

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

June 11, 2018

ACTIONS TAKEN

1. The Board approved the minutes of the May 7, 2018, meeting.
 2. The Board appointed Director Rhodes to serve as Security Liaison, Director Garner to serve as Operations Liaison, Director Campbell to serve as Parks and Plants Liaison and Director Theriot to serve as the Director responsible for coordinating Emergency Notifications for the District.
 3. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
 4. The Board authorized the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2017 and prior years.
 5. The Board approved a proposal from NTS to repair the air lift pumps and diffuser supports in digester no. 1 for \$19,898.00.
 6. The Board authorized fire hydrant repairs in the amount of \$2,975.00.
 7. The Board approved the Operations and Maintenance Report presented by EDP.
 8. The Board approved Pay Estimate No. 2 and Final from W.W. Payton in the amount of \$9,970.00 for generator installation at the District's two lift stations.
 9. The Board approved a proposal from Pavement Constructors for trail work on Faulkey Gully at the bridge for \$17,644.00.
 10. The Board approved a proposal from Anchor Group, Inc. to install fencing on the side of Cypress Creek for \$2,366.00.
 11. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 12. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
 13. The Board authorized the completion, execution and filing of the Voting System Annual Filing Form.
 14. The Board approved the request from the Records Management Officer to destroy notes of Board of Director's meeting from February, 2017 to February, 2018.
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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 June 11, 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 Gonzales and Deputy Singh of the Harris County Constable's Office, Precinct No. 4; Kelly Trebbing 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"); Rashelle Arterburn of Utility Tax Service, L.L.C. ("UTS"); 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 May 7, 2018. After discussion, Director Theriot made a motion to approve the minutes of the May 7, 2018, Board of Directors meeting, as written. Director Garner 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. She reported that there were several car burglaries within Chasewood Park and two home burglaries within the District during the past month.

SECURITY MONITORING SERVICES

The Board next considered the status of security monitoring services. Director Rhodes stated that there were several call-outs to the park but nothing of significance.

APPOINTMENT BOARD MEMBERS

The Board next considered the appointment of Board members to serve as liaisons for security matters, operations matters and park and plant facility matters. Director Geaslen stated that, after last month's Board meeting wherein the Board appointed Director Rhodes to oversee security matters for the District, he thought that it would be beneficial to appoint individual

directors to serve as liaisons for the District to oversee certain other functions of the District so that all District matters did not have to be directed to the Board President in between meetings. He stated that the Operations Liaison would work with the District's Operator between Board meetings to discuss operation issues, customer issues or other issues that might arise and make decisions that might be required prior to the next Board meeting. Likewise, the Park and Plants Liaison would work with the District's Engineer between Board meetings to resolve issues regarding the District's water and sewer plant facilities, and the District's park and trails. The Park and Plant Liaison would also be responsible for periodically inspecting the parks and trails for any maintenance issues as well as periodically inspecting any construction activities at the District's plants. He further explained that, as discussed last month, the Security Liaison would be responsible for interfacing with the District's security monitoring service and the Constable to discuss and resolve security concerns. Director Geaslen noted that all Liaison positions should promptly disseminate information regarding the matters within their respective purviews to the other Board members during the month. Director Geaslen stated that he will maintain communications with the other District consultants during the month. He next suggested that the Board members should rotate the Liaison positions every few years. Director Theriot asked Ms. Richardson for her opinion on appointing Board members to these positions. Ms. Richardson stated that there is nothing in the Water Code to limit the power of the Board to make such appointments, but she cautioned the Board about holding Board member conversations or exchanging emails in between meetings as it could lead to violations of the Texas Open Meetings Act. Director Geaslen suggested that each Liaison be given the individual authority in between meetings to approve expenditures not to exceed \$2,500 for emergency repairs related to their Liaison position. After discussion, Director Rhodes made a motion to appoint Director Garner to serve as Operations Liaison, to appoint Director Campbell to serve as Plants and Parks Liaison, to authorize Director Theriot to coordinate emergency notifications for the District, and to authorize the Security Liaison, the Operations Liaison, and the Plants and Parks Liaison to independently approve emergency expenditures related to their respective positions in amounts not to exceed \$2,500, if required during the month. Director Campbell seconded the motion, which unanimously carried.

DEVELOPERS' REPORTS

The Board next considered the status of development in the District. No one present had anything new to report.

