION REPORT

The Board next deferred consideration of a discussion related to the Facilities Inspection Report.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. She stated that she will prepare a separate report for the expenses related to Hurricane Harvey damages. Ms. Redden stated that the District would hold the funds related to the tap costs for Lone Star College as EDP has not completed some of the site work. She then stated that she will move check no. 3428 to W.W. Payton to reflect payment out of the capital projects fund. Ms. Redden stated that there is deposit money left over from various builder or developer accounts and that she would research who to send the money to and report to the Board at next month's meeting. 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.

ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS

The Board next deferred consideration of the annual review of an Order Establishing Policy for Investment of District Funds and Appointment of an Investment Officer.

REQUEST FROM GHORBA

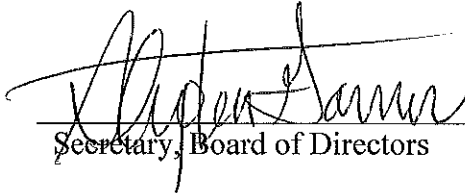
The Board next considered a request from the Greater Houston Off-Road Biking Association ("GHORBA") regarding trail maintenance. The Board discussed the possibility of including a sixty (60) day termination clause in the proposed amendment to the District's existing Interlocal Agreement with Harris County Flood Control District ("HCFCD"), and requested that Ms. Richardson inquire about the inclusion of same to HCFCD.

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

November 6, 2017

- Exhibit A. Patrol Report
- Exhibit B. Order Levying Taxes
- Exhibit C. Tax Assessor-Collector's Report
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineering Report
- Exhibit F. Bookkeeping Report