

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

Minutes of Board of Directors Meeting

January 7, 2019

**ACTIONS TAKEN**

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1. The Board approved the minutes of the December 3, 2018 meetings.
  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 the Interlocal Agreement for Law Enforcement Services with Harris County.
  4. The Board adopted a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes and authorized Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of the District's 2019 delinquent personal property accounts, including the filing of lawsuits, as necessary.
  5. The Board authorized EDP to order stickers for the storm drains within the District.
  6. The Board approved the Operations and Maintenance Report presented by EDP.
  7. The Board authorized EDP to provide information to entities receiving water from the District in 2018 for purposes of Consumer Confidence Report reporting requirements.
  8. The Board awarded the contract for the lift station rehabilitation project to T&C Construction, Ltd.
  9. The Board authorized Eby to hire a surveyor to conduct elevation surveys of buildings in the floodplain.
  10. The Board approved the Engineering Report presented by Eby Engineers, Inc.
  11. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
  12. The Board approved and adopted a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District.
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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 January 7, 2019, 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 Garza and Deputy Wright 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 David Marks 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 December 3, 2018. After discussion, Director Rhodes made a motion to approve the minutes of the December 3, 2018, Board of Directors meeting, as written. Director Theriot 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. Sergeant Garza reviewed the report and discussed the activity within the District over the past month.

Director Rhodes next stated that there were no security issues to report at the park this past month.

#### **APPRVOAL OF AUDIT REPORT**

The Board next deferred the review and approval of an audit report for the fiscal year ended September 30, 2018.

#### **DEVELOPERS' REPORTS**

The Board next considered the status of development in 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 December 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 Campbell made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Rhodes seconded the motion, which carried unanimously.

Sergeant Garza next introduced Deputy Wright to the Board and stated that he is the new deputy assigned to the District's contract. Mr. Wright introduced himself and shared his contact information with the Board members.

Sergeant Garza and Deputy Wright exited the meeting at this time.

## **APPROVAL OF INTERLOCAL AGREEMENT**

The Board next considered the review and approval of an Interlocal Agreement ("Agreement") for Law Enforcement Services between Harris County and the District. Ms. Richardson reviewed the Agreement with the Board, noting that it provides for the same coverage as the current agreement and that the contract term will begin March 1st. Director Geaslen stated that the Harris County Sheriff's Office ("HCSO") also provides contract patrol services to MUDs and that the Board might consider looking into the services provided by HCSO. Director Rhodes stated that the HCSO contract costs are the same as the HCCO and that he sees no reason to switch to the HCSO at this time. After discussion, Director Rhodes made a motion to approve the Agreement and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Theriot seconded the motion, which carried unanimously.

## **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, (**Exhibit C**). Ms. Richardson advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the delinquent personal property taxes due to the District that became delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent. After discussion, Director Theriot made a motion to adopt the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes and to authorize Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of the District's 2019 delinquent personal property accounts following proper notice as provided in the Resolution, including the filing of lawsuits, as necessary. Director Rhodes seconded the motion, which carried unanimously.

## **OPERATIONS REPORT**

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

Mr. Thiry reported that EDP ordered the automatic transfer switch and filed an insurance claim filed for the replacement of same at the Wastewater Treatment Plant.

Mr. Thiry reported that EDP ordered a lift pump to replace lift pump no. 2 at lift station no. 2.

Mr. Thiry next presented samples of stickers that can be installed on storm drains within the District to advise residents not to dump debris in the storm drains. The Board authorized EDP to order the stickers and install them on the drain inlets in the District. The Board next discussed installing grates over the storm sewer inlets on the HP property. Mr. Eby stated that the storm sewer inlets within HP belong to the Property Owners Association ("POA") so the District will need to obtain permission from the POA prior to installing grates or stickers on those storm drains.

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

## **CONSUMER CONFIDENCE REPORTS**

The Board next considered authorizing EDP to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports. After discussion, Director Theriot made a motion to authorize EDP to provide the required information. Director Campbell seconded the motion, which unanimously carried.