DISCUSS FLOODING ISSUES IN THE DISTRICT

The Board next discussed flooding issues within the District. Director Garner stated that he and Mr. Eby attended a meeting held by Harris County and Judge Emmett related to flooding and the upcoming \$2,500,000,000 bond election to be held on August 25, 2018, to approve bonds to fund flood mitigation projects. He stated that Judge Emmett advised that the Cypress Creek area will be addressed in the bond issue, and that the bond issue will also potentially include funds for the construction of a new dam in the area, with the exact location not yet determined. Mr. Eby suggested that the District have direct conversations with the County if there are specific issues that the District wants included in the bond issue. Director Theriot asked Mr. Eby if he has been able to deploy the drone to investigate the condition of Cypress Creek. He stated that he has not

yet deployed the drone. Director Theriot stated that it should be done as soon as possible so that the footage can be reviewed in advance of the upcoming town hall meeting. The Board agreed that the drone should take footage of Cypress Creek in between Moore Park and FM 249 to Faulkey Gulley. Mr. Eby stated he will hire a drone company to video the footage if his drone is not able to do the job.

Director Rhodes stated that he is giving a presentation at the Homeowners Association meeting next week regarding flooding in the District.

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. The Board discussed the enforcement of public easements by plat. Ms. Richardson stated that she has researched the issue and it appears as though either Harris County or the City of Houston have the right to enforce the public easement, depending on the entity that approved the plat containing the easement. Director Rhodes advised that he will discuss the issue with Mr. Ross Hoskins of Harris County.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Ms. Arterburn presented the attached Tax Assessor-Collector Report (**Exhibit B**) dated May 31, 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 Theriot seconded the motion, which carried unanimously.

Ms. Richardson next presented the attached list of delinquent accounts, dated June 4, 2018, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") (**Exhibit C**).

COLLECTION OF DELINQUENT TAXES

The Board next considered authorizing Perdue to pursue the collection of delinquent taxes for 2017 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 2017 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 D**).

Mr. Thiry reported on the status of the blower repairs and stated that one (1) blower is still being evaluated.

Mr. Thiry stated that the digester piping has corroded and presented a proposal from NTS for \$19,898 to repair the air lift pumps and diffuser supports in digester no. 1 at the WWTP. He then presented an executed TEC Form 1295 from NTS. After discussion, Director Rhodes made a motion to approve the proposal from NTS for \$19,898. Director Theriot seconded the motion, which unanimously carried.

Mr. Thiry stated that the air conditioner in the building at the WWTP is in bad condition and needs to be repaired or replaced. He presented a proposal for \$1,720.12 to repair the air conditioner and a proposal for \$8,849.58 to replace the air conditioner. The Board requested that EDP obtain an additional proposal to repair the air conditioner for review at next month's meeting.

Mr. Thiry next presented the final version of the Consumer Confidence Report which will be distributed to customers prior to July 1, 2018.

Mr. Thiry next reported that Southern Flowmeter completed the semi-annual testing of the commercial water meters in May. He presented a copy of the test report completed by Southern Flowmeter.

Mr. Thiry next reported that the annual testing of the fire hydrants within the District was completed in April. He presented a copy of the recommended repairs totaling \$2,975 and recommended that the Board approve same. After discussion, Director Theriot made a motion to authorize the fire hydrant repairs at a cost of \$2,975. Director Campbell seconded the motion, which unanimously carried.

Mr. Thiry next presented correspondence received from Mr. David Collins, who resides at 13918 Lakewood Crossing Boulevard and is requesting authorization to install a three-inch (3") metered water tap at his residence to be used to fill up an aqua dam in case of a flood emergency. Mr. Eby noted that the aqua dam requires approximately 25,000 gallons of water to fill it up. Director Geaslen asked Mr. Thiry about the costs for the meter. Mr. Thiry noted that the District's rate order charges actual cost plus 200% of the actual cost for the installation of non-residential taps. Director Theriot asked Mr. Thiry if the District has the capacity to deliver the amount of water that will be needed to fill the aqua dam, without compromising the District's ability to serve all other District customers. Mr. Eby stated that the District's water system would not support supplying that amount of water to multiple homes at the same time, after the Board noted that other residents might request approval for the same purpose if the Board approves this initial request. Ms. Richardson noted that the District must treat all classes of customers the same under the Rate Order and that if the District approves the request for this customer, they would be obligated to approve similar requests from other customers in the future. After discussion, the Board agreed to deny the request from Mr. David Collins since the District's water system would not be able to support supplying the quantity of water required by aqua dams to multiple homes in the District, without compromising the District's ability to supply all customers of the District. The Board requested that MRPC draft a response to the resident.

Mr. Thiry next presented and reviewed the breakdown of costs related to damages caused by Hurricane Harvey. He stated that all relative claims have been submitted to the insurance company and to the Federal Emergency Management Agency.

Mr. Thiry reported that the District accounted for 92% of the water pumped during the month of April.

Mr. Thiry next presented a map showing the locations of the inlets that were recently retrofitted with grates. Director Theriot asked if the other inlets within the District should be fitted with grates as well. Mr. Thiry and Mr. Eby agreed to look at the other inlets to make such determination.

Mr. Thiry stated that he will coordinate with Director Theriot regarding a mass notification system for the District.

