

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

Minutes of Board of Directors Meeting  
November 5, 2018

**ACTIONS TAKEN**

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1. The Board approved the minutes of the October 1, 2018, 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 approved a quote from Gen Solutions LLC in the amount of \$13,560 for replacement of the automatic transfer switch.
  4. The Board authorized EDP to replace the lift pump no. 2 at lift station no. 2.
  5. The Board authorized Director Garner to act on behalf of the Board to approve a quote to replace the lift pump controller at a cost not to exceed \$4,950.
  6. The Board authorized EDP to send a notice to residents regarding Slick Text Messaging.
  7. The Board approved the Operations and Maintenance Report presented by EDP.
  8. The Board authorized Eby to advertise for bids for the lift station rehabilitation project.
  9. The Board authorized Eby to replace the slide at the park.
  10. The Board authorized EDP to replace the lights at the gazebo on the hike and bike trail and authorized Director Campbell to act on behalf of the Board to approve the replacement of signs on the hike and bike trail.
  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, and approved the transfer funds maturing from Certificates of Deposit at Post Oak Bank to Texas Class.
  13. The Board approved a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer.
  14. The Board conducted a public hearing and subsequently adopted an Order levying the 2018 tax rate.
  15. The Board amended the District Information Form in connection with the adoption of the 2018 tax rate.
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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 November 5, 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 Gonzalez 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"); Rashelle Arterburn of Utility Tax Service, L.L.C. ("UTS"); and Kara Richardson of Marks Richardson PC ("MRPC").

The President called the meeting to order.

#### **APPROVAL OF MINUTES**

The Board first considered approval of the minutes of the Board of Directors meeting held on October 1, 2018. After discussion, Director Theriot made a motion to approve the minutes of the October 1, 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 the burglary of a motor vehicle reflected on the report actually took place in another district and was miscoded to the District.

Sergeant Gonzalez and Deputy Singh exited the meeting.

#### **DEVELOPERS' REPORTS**

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

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

The Board next discussed flooding issues within the District. No one present had anything to report.

## **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 October 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 and to approve the checks identified in the report for payment. Director Campbell seconded the motion, which carried unanimously.

## **OPERATIONS REPORT**

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

Mr. Thiry reported that lift station no. 1, lift station no. 2 and the on-site lift station were surface cleaned within the past month.

Mr. Thiry next reported that the automatic transfer switch at the WWTP needs to be replaced. He stated that Gen Solutions LLC can replace the transfer switch for \$13,560.00. He then presented an executed TEC Form 1295 from Gen Solutions LLC. After discussion, Director Rhodes made a motion to approve the replacement of the automatic transfer switch at the WWTP at a cost of \$13,560.00. Director Garner seconded the motion, which unanimously carried.

Mr. Thiry reported that lift pump no. 2 at lift station no. 2 needs to be replaced. He stated that EDP can replace the lift pump for approximately \$12,977.00 or repair the lift pump for \$7,515.00. Mr. Thiry recommended replacing the lift pump due to the age of the existing pump. Mr. Eby asked if Hurricane Harvey contributed to the pump failure. Mr. Thiry stated that it is possible that the failure is related to Hurricane Harvey as the pump most likely ran for an extended period of time. The Board then requested that EDP file an insurance claim for the replacement of lift pump no. 2. Mr. Thiry stated that EDP will pull lift pump no. 3 to inspect its condition and will request a quote for same if needed. After discussion, Director Rhodes made a motion to approve the replacement of lift pump no. 2 at lift station no. 2 at a cost of \$12,977.00. Director Garner seconded the motion, which unanimously carried.

Mr. Thiry reported that the lift pump controller at lift station no. 2 needs to be replaced. He stated that NTS can replace the controller for \$4,950.00. After discussion, Director Rhodes made a motion to authorize Director Garner to act on behalf of the Board to approve a quote not to exceed \$4,950.00 to replace the controller at lift station no. 2. Director Theriot seconded the motion, which unanimously carried.

Mr. Thiry stated that the repairs on the air lift pumps and diffuser supports in digester 1 at the WWTP are complete.

Mr. Thiry stated that, per Director Garner's approval after last month's meeting, EDP is replacing the probes on the pressure tanks at the Water Plant.

Mr. Thiry reported that forty-one (41) people have signed up for the Slick Text messaging since EDP started the program in October. After discussion, the Board authorized EDP to send an additional notice to residents in the next water bill regarding the messaging system and the process for signing up for notifications.