## **ENGINEERING REPORT**

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

Mr. Eby reported on the status of the lift station rehabilitation project. He stated that he received three (3) bids for the project and recommended that the Board award the contract to the low bidder, T&C Construction, Ltd. ("T&C"), in the amount of \$419,000. He presented an executed TEC Form 1295 from T&C in connection with same. After discussion, Director Rhodes made a motion to award the contract to T&C, as set out above. Director Campbell seconded the motion, which carried unanimously.

Mr. Eby next reported on the electrical improvements at the WWTP. He stated that the design plans have been approved by Harris County and that he will now send the design plans to the Texas Commission on Environmental Quality ("TCEQ") for approval. Mr. Eby stated that once he receives approval from the TCEQ, he will move forward with bidding the project. He noted that he hopes to have a response from the Federal Emergency Management Agency by next month regarding same.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production (“Patriot”). He stated that he has not received a report or invoice from Patriot for the past two (2) months. Mr. Eby stated that he sent email correspondence to Patriot but has not yet received a response.

Director Campbell next asked about the invoices from Brian Gardens for cleaning out under the bridges within the District. Mr. Eby stated that those two (2) invoices reflect work billed at an hourly rate.

Mr. Eby reported that he ordered a new pole for the sign on Cypresswood Drive that was damaged. He also noted that the new slide for the park has been installed.

Mr. Eby reported that the District’s insurance will be up for renewal soon and the District’s agent informed him of the need to obtain elevation certificates for the buildings that are in the floodplain. He stated that a surveyor will need to perform the elevation survey. After discussion, Director Theriot made a motion to authorize Eby to hire a surveyor to conduct the elevation survey of the buildings that are in the floodplain. Director Rhodes seconded the motion, which unanimously carried.

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

### **STATUS OF CYPRESS CREEK FLOOD CONTROL COALITION**

The Board next considered the status of the Cypress Creek Flood Control Coalition (the “Coalition”). Director Theriot presented a Certificate of Membership (**Exhibit F**) from the Coalition dated December 19, 2018, approving the District as a new regular member of the Coalition. The Board requested that information regarding the District’s membership be added to the District’s website.

### **BOOKKEEPING REPORT**

The Board next considered the Bookkeeper’s Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit G**), including the checks presented for payment. Director Geaslen reminded the Board that the District will change to a new electricity provider this month per a contract approved by the District several months ago. After discussion, Director Campbell made a motion to approve the Bookkeeper’s Report, including the checks presented for payment. Director Theriot seconded the motion, which carried unanimously.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

Ms. Richardson next advised the Board that requirements in the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and the attached list of financial institutions, brokers and dealers

prepared by Claudia Redden. Ms. Richardson recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the lists that could create a conflict of interest, that such institution(s) should be deleted from the list that the Board adopts or that any affected Director should execute a conflicts disclosure statement relative to same. After discussion, Director Theriot made a motion to adopt the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District and the list of financial institutions, brokers and dealers prepared by Claudia Redden (**Exhibit H**). Director Campbell seconded the motion, which carried unanimously.

Ms. Richardson next presented correspondence from Texas Health and Human Services dated December 18, 2018, regarding the District being awarded a Water Fluoridation Quality Award from the U.S. Centers for Disease Control and Prevention (**Exhibit I**).

### **ITEMS FOR FUTURE AGENDAS**

The Board next considered matters for possible placement on future agendas. Director Theriot requested that an item be added to the agenda for the next meeting to discuss the detention pond in the District.

### **ADJOURNMENT OF BOARD MEETING**

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

  
Secretary, Board of Directors

**LIST OF EXHIBITS**

January 7, 2019

- Exhibit A. Patrol Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit D Operations and Maintenance Report
- Exhibit E Engineering Report
- Exhibit F Certificate of Membership from Cypress Creek Flood Control Coalition
- Exhibit G Bookkeeping Report
- Exhibit H Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit I Water Fluoridation Quality Award