

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

August 5, 2019

ACTIONS TAKEN

1. The Board approved the minutes of the July 1, 2019 meeting.
 2. The Board approved the Resolution Regarding Information Stored on Privately-Owned Devices.
 3. The Board authorized MRPC to send RRRT a thirty-day (30) notice to cure all issues.
 4. The Board authorized Eby to prepare a proposal for assessment of lift station, force main and water and sanitary sewer lines on HP property.
 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 the Operations and Maintenance Report presented by EDP.
 7. The Board awarded a contract to CFG Industries in the amount of \$768,000 for the improvements and flood mitigation at the Water Plant No. 1.
 8. The Board approved Pay Estimate No. 3 from T&C Construction, Ltd. in the amount of \$33,840 for the lift station rehabilitation project.
 9. The Board approved a proposal from Eby to have Torres Brothers Painting paint and stain the gazebo at the park at a cost of \$2,250.
 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.
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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 August 5, 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 Lieutenant Garza and Sergeant Gonzalez 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 of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Hans Von Meier of Residential Recycling and Refuse of Texas, Inc. ("RRRT"); Paul Vangrieken of Genesis Capital Advisors, L.L.C. ("Genesis"); Ed Jones of HP; 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 July 1, 2019. After discussion, Director Theriot made a motion to approve the minutes of the July 1, 2019, Board of Directors meeting, as presented. Director Garner 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 Gonzalez reviewed the report and discussed the activity within the District over the past month.

The Board next considered the status of security monitoring services. Director Rhodes stated that there had been no issues at the park.

Lieutenant Garza and Sergeant Gonzalez exited the meeting at this time.

COMMENTS FROM THE PUBLIC

The Board deferred comments from the public, as no members of the public were present.

APPROVE RESOLUTION REGARDING INFORMATION STORED ON PRIVATELY-OWNED DEVICES

The Board next considered the approval of a Resolution Regarding Information Stored on Privately-Owned Devices, attached hereto as **(Exhibit B)**. Mr. Marks reported that Senate Bill 944 will require that a current or former officer or employee of a governmental body who maintains public information on a privately owned device to forward or transfer the public information to the governmental body or a governmental body server for preservation or preserve the information in its original form in a backup or archive and on the privately owned device for the time prescribed by the governmental body's records retention program. He stated that in order to comply with the requirements of Senate Bill 944, each current or former member of the Board shall transfer all public information created or received by such Board member to the Google account designated as hemud286@gmail.com immediately upon the creation or receipt of the public information by the Board member. After discussion, Director Rhodes made a motion to approve the Resolution and authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Theriot seconded the motion, which unanimously carried.

DISCUSSION REGARDING GARBAGE COLLECTION SERVICES

The Board next considered garbage collection services provided by Residential Recycling & Refuse of Texas, Inc. ("RRRT"). Mr. Von Meier addressed the Board and discussed the recent changes made by RRRT that he believes will improve the service. The Board discussed the continuing issues with trash collection including collection times continuing to run late in the day. After discussion, Director Theriot made a motion to authorize MRPC to give RRRT, on behalf of the Board of Directors, thirty (30) days' written notice to cure any issues prior to giving notice of termination of the Contract. Director Campbell seconded the motion, which unanimously carried.

DEVELOPERS' REPORTS

The Board next considered the status of development in the District. Mr. Vangrieken reported on building repairs and stated that the project is ninety percent (90%) complete. He stated that Genesis worked with Harris County to modify the site to enable a four-story apartment building. He noted that the design plans are currently under review with the Federal Emergency Management Agency ("FEMA") and that construction is anticipated to start in late 2019 or early 2020. Mr. Vangrieken stated that Genesis is requesting a utility commitment from the District and stated that he will coordinate with Mr. Eby for same. The Board recommended that Genesis submit a utility capacity request letter to the District's attorneys.

Mr. Jones addressed the Board and discussed plans for the HP campus and property. He stated that HP is in the process of separating the Compaq Center building ("CCM3") and Parking Garage 2 ("PG2") from the remainder of the HP campus. Mr. Jones stated that separation of the CCM3 and PG2 sites from the campus will involve physical separation of certain infrastructure, creation of shared use or common utility easements, possible conveyance of infrastructure to the Property Owner's Association and possible conveyance of infrastructure to the District. He then presented the attached handout, a copy of which is attached as **(Exhibit C)**, and reviewed the drawings with the Board. Mr. Jones stated that HP is requesting that the District accept conveyance

of the lift station and force main and sanitary sewer lines from the lift station to the District's sanitary sewer lines on the north side of Compaq Center Drive. Director Geaslen recommended that the District perform an inspection of the lift station prior to consideration of conveyance. Mr. Jones stated that HP is proposing to leave the water lines in place and make separate taps to the buildings. The Board requested that Eby prepare a proposal to perform an assessment of the lift station, force main and water and sanitary sewer lines for the Board's review at next month's meeting. Mr. Eby suggested that HP submit a deposit of \$5,000 for the assessment, and upon receipt Eby will proceed with preparation of same. After discussion, Director Rhodes made a motion to authorize Eby to prepare a proposal for the preparation of an assessment of the lift station, force main and associated water and sanitary sewer lines, pending receipt of a \$5,000 deposit from HP. Director Theriot 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 D**) dated July 31, 2019. 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.

