

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286**

Minutes of Board of Directors Meeting

September 4, 2018

**ACTIONS TAKEN**

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1. The Board approved the minutes of the August 6, 2018, meeting.
  2. The Board confirmed the engagement of Roth & Eyring, PLLC to prepare the District's audit report for the fiscal year ending September 30, 2018.
  3. The Board approved the purchase of materials for the repair and resurfacing of trails by Harris County and an Interlocal Agreement between the District and Harris County, 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 a Rental Agreement with Gen Solutions LLC.
  6. The Board approved the Operations and Maintenance Report presented by EDP.
  7. The Board authorized Eby to handle repairs of the slide at the park.
  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 approved the proposed Operating Budget for the fiscal year ending in 2019 as presented by Claudia Redden & Associates, L.L.C.
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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 September 4, 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 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"); Rashelle Arterburn of Utility Tax Service, L.L.C. ("UTS"); 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 August 6, 2018. After discussion, Director Theriot made a motion to approve the minutes of the August 6, 2018, 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, a copy of which is attached hereto as **(Exhibit A)**, and the status of security monitoring services within the District. Deputy Singh reviewed the report and discussed the activity within the District over the past month. She stated that one (1) motor vehicle was burglarized at the Springfield Suites. Director Geaslen asked Deputy Singh about the water conservation meeting next month and whether the Constable has area specific crime statistics to hand out to attendees. Corporal Curry stated that he can gather the requested information from surrounding districts and bring to the next meeting.

Director Geaslen next asked Deputy Singh if she is willing to return phone calls to every member of the Board in a timely, professional manner. Deputy Singh stated that she is willing to return phone calls to any of the Board members in a timely manner, noting that she does not typically return non-emergency calls outside of her working hours. Director Geaslen next requested that Deputy Singh advise Director Rhodes ahead of time when she plans to take time off of work.

## **CONFIRM ENGAGEMENT OF AUDITOR**

The Board next considered confirming the engagement of an auditor for the fiscal year ended September 30, 2018. Ms. Richardson reminded the Board that the District engaged Roth & Eyring, PLLC last year to prepare the audit report for two years, and she presented the second-year engagement letter for execution. After discussion, Director Garner made a motion to confirm the engagement of Roth & Eyring, PLLC to prepare the District's audit report for the fiscal year ending September 30, 2018, and to authorize the President to execute the second-year engagement letter on behalf of the Board and the District. Director Theriot seconded the motion, which carried unanimously.

## **EXECUTIVE SESSION**

The Board next recessed into Executive Session at 6:07 p.m. to deliberate regarding security devices or security audits pursuant to §551.076 and §551.089, Texas Government Code. The Board returned from executive session at 6:28 p.m.

## **DEVELOPERS' REPORTS**

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

Director Theriot next reported that the E-Waste event by Residential Recycling and Refuse of Texas, Inc. ("RRRT") is currently scheduled for October 6, 2018. She stated that the Constable has advised that RRRT will not be allowed to place the dumpster trucks on the sides of neighborhood streets as initially contemplated. The Board discussed possibly cancelling the event for this year since a large number of residents got rid of extra electronics after the flooding. Director Geaslen suggested utilizing the park for the E-Waste event. Director Theriot stated that she will discuss the issue with RRRT to see if the park will be a feasible alternative. Director Theriot asked if EDP will include a flyer in upcoming water bills to advise residents of the event and Mr. Thiry confirmed that EDP will handle same.

## **DISCUSS FLOODING ISSUES IN THE DISTRICT**

The Board next discussed flooding issues within the District. Mr. Thiry reported that EDP ordered the storm inlet covers but they have not yet arrived.

Mr. Eby stated that the revised plans for the electrical improvements at the WWTP are being reviewed by Harris County. He stated that Harris County wants the fire code division to review the building plans as well. Mr. Eby asked the Board if they would like him to proceed with the project prior to receiving approval from the Federal Emergency Management Agency ("FEMA"). The Board concurred that they would prefer to receive preliminary approval from FEMA prior to moving forward with the project.

## **APPROVE PURCHASE OF MATERIALS**

The Board next considered the review and approval of the purchase of materials for the repair and resurfacing of trails by Harris County. Director Geaslen advised that the purchase of materials will be approximately \$18,000. Ms. Richardson then presented and reviewed an Interlocal Agreement between the District and Harris County relative to the repairs. After discussion, Director Theriot made a motion to approve the Interlocal Agreement between the District and Harris County, and authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Campbell seconded the motion, which unanimously carried.

## **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 August 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 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.

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

## **2017 TAX RATE RECOMMENDATION**

The Board next deferred consideration of the Financial Advisor's recommendation concerning the establishment of the District's 2018 tax rate until next month's meeting.

## **OPERATIONS REPORT**

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

Mr. Thiry reported that EDP replaced sixty (60) fluorescent light bulbs and six (6) ballasts at the Water Plant and noted that the costs were higher than expected. He stated that he will discuss the pricing with the contractor to see if a lower price can be agreed upon and will have Director Geaslen approve same, if necessary.

Mr. Thiry stated that NTS is scheduled to perform the repairs on the air lift pumps and diffuser supports in digester 1 at the WWTP on September 6, 2018.

Mr. Thiry stated that the new automatic transfer switch at the WWTP was hit by lightning on August 29, 2018. He stated that EDP will coordinate with Eby to devise a plan regarding same.

Mr. Thiry next presented and reviewed a generator equipment rental agreement with Gen Solutions LLC ("Gen Solutions") for lift station no. 1 to reserve a standby generator for the

upcoming hurricane season and until the rehab of the lift station is complete. He then presented a TEC Form 1295 from Gen Solutions. After discussion, Director Rhodes made a motion to approve the generator equipment rental agreement with Gen Solutions and authorize the President to execute same on behalf of the Board and the District. Director Theriot seconded the motion, which unanimously carried.

The Board next considered the review and approval of a mass notifications system for the District. Mr. Thiry recommended that the Board proceed with the system from Slick Text. Ms. Richardson advised that MRPC reviewed the information from Slick Text and does not see any issues with the District implementing the system. Director Theriot requested a copy of the flyer that EDP will include in water bills advising of the new system.

Mr. Thiry stated that he will coordinate with Director Theriot regarding the logistics for the Water Conservation Meeting on October 2, 2018.

After discussion, Director Theriot made a motion to approve the Operations and Maintenance Report, as presented. Director Campbell 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 monthly inspection and maintenance of the flare by Patriot Production ("Patriot") and stated that he did not receive an invoice from Patriot this month.

Mr. Eby reported on the status of the lift station rehabilitation project. Mr. Eby reviewed e-mail correspondence received from Mr. Barry Parks of Lone Star College stating that CenterPoint advised him that work should start within the next week and is anticipated to be complete by the end of September. Mr. Eby stated that he will bid the project after CenterPoint completes the meter installation.

Mr. Eby next reported on the electrical improvements at the WWTP. He stated that the design plans are currently being reviewed by Harris County and that once approval is received from Harris County, he will move forward with bidding the project.

Mr. Eby stated that the slide at the park is broken and a barbeque pit has fallen over. The Board instructed Mr. Eby to have the barbeque pit removed and the slide repaired. He noted that he will secure the slide to prevent usage until it is repaired.

Mr. Eby reported that Harris County has prepared a report regarding the various projects to be included in the bond issue which recently passed in August and that the Faulkey Gully project is included in the report. Director Theriot asked whether the Lakewood Crossing Blvd. project was included as well, and Mr. Eby stated that he is not aware of the specific District projects but will contact Harris County to discuss same.

After discussion, Director Theriot made a motion to approve the Engineering Report. Director Garner 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. After discussion, Director Garner made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Campbell seconded the motion, which carried unanimously.

The Board next considered adoption of the operating budget for the fiscal year ending September 30, 2019 (**Exhibit G**). After discussion, Director Garner made a motion to approve the budget, as presented. Director Theriot 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 she continues to request updates from HCFCD regarding the matter and is told repeatedly that they will get back to her with information.

### **WATER CONSERVATION MEETING**

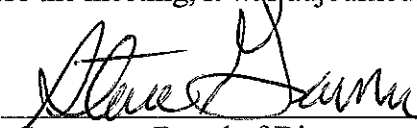
The Board next considered a discussion regarding the logistics of the annual Water Conservation Meeting which will take place in conjunction with National Night Out on October 2, 2018.

### **ITEMS FOR FUTURE AGENDAS**

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to add an item to the next agenda to consider the status of garbage collection services from RRRT.

### **ADJOURNMENT OF BOARD MEETING**

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

  
Secretary, Board of Directors

**LIST OF EXHIBITS**

September 4, 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 Proposed Operating Budget