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

### **ENGINEERING REPORT**

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

Mr. Eby reported on the status of the lift station rehabilitation project. He stated that CenterPoint has installed three phase power and the restoration is complete. Mr. Eby stated that he would like to proceed with advertising the project for bids. After discussion, Director Theriot made a motion to authorize Eby to advertise for bids for the lift station rehabilitation project. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby next reported on the electrical improvements at the WWTP. He stated that Harris County requires that the Fire Code Division review the plans unless an appraisal shows that the projected repair costs are less than 50% of the value of the building. Mr. Eby stated that he had the building appraised, and presented a copy of the attached appraisal reflecting a market value of \$95,000 for the building. He stated that the estimated cost of repairs is \$25,000 so Eby will present the appraisal to Harris County tomorrow and request a waiver of the Fire Code Division review requirement. Mr. Eby stated that once he receives approval from Harris County, he will move forward with bidding the project.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production ("Patriot"). He stated that Patriot inspected the flare and found that it was not working. Mr. Eby stated that Patriot serviced the flare and that it is now functioning properly.

Mr. Eby presented a proposal for \$905 to replace the damaged slide at the park. After discussion, Director Campbell made a motion to authorize Eby to replace the damaged slide per the proposal. Director Rhodes seconded the motion, which unanimously carried.

Mr. Eby stated that the signs on the hike and bike trail have faded and been vandalized and need to be replaced. He also stated that the gazebo needs to be restrained and the light under the gazebo needs to be replaced. Mr. Thiry stated that EDP can replace the light under the gazebo. Mr. Eby stated that he will coordinate with a sign company to order replacement signs. After discussion, Director Theriot made a motion to authorize Director Campbell to act on behalf of the

Board to approve the replacement of the signs at the hike and bike trail. Director Garner seconded the motion, which unanimously carried.

Mr. Eby reported that Harris County has cleared the area for the hike and bike trail along Cypress Creek from Jones Road to Cypresswood Drive but has not yet commenced construction on the trail. Director Geaslen stated that Mr. Mike Howlett of Harris County Precinct 4 advised him that Harris County is waiting on the check from the District to begin work on the project. He also stated that Mr. Howlett advised him that Harris County will maintain the subject portion of the trail after construction and that Harris County will remove the portion of the trail that will no longer be used.

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

### **BOOKKEEPING REPORT**

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit E**), including the checks presented for payment. She stated that the funds from the Certificates of Deposit maturing at Post Oak Bank will be transferred to Texas Class since Post Oak Bank was recently acquired by Allegiance Bank. She noted that the District currently has funds on deposit at Allegiance Bank and the maturing CD's from Post Oak Bank along with the current deposits at Allegiance Bank would exceed the FDIC limit. After discussion, Director Theriot made a motion to approve the Bookkeeper's Report, including the checks presented for payment, and approve the transfer of funds from Certificates of Deposit maturing at Post Oak Bank to Texas Class. Director Campbell seconded the motion, which carried unanimously.

### **ANNUAL REVIEW OF INVESTMENT POLICY**

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a Resolution relative thereto. Ms. Richardson advised that there are no proposed changes to the Order at this time and recommended that the current Order remain in effect. After discussion, Director Theriot made a motion to adopt the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (**Exhibit F**), and to authorize the President to sign and the Secretary to attest the Resolution on behalf of the Board and District. 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 she does not have anything new to report other than the fact that Ms. Karen Fox has retired from the HCFCD.

## **PUBLIC HEARING**

The Board next conducted a public hearing on the District's proposed 2018 maintenance tax rate. Ms. 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 2018 maintenance tax rate. The Board then discussed the various reasons for raising the tax rate. No members of the public were present and wishing to speak, so the President announced the hearing closed.

## **ADOPTION OF 2018 TAX**

The Board next considered the adoption and levy of the District's 2018 maintenance tax rate. After discussion, Director Rhodes made a motion that the District levy a 2018 maintenance tax of \$0.13 per \$100 of assessed valuation and to adopt the Order Levying Taxes (**Exhibit G**). 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 2018 tax rate. After discussion, Director Garner 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.

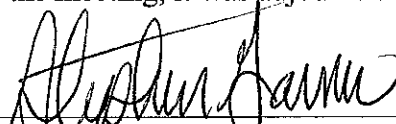
Director Rhodes next reported regarding security monitoring services and stated that the speakers at the park are now functioning properly.

## **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.

  
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Secretary, Board of Directors

**LIST OF EXHIBITS**

November 5, 2018

- Exhibit A. Patrol Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Operations and Maintenance Report
- Exhibit D Engineering Report
- Exhibit E Bookkeeping Report
- Exhibit F Resolution Regarding Review of Investment Policy
- Exhibit G Order Levying Taxes