

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

Minutes of Board of Directors Meeting

October 7, 2019

**ACTIONS TAKEN**

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1. The Board approved the minutes of the September 3, 2019 meeting.
2. The Board conducted a public hearing and subsequently adopted an Order levying the 2019 tax rate.
3. The Board amended the District Information Form in connection with the adoption of the 2019 tax rate.
4. The Board approved the engagement of Roth & Eyring, PLLC to prepare the District's audit report for the fiscal years ending September 30, 2019 and 2020.
5. The Board approved termination of the District's Agreement for Recycle and Solid Waste Collection and Disposal Services with Residential Recycling & Refuse of Texas, Inc. effective November 12, 2019.
6. The Board approved the Residential Solid Waste Collection Contract between the District and Texas Pride Disposal Solutions LLC, contingent upon MRPC review, and authorized the President to act on behalf of the Board and District to review and approve the Contract.
7. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
8. The Board approved a proposal from EFS in the amount of \$22,352.60 for replacement of the booster pump motors at Water Plant No. 1.
9. The Board approved a proposal from CC Water Services in the amount of \$6,420.00 for repairs to booster pump no. 1 at the Water Plant.
10. The Board approved the Operations and Maintenance Report presented by EDP.
11. The Board approved Pay Estimate No. 1 from CFG Industries in the amount of \$64,125.00 for improvements and painting at Water Plant No. 1.
12. The Board approved Pay Estimate No. 1 from R&B Group Inc. in the amount of \$52,650.00 for improvements and flood mitigation at the Wastewater Treatment Plant.
13. The Board approved Pay Estimate No. 5 from T&C Construction, Ltd. in the amount of \$82,575.00 for the lift station rehabilitation project.

14. The Board approved the Engineering Report presented by Eby Engineers, Inc.
  15. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
  16. The Board ratified prior action of adoption of the proposed Operating Budget for the fiscal year ending in 2020 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 October 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, except Directors Rhodes and Garner, therefore constituting a quorum.

Also present were Deputy Wright of the Harris County Constable's Office, Precinct No. 4 ("HCCO"); Landon Reed and Morgan Yates of Harris County Community Outreach, Precinct No. 4 ("Community Outreach"); Claudia Redden of Claudia Redden & Associates L.L.C.; Dennis Eby of Eby Engineers, Inc. ("Eby"); Eric Thiry and Jeff Cotton of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Ed Jones of HP; Kevin Atkinson of Texas Pride Disposal Solutions ("Texas Pride"); Joanne Green, Cathyrine Stewart, Neva Stewart, Cynthia Solomon, Nieford Lee Cassey, Joe Beatty, Irene L. Mosley and Freddie Williams of Woods Cemetery; 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 September 3, 2019. After discussion, Director Campbell made a motion to approve the minutes of the September 3, 2019, Board of Directors meeting, as presented. 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. Deputy Wright reviewed the report and discussed the activity within the District. He stated that there was a burglary of a motor vehicle within the past month. Deputy Wright stated that the HCCO received good feedback at the Water Conservation Meeting regarding the patrol services in the District.

The Board next deferred the status of security monitoring services as Director Rhodes was not present at the meeting.

## **COMMENTS FROM THE PUBLIC**

The Board next considered comments from the public. Mr. Landon Reed, Assistant Director of the Community Outreach for Harris County, Precinct 4, introduced himself to the Board and presented photos of Woods Cemetery attached hereto as (**Exhibit B**). He stated that Precinct 4 is constructing a trail in the District and adjacent to Woods Cemetery. He then introduced the various representatives of the Cemetery present at the meeting and stated that they would like for the District to grant permission to utilize the District's trail to access the Cemetery from Jones Road a couple of times per year to clean the Cemetery. He also stated that he is also working with the Cemetery group to install historical markers near the property and would like permission to place one within the District's trail. Director Geaslen stated that the District does not have a problem with installing the historical marker for the cemetery but that they will need to coordinate with the Harris County Flood Control District ("HCFCD") to obtain their permission since the HCFCD owns the property. Mr. Reed stated that he would like for the District to appoint a liaison for the County to work with during the trail construction and cemetery work and that he is going to try and schedule meeting with all stakeholders soon.

Director Geaslen then asked whether there is a plan to connect the trail with the new Kickerillo development nearby. Mr. Reed stated that Precinct 4 is in charge of the connectivity and that Harris County has already approved and funded the trail connection to the Kickerillo development.

## **PUBLIC HEARING**

The Board next conducted a public hearing on the District's proposed 2019 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 2019 maintenance tax rate. No members of the public were present and wishing to speak, so the President announced the hearing closed.

## **ADOPTION OF 2019 TAX**

The Board next considered the adoption and levy of the District's 2019 maintenance tax rate. After discussion, Director Theriot made a motion that the District levy a 2019 maintenance tax of \$0.125 per \$100 of assessed valuation and to adopt the Order Levying Taxes (**Exhibit C**). Director Campbell 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 2019 tax rate. After discussion, Director Theriot made a motion to approve the Form and to authorize the Board members present to execute the Form. Director Campbell seconded the motion, which carried unanimously.

## **ENGAGEMENT OF AUDITOR**

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal years ending September 30, 2019, and September 30, 2020. Ms. Richardson presented the engagement letter received from Roth & Eyring, PLLC and advised that Roth & Eyring, PLLC's fee for the preparation of the audit reports is \$9,300 per year for the next two years. She stated that an executed TEC Form 1295 was received in connection with same. After discussion, Director Theriot made a motion to engage Roth & Eyring, PLLC to prepare the District's audit reports for the fiscal years ending September 30, 2019, and September 30, 2020. Director Campbell seconded the motion, which carried unanimously.

## **DISCUSSION REGARDING GARBAGE COLLECTION SERVICES**

The Board next considered garbage collection services provided by Residential Recycling & Refuse of Texas, Inc. ("RRRT") and the review and approval of proposals from other solid waste collection providers. Mr. Kevin Atkinson of Texas Pride Disposal Solutions LLC ("Texas Pride") introduced himself to the Board, gave an overview of his company, and reviewed the proposal from Texas Pride (**Exhibit D**). Director Geaslen asked about recycling and whether companies are actually buying the recycled material. Mr. Atkinson stated that Texas Pride sells its recyclable material to a small company that can usually find a buyer for the recycled material. Director Theriot asked how Texas Pride will relay information to residents regarding the transfer of services from RRRT to Texas Pride. Mr. Atkinson stated that Texas Pride typically includes a letter with the delivery of the recycling bins and that he can also send a flyer to be included in the next water bill. Director Theriot asked who the contact person will be for the District and the response turnaround time. Mr. Atkinson stated that he will be the contact person and that he usually responds the same day. The Board agreed that a consistent garbage pickup time is important for the community. Mr. Atkinson said that Texas Pride will do its best to make sure that the collections take place at the same time each morning. The Board then thanked Mr. Atkinson for his presentation, and Mr. Atkinson then left the meeting.

The Board next discussed the recent documented poor performance by RRRT. Director Theriot discussed numerous issues that have occurred since the Board sent the letter notifying RRRT of its deficient performance in August. After discussion, Director Theriot made a motion to terminate the District's Agreement for Recycle and Solid Waste Collection and Disposal Services with Residential Recycling & Refuse of Texas, Inc. effective November 12, 2019. Director Campbell seconded the motion, which unanimously carried.

The Board then discussed the transfer of service to Texas Pride. Director Geaslen asked if EDP can insert the information in the next water bill. Mr. Thiry stated that EDP will coordinate with Texas Pride for the flyer to include in the next water bill. Director Theriot stated that EDP can also send a text reminder to residents.

The Board next discussed the proposal received from Texas Pride. After discussion, Director Theriot made a motion to approve the proposal from Texas Pride for a five-year (5) fixed-rate price for garbage collection and recycling service (with 18-gallon bins), as set forth in the proposal from Texas Pride, with such services to be effective November 12, 2019, approve the

Residential Solid Waste Collection Contract contingent on MRPC review, and authorize the President to act on behalf of the Board and District to review and approve the final Contract. Director Campbell seconded the motion, which unanimously carried.

### **DEVELOPERS' REPORTS**

The Board next considered the status of development in the District. Mr. Eby presented and reviewed a Feasibility Study prepared by Eby for the water and sanitary sewer to serve HPE, attached hereto as (**Exhibit E**). Mr. Eby reminded the Board that HPE has plans to separate the properties and utilities to sell off some of the property to separate landowners. He stated that it will require some new water meters and the lift station will need to be upgraded and conveyed to the District for operation and maintenance purposes. Mr. Eby then reviewed the specifics for upgrading the lift station and stated that it would cost approximately \$550,000 to perform the contemplated upgrades. Mr. Ed Jones then stated that HPE will coordinate with the entire HP team next week to discuss the matter and will that he will report to Mr. Eby on how HP would like to proceed.

### **TAX ASSESSOR-COLLECTOR REPORT**

The Board next considered the Tax Assessor-Collector Report. Ms. Arterburn presented the attached Tax Assessor-Collector Report (**Exhibit F**) dated September 30, 2019. 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 Theriot seconded the motion, which carried unanimously.

### **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report (**Exhibit G**). Mr. Thirty reported the following: 1) a new butterfly valve was installed at the Water Plant, 2) the repairs to lift station no. 3 are complete, and 3) EDP has completed the fire hydrant repairs and painting.

Mr. Thirty reported that EDP solicited bids to replace the step up transformer, transfer switch and booster pump motors at Water Plant No. 1. He stated that he received three (3) bids for the replacement of the booster pump motors, but that he still needs to obtain costs to raise the automatic transfer switch. He stated that he is working on obtaining an additional bid for the step up transformer. Mr. Thirty stated that the Federal Emergency Management Agency ("FEMA") has approved the plans for the project. Director Theriot stated that she would like confirmation that FEMA is going to reimburse for those items. Mr. Thirty stated that FEMA has advised EDP that they will reimburse \$50,000 for the repairs to Water Plant No. 1 but only to the extent that the insurance company did not previously cover those items. He then stated that EDP would like approval to replace the booster pump motors and recommends approving the low bidder, EFS, in the amount of \$22,352.60. He then presented an executed TEC Form 1295 from EFS. Director Geaslen then asked for a report that tracks the insurance money received, the actual expenditures, and the reimbursement amount expected from FEMA. After discussion, Director Campbell made

a motion to approve the bid from EFS in the amount of \$22,352.60 to replace the booster pump motors, as discussed above. Director Theriot seconded the motion, which unanimously carried.

Mr. Thiry next reported that booster pump no. 1 at the Water Plant needs to be repaired due to a leaking bleach pump. He stated that CC Water Services can repair the booster pump for \$6,420.00. He then presented an executed TEC Form 1295 from CC Water Services. After discussion, Director Theriot made a motion to approve repair of booster pump no. 1 by CC Water Services for \$6,420. Director Campbell seconded the motion, which unanimously carried.

Mr. Thiry next reported that Malcolmson Road Utility District is taking one of its Water Plants offline for rehabilitation in December and is requesting permission to purchase water through the interconnect with the District for a period of up to one (1) year. Ms. Richardson stated that she will need to review the interconnect agreement to see if it addresses long-term usage and any payment terms related to same. She stated that she will add an item to next month's agenda to consider same. Mr. Eby reminded the Board that the District's Water Plant is being painted and is not at 100% capacity at this time.

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 PAINTING AT WATER PLANT NO. 1**

The Board next considered the status of the construction contract with CFG Industries ("CFG") for improvements and painting at Water Plant No. 1. Mr. Eby presented Pay Application No. 1 in the amount of \$64,125.00 and recommended that the Board approve payment of same. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 1, as set out above. Director Campbell 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 R&B has been working for approximately one (1) month on the project and has removed the existing generator and relocated the blowers and piped them to use temporarily. He noted that he is having meetings with R&B and EDP every Wednesday regarding the project. Mr. Eby presented Pay Application No. 1 in the amount of \$52,650.00 and recommended that the Board approve payment of same. After discussion, Director Campbell made a motion to approve payment of Pay Application No. 1, as set out above. Director Theriot seconded the motion, which carried unanimously.

Mr. Eby next reported that the Board needs to make a decision on the automatic transfer switch at the WWTP, which has been repaired twice. He stated that there is an alternate bid item to replace the transfer switch for \$40,000 but R&B can replace it for \$10,000. After discussion, Director Campbell made a motion to approve the replacement of the automatic transfer switch by R&B for \$10,000. Director Theriot seconded the motion, which unanimously carried.

## **ENGINEERING REPORT**

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

Director Theriot next reported that the gazebo looks good since being pressure washed and stained. Director Campbell stated that there is one (1) ceiling fan not working. Mr. Eby recommended replacing the ceiling fan. Mr. Thiry stated that EDP can handle the replacement under its contract with the District.

Mr. Eby reported on the status of the lift station rehabilitation project. He stated that the project is eighty percent (80%) complete. Mr. Eby presented Pay Application No. 5 in the amount of \$82,575.00 and recommended that the Board approve payment of same. After discussion, Director Campbell made a motion to approve payment of Pay Application No. 5, as set out above. Director Theriot seconded the motion, which carried unanimously.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production and stated that a report was not received for this month.

Mr. Eby next reported on the request from GC Multi-Family Development, LLC for water and wastewater capacity to serve 13.94 acres out of Chasewood Technology Park, Section Two. He stated that he is coordinating with GC on the request and does not think there will be an issue for capacity reservation.

Director Geaslen next reported that Harris County filled certain cracks with tar on the District's trail that is maintained by Harris County. He stated that there are a few places on the other part of the trail that could be filled in similarly. Director Geaslen requested that Eby obtain pricing to seal the cracks on the trail and Mr. Eby agreed to same.

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

## **BOOKKEEPING REPORT**

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit I**), 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.

The Board next considered ratification of the Board's prior action regarding adoption of the operating budget for the fiscal year ending September 30, 2020. After discussion, Director Campbell made a motion to ratify the prior action, as discussed above. Director Theriot seconded the motion, which carried unanimously.

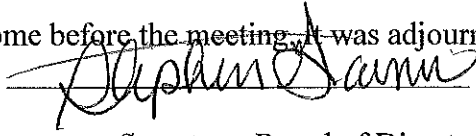
## **ITEMS FOR FUTURE AGENDAS**

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.

A handwritten signature in cursive script, appearing to read "Stephen J. Samu", written over a horizontal line.

Secretary, Board of Directors

**LIST OF EXHIBITS**

October 7, 2019

- Exhibit A Patrol Report
- Exhibit B Precinct 4 Recreation and Facilities Map and Photos
- Exhibit C Order Levying Taxes
- Exhibit D Proposal for Solid Waste Collection from Texas Pride Disposal Solutions LLC
- Exhibit E Feasibility Study prepared by Eby
- Exhibit F Tax Assessor-Collector's Report
- Exhibit G Operations and Maintenance Report
- Exhibit H Engineering Report
- Exhibit I Bookkeeping Report