After discussion, Director Campbell 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 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 presented Pay Application No. 2 and Final in the amount of \$9,970.00 and recommended that the Board approve payment of same. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 2 and Final, as set out above. Director Campbell seconded the motion, which carried unanimously.

Mr. Eby next reported on the status of the lift station rehabilitation project. He stated that Eby received a review letter and drawings from CenterPoint's engineer and that he has reviewed same and sent comments back to CenterPoint. Mr. Eby stated that CenterPoint put in a three phase power line when HP started selling off its property and that, after reviewing the drawings from CenterPoint, it appears as though there is a major power line running directly under the District's lift station. Mr. Eby noted that CenterPoint has previously claimed that such power line is routed around the lift station. He stated that the portion of the power line that runs underneath the lift station is not in an easement. Ms. Richardson suggested that the District require that CenterPoint put the power line in the easement. Mr. Eby stated that he will investigate the issue.

Mr. Eby next reported on the electrical improvements at the WWTP. He stated that he received the survey and a refined cost estimate for raising the blowers at the WWTP, which costs are estimated at \$1,700,000. He stated that he will send the plans to Harris County for approval and upon approval from Harris County, he will send the plans to the Texas Commission on

Environmental Quality (“TCEQ”) for approval. Mr. Eby stated that once approval is received from the TCEQ, he will move forward with bidding the project.

Mr. Eby next reported on the trail work on Faulkey Gully at the bridge and presented a proposal from Pavement Constructors in the amount of \$17,644.00. He presented an executed TEC Form 1295 from Pavement Constructors. After discussion, Director Rhodes made a motion to approve the proposal from Pavement Constructors in the amount of \$17,644.00, as discussed above. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby next reviewed a proposal from Anchor Group, Inc. in the amount of \$2,366.00 to install fencing on the side of Cypress Creek between Jones Road and Cypresswood Drive. He presented an executed TEC Form 1295 from Anchor Group, Inc. After discussion, Director Theriot made a motion to approve the proposal from Anchor Group, Inc. in the amount of \$2,366.00, as discussed above. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production (“Patriot”). He stated that Patriot inspected the flare and that all is functioning properly.

Mr. Eby reported that he met with the Hanson family at the park regarding the planting of a tree in memory of their son. He stated that the family would like to plant a dogwood tree, and he discussed the possible locations to plant the tree. Mr. Eby stated that the Hanson family has advised that they will pay for the costs of planting the tree and any associated irrigation for the tree. The Board directed that Brian Gardens handle planting the tree and irrigation for same, with such costs to be paid for by the Hanson family, and that MRPC draft a simple waiver for the Hanson family to sign absolving the District from any future responsibility related to the tree.

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

REQUEST TO INSTALL WATER TAP

The Board next deferred consideration of a request from a resident for the installation of a water tap for emergency purposes as same had been discussed under the operator’s report.

AMENDMENT OF RATE ORDER

The Board next deferred consideration of an amendment to the District’s Rate Order.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper’s Report. Ms. Trebbing reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. Director Geaslen then presented a Revenues and Expenditures chart for the past ten (10) years (**Exhibit G**). He recommended using half of the maintenance tax revenues for 2019 to allocate to flood mitigation

projects within the District. The Board agreed to discuss the matter at a later 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 reported regarding the status of the District's request with the Harris County Flood Control District. She noted that Ms. Fox requested additional information from the District, and that she provided the requested information. She noted that Ms. Fox stated she would forward the request to the appropriate department for further handling.

VOTING SYSTEM ANNUAL FILING FORM

Ms. Richardson next discussed 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 Theriot made a motion to approve the Form and authorize MRPC to file same with the Secretary of State's Office. Director Campbell 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 2017 to February 2018, in accordance with the Records Retention Schedule for General Records. Ms. Richardson presented the attached request of the Records Management Officer with the 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 Campbell seconded the motion, which carried unanimously.

REVIEW AND APPROVE PROPOSAL FOR DRONE VIDEO

The Board next deferred the review and approval of a proposal for a drone video of Cypress Creek as same had been discussed under the engineer's report.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred that the next meeting be held on July 2, 2018, at Luigi's Restaurant.

ADJOURNMENT OF BOARD MEETING

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

A handwritten signature in cursive script, appearing to read "Stephen J. ...", is written over a horizontal line. Below the line, the text "Secretary, Board of Directors" is printed.

Secretary, Board of Directors

LIST OF EXHIBITS

June 11, 2018

- Exhibit A. Patrol Report
- Exhibit B. Tax Assessor-Collector's Report
- Exhibit C. Delinquent Tax Report
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineering Report
- Exhibit F. Bookkeeping Report
- Exhibit G. Revenues and Expenditures Chart
- Exhibit H. Request from Records Management Officer