2019 TAX RATE RECOMMENDATION

The Board next deferred consideration of the Financial Advisor's recommendation concerning the establishment of the District's 2019 tax rate until next month's meeting.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit E**). Mr. Thiry reported the following: 1) EDP has completed the fire hydrant repairs and painting is scheduled for August, 2) EDP is soliciting bids to replace the step-up transformer, transfer switch and booster pump motors at Water Plant No. 1, 3) EDP will have RESCO Electric raise the control panel at lift station no. 3 as previously quoted, 4) the ground storage tank no. 2 at the Water Plant has been disinfected and placed back into service, and 5) the District accounted for 94.9% of the water pumped during the month of July.

Mr. Thiry presented correspondence from Mr. Christopher Button at 14002 Lakewood Crossing Blvd who is requesting an adjustment to his water bill for the months of June and July which reflect high water usage. Mr. Thiry stated that the high usage was due to a water leak which has been repaired. After discussion, Director Rhodes made a motion to authorize EDP to credit the account for 50% of the balance from the months of June and July. Director Campbell seconded the motion, which unanimously carried.

Mr. Thiry next presented and reviewed a FEMA spreadsheet with the Board, a copy of which is attached hereto as (**Exhibit F**). He stated that over the past six (6) months, EDP has billed \$6,000 in administration costs related to FEMA matters.

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

IMPROVEMENTS AND FLOOD MITIGATION AT WATER PLANT NO. 1

The Board next considered the review of bids and award of construction contract for improvements and flood mitigation at Water Plant No. 1. He stated that he received two (2) bids for the project and recommended that the Board award the contract to the low bidder, CFG Industries ("CFG"), in the amount of \$768,000. He presented an executed TEC Form 1295 from CFG in connection with same. After discussion, Director Theriot made a motion to award the contract to CFG, as set out above. Director Rhodes seconded the motion, which carried unanimously.

IMPROVEMENTS AND FLOOD MITIGATION AT THE WWTP

The Board next considered the status of the construction contract with R&B Group Inc. ("R&B") for improvements and flood mitigation at the WWTP. Mr. Eby stated that the project is behind schedule and that R&B is preparing submittals. He stated that R&B anticipates moving on site in September.

ENGINEERING REPORT

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

Mr. Eby reported on the status of the lift station rehabilitation project. He stated that the project is fifty percent (50%) complete. Mr. Eby presented Pay Application No. 3 in the amount of \$33,840.00 and recommended that the Board approve payment of same. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 3, as set out above. Director Garner seconded the motion, which carried unanimously.

The Board next considered the approval of plans and specifications and authorizing advertisement for bids for painting and re-coating of ground storage tank no. 1 at Water Plant No. 1. He stated that Eby is working on the bid package for the project.

Mr. Eby next presented and reviewed a proposal from Torres Brothers Painting in the amount of \$2,250 for pressure washing and staining the gazebo at the park. After discussion, Director Garner made a motion to authorize Eby to have Torres Brothers Painting perform the pressure washing and staining of the gazebo at the park under Eby's existing contract with the District at a total cost of \$2,250. Director Theriot 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 is currently working on the replacement of the three (3) gas detectors.

Mr. Eby stated that he received two (2) invoices from PlayWell for \$1,375.00 for the spring rider and \$806.45 for installation of the spring rider at the park and recommends payment of same.

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 deferred consideration of the status of the Cypress Creek Flood Control Coalition. No one present had anything new to report. The Board requested that the item be removed from the agenda.

WATER CONSERVATION MEETING

The Board next discussed the annual Water Conservation Meeting to be held in conjunction with National Night Out on October 1, 2019. Director Theriot stated that Hickory Hollow has been booked to cater the event.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit H**), including the checks presented for payment. After discussion, Director Theriot made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Campbell seconded the motion, which carried unanimously.


ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. The Board concurred to move the next meeting to Tuesday, September 3, 2019.

Mr. Marks next presented a handout from the American Water Works Association, a copy of which is attached hereto as (**Exhibit I**).

ADJOURNMENT OF BOARD MEETING

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



Secretary, Board of Directors

LIST OF EXHIBITS

August 5, 2019

- Exhibit A Patrol Report
- Exhibit B Resolution Regarding Information Maintained on Privately-Owned Devices
- Exhibit C HPE – HPI handout
- Exhibit D Tax Assessor-Collector’s Report
- Exhibit E Operations and Maintenance Report
- Exhibit F FEMA handout
- Exhibit G Engineering Report
- Exhibit H Bookkeeping Report
- Exhibit I AWWA handout