

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
May 7, 2018

ACTIONS TAKEN

1. The Board approved the minutes of the April 2, 2018, meeting.
 2. The Board accepted the Oaths of Office, Qualification Statements, and Elections Not to Disclose Certain Information for Directors Garner and Theriot and declared them re-elected for four-year terms.
 3. The Board declared that all officers of the Board be re-elected to the positions that they currently hold.
 4. The Board appointed Director Rhodes to the position of Security Director for the District.
 5. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
 6. The Board approved a proposal from Gen Solutions LLC.
 7. The Board approved the Operations and Maintenance Report presented by EDP.
 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.
 10. The Board concurred to move the June meeting to June 11, 2018.
 11. The Board concurred to allow the planting of a tree in the park in honor of a deceased District resident.
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The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at 12779 Jones Road, Houston, Harris County, Texas 77070 on May 7, 2018, 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 Sergeant Westmoreland 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 Jeff Cotten of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Paul Vangrieken of Genesis Capital Advisors, L.L.C. ("Genesis"); Becky Burns of Transwestern; and Kara Richardson of Marks Richardson PC ("MRPC").

APPROVAL OF MINUTES

The Board first considered approval of the minutes of the Board of Directors meeting held on April 2, 2018. After discussion, Director Theriot made a motion to approve the minutes of the April 2, 2018, 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 discussed the activity within the District the past month.

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 Garner and Theriot. Directors Garner and Theriot took their respective Oaths and executed their respective Statements and Elections. Ms. Richardson advised that MRPC will file Oaths of Directors Garner and Theriot with the Secretary of State in a timely manner. After discussion, Director Rhodes made a motion to accept said Oaths, Statements and Elections for Directors Garner and Theriot and declare them re-elected for four-year terms. Director Campbell 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 Rhodes made a motion to re-elect all officers of the Board to the positions that they currently hold. Director Campbell seconded the motion, which carried unanimously.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Director Rhodes stated that all security cameras are working properly. Mr. Thiry stated that EDP will be completing the permit application forms for the District.

APPOINT BOARD MEMBER TO POSITION OF SECURITY DIRECTOR

The Board next considered the appointment of a Board member to the position of Security Director for the District. Director Rhodes noted that Deputy Singh suggested it would be a good idea to appoint a designated officer on the Board as the primary contact for the constables and to disseminate information to the Board. Director Geaslen asked that such person share all security information with all Board members. After discussion, Director Garner made a motion to appoint Director Rhodes to the position of Security Director for the District. Director Theriot seconded the motion, which unanimously carried.

DEVELOPERS' REPORTS

The Board next considered the status of development in the District. Mr. Vangrieken presented and reviewed a memorandum regarding Flood Mitigation for the Chasewood Technology Park (**Exhibit B**) and the potential financial impact to the District with respect to same. He stated that the buildings will be much more difficult to lease given the fact that the ground floors are no longer leasable because of their propensity to flood. He suggested that the District might benefit from participating in mitigation efforts since the District stands to lose a significant amount of sales tax revenue and property value if the Chasewood buildings are not able to renew existing leases or acquire new tenants. He reviewed various loss projections with respect to sales tax revenue. Mr. Vangrieken also discussed the impact that HP's departure might have on the District. He stated that the Centre at Cypress Creek is going to build a four (4') foot levee to protect its building. Mr. Vangrieken stated that he would like the District to help with a portion of the flood mitigation to help preserve the financial situation of the District in the long-term. Director Rhodes asked Mr. Vangrieken what kind of assistance he is looking for and Mr. Vangrieken stated that Genesis is evaluating ideas for mitigation techniques and does not have any specific requests for the District at this point. The Board then discussed the possibility of participating in a regional detention pond. Mr. Eby stated that he is concerned that putting levees around the commercial areas might have an adverse effect downstream and possibly on the residential areas. Director Rhodes stated that he is not opposed to exploring options to help the commercial areas, but that the District also has an obligation to its residential community, the majority of which also flooded during Harvey. The Board requested that Mr. Vangrieken provide more definitive information before it can evaluate any proposal for participation with flood mitigation.

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 April 30, 2018. 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 Campbell seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Thiry reported that the work at the lift pump is now complete. Director Geaslen asked Mr. Thiry about the generator coverage for the District's facilities. Mr. Thiry stated that the District has a portable generator that can be used for coverage, but that the District might consider reserving a generator for the upcoming hurricane season. He noted that he will bring options for same to the next meeting.

Mr. Thiry reported that EDP is still working on the WWTP building repairs. He stated that the three (3) blower repairs are complete and one (1) repair is pending.

Mr. Thiry reported that the new generator at lift station #2 on Jones Road is now operational. He presented and reviewed a proposal from Gen Solutions LLC to perform quarterly maintenance on the generator at an annual cost of \$1,637.32. He then presented an executed TEC Form 1295 from Gen Solutions LLC. After discussion, Director Garner made a motion to approve the proposal from Gen Solutions LLC at a cost of \$1,637.32, subject to review and approval by Eby. Director Theriot seconded the motion, which unanimously carried.

Director Geaslen next asked Mr. Thiry about the administrative fees on EDP's monthly invoice. Mr. Thiry stated that the fees are related to EDP interfacing with the Federal Emergency Management Agency ("FEMA"). Director Geaslen asked whether all of these fees are being tracked separately, and Mr. Thiry confirmed that EDP is tracking all of the costs related to Hurricane Harvey damages.

Director Theriot asked Mr. Thiry about the status of an emergency notification system. Mr. Thiry stated that he will gather information for the Board's review at next month's meeting.

Mr. Thiry stated that the leak at the Centre at Cypress Creek was flagged for high usage but when EDP investigated the issue the leak had already been repaired.

Director Geaslen asked Mr. Thiry about the status of the insurance reimbursement related to damages caused by Hurricane Harvey. Mr. Thiry stated that the District has received \$170,000 to date but that additional claims have been made to the insurance company and FEMA.

After discussion, Director Theriot 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 approval of a Consumer Confidence Report. Mr. Thiry stated that EDP has completed the draft Consumer Confidence Report and will send to MRPC for review and will also email a copy to the Board.

DISASTER RECOVERY EFFORTS

The Board next deferred a discussion regarding disaster recovery efforts as same was discussed under the operator's report and will also be addressed under the engineer's report.

ENGINEERING REPORT

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

Mr. Eby 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 the project is complete and is awaiting receipt of the final pay estimate.

Mr. Eby next reported on the status of the lift station rehabilitation project. He stated that he received drawings from CenterPoint's engineer and that he has reviewed same and sent comments back to CenterPoint.

Mr. Eby next reported on the electrical improvements at the WWTP. He stated that he finished the design plans for raising the blowers at the WWTP and sent the plans to Harris County for approval. He stated that the plans cover all mitigation work that has been previously discussed. Mr. Eby stated that the project can be bid whenever the Board would like. Director Geaslen stated that he would like to find out how much FEMA will be paying for certain items prior to bidding the project. Mr. Eby suggested that he could bid some of the items as alternate bid items. He noted that he would like a contractor to look at the plans to give a more concrete estimate on the pricing. Mr. Eby stated that he will coordinate with Harris County for final plan approval and will obtain pricing from a contractor prior to the next meeting.

Mr. Eby reported on the Faulkey Gully tract and reviewed two (2) bids for the trail work on Faulkey Gully at the bridge. He stated that he did not receive a TEC Form 1295 from Pavement Constructors or Carter Construction and will bring same for approval at next month's meeting.

Director Theriot asked Mr. Eby if he contacted Harris County regarding an update on the storm sewer line replacement and the potential plans to address flooding issues. Mr. Eby stated

that Harris County advised that they will be doing a study on flooding to see which areas need the most attention.

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

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 a certificate of deposit at Independent Bank is maturing and recommends not renewing as the renewal rate is too low. The Board concurred to transfer the funds into a government pool. Ms. Redden stated that she will bring the required paperwork to the next 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.

REQUEST FROM GHORBA

The Board next considered a request from the Greater Houston Off-Road Biking Association ("GHORBA") regarding trail maintenance. Ms. Richardson stated that Ms. Musgrove, the District's contact at the Harris County Flood Control District, is no longer there and that the person taking over that position stated that they will try to find out the status of the District's request.

DISCUSS LOCATION OF BOARD MEETING

The Board next discussed the location of Board meetings. Director Geaslen stated that the Springhill Suites has reopened if the Board would like to resume having the monthly meetings there. After discussion, the Board concurred to have next month's meeting at Luigi's until it has been confirmed that the caterer is still available to cater at the Springhill Suites.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to change the June meeting date to June 11, 2018.

DISCUSS FLOODING ISSUES WITHIN THE DISTRICT

The Board next discussed flooding issues within the District. Director Rhodes presented and reviewed a draft presentation that he will be presenting to homeowners regarding drainage and flooding within the District (**Exhibit G**).

The Board next discussed a resident's fence that appears to be located in a public easement next to a drainage swale and its possible impediment of floodwater flow. Mr. Eby and Ms. Richardson noted that they will coordinate to obtain the easement documents and send correspondence to the resident if appropriate.

Mr. Thiry reported that he received a phone call from a family whose son recently passed away requesting permission to place a plaque in his honor at the park. The Board declined the request for a plaque noting the implications of future requests for same, but agreed to allow the planting of a tree in a mutually agreed upon location. The Board requested that MRPC send correspondence to the family advising of the Board's decision.

ADJOURNMENT OF BOARD MEETING

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


Secretary, Board of Directors

LIST OF EXHIBITS

May 7, 2018

- Exhibit A. Patrol Report
- Exhibit B. Flood Mitigation handout
- Exhibit C. Tax Assessor-Collector's Report
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineering Report
- Exhibit F. Bookkeeping Report
- Exhibit G. Drainage and Flooding presentation