

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

Minutes of Board of Directors Meeting

November 4, 2019

ACTIONS TAKEN

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1. The Board approved the minutes of the October 1, 2019 and October 7, 2019 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 authorized Eby to send a letter to GC Multi-Family Development, LLC stating that the District has sufficient water and sanitary sewer capacity to serve its proposed development.
4. The Board authorized Eby to send a "will-serve" letter to HPE for the CCM3 tract, subject to review and approval of capacity requirements.
5. The Board approved a proposal from NTS in the amount of \$33,700.00 for replacement of step up transformer at Water Plant No. 1.
6. The Board approved a proposal from Gen Solutions in the amount of \$26,068.50 for replacement of automatic transfer switch at Water Plant No. 1.
7. The Board requested that MRPC send correspondence to Malcomson Road Utility District regarding the request for a temporary supply of water.
8. The Board approved the Operations and Maintenance Report presented by EDP.
9. The Board approved Pay Estimate No. 2 from CFG Industries in the amount of \$16,650.00 for improvements and painting at Water Plant No. 1.
10. The Board approved Pay Estimate No. 2 from R&B Group Inc. in the amount of \$22,500.00 for improvements and flood mitigation at the Wastewater Treatment Plant.
11. The Board approved Pay Estimate No. 6 from T&C Construction, Ltd. in the amount of \$16,380.00 for the lift station rehabilitation project.
12. The Board approved the Engineering Report presented by Eby Engineers, Inc.
13. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
14. The Board approved a revised District Bookkeeping Agreement with Claudia Redden & Associates, L.L.C.

- 15. The Board approved a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer.
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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 4, 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 Deputy Wright and Deputy Rodriguez of the Harris County Constable's Office, Precinct No. 4 ("HCCO"); 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"); Mark Sappington of Sappington Engineering; John Roberts, JLL representative for HPE; Jason Schultz of Dannenbaum Engineering on behalf of GC Multi-Family Development, LLC ("GC"); Claudette McCamley, Barry Matthews and Frank Adamek, community members; 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 meetings held on October 1, 2019 and October 7, 2019. After discussion, Director Campbell made a motion to approve the minutes of the October 1, 2019 and October 7, 2019, Board of Directors meetings, 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 were two (2) burglaries of motor vehicles within the past month at the Springhill Suites within the District. Deputy Wright stated that Springhill Suites is not proactive with its security patrol so he is going to speak with them to ensure that the crime activity does not move into the neighborhood. He also noted that there was one (1) burglary of a motor vehicle in the neighborhood.

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

## **COMMENTS FROM THE PUBLIC**

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

## **DISCUSSION REGARDING GARBAGE COLLECTION SERVICES**

The Board next discussed garbage collection services, including transfer of service from Residential Recycling & Refuse of Texas, Inc. to Texas Pride Disposal Solutions LLC (“Texas Pride”). Director Theriot stated that Texas Pride will be delivering recycling bins tomorrow to all homes within the District and will begin collection services on November 12, 2019.

## **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, 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.

## **PRESENTATION REGARDING FLOOD MITIGATION STUDIES**

The Board next considered a presentation regarding potential flood mitigation studies. Ms. McCamley introduced herself to the Board and distributed information from the U.S. Army Corps of Engineers (“USACE”) regarding potential civil works studies by the USACE (**Exhibit C**). She stated that she is part of a group of community leaders who are interested in what is happening in the lower Cypress Creek watershed. She then introduced Mr. Barry Matthews and Mr. Frank Adamek and stated that they are representatives from local homeowners’ associations. She stated that the area surrounding the District was hit hard with flooding following Hurricane Harvey, but that Harris County has not allocated any of the bond money to try and rectify flooding issues in the lower Cypress Creek area. She stated that the Greater Houston Flood Mitigation Consortium enlisted the Rice Storm Prediction Center to conduct a study which found that if all water flow from upper Cypress Creek and Little Cypress Creek were removed, lower Cypress Creek would still flood due to the density of development in the area. Ms. McCamley then explained the topography of Cypress Creek that creates the flooding issues. She stated that new developments in Harris County are supposed to be designed to have “zero impact,” but it is not enough to prevent the area from future flooding due to the density of the development. Ms. McCamley stated that the group she is working with would like to obtain an assessment from a qualified and independent crew such as the USACE regarding potential flood mitigation projects that might benefit the lower Cypress Creek area. She stated that the USACE’s program requires a non-federal sponsor who is a public agency and that the USACE will pay for 50% of the costs of the assessment. She stated that the assessment takes nine (9) to twelve (12) months and that any project implementation then takes approximately twelve (12) to thirty-six (36) months to complete and that there are potential federal funds available to pay for all or some of the projects identified in the assessment. Director Geaslen asked what the cost will be to perform the assessment. Ms. McCamley stated that the assessment costs approximately \$300,000 to \$500,000. She noted that Harris County MUD No.

110 initially agreed to serve as the non-federal sponsor for an assessment on the lower Cypress Creek area, but that No. 110 has since decided to change the focus of the assessment from lower Cypress Creek to interests that more directly impact No. 110. She stated that her group of community activists are now looking for another non-federal sponsor to take the lead with respect to a potential assessment on the lower Cypress Creek area by the USACE. The Board then asked Ms. McCamley various questions and stated that they would like time to review the information prior to committing to the project.

### **DEVELOPERS' REPORTS**

The Board next considered the status of development in the District. Mr. Schultz next reported regarding a request from GC for water and wastewater capacity for proposed apartments on 13.94 acres out of Chasewood Technology Park, Section Two. He stated that the estimated capacity required for the development is approximately 75,000 gallons per day. Mr. Eby stated that he sent correspondence to GC on October 31, 2019, advising that the District currently has sufficient capacity to serve the development of approximately 75,000 gallons per day of water and sanitary sewer service. After discussion, Director Campbell made a motion to authorize Mr. Eby to provide a letter to GC stating that the District has sufficient capacity to serve the proposed development. Director Theriot seconded the motion, which unanimously carried.

Mr. Sappington next reported on the water and sanitary sewer service to serve HPE. Mr. Sappington stated that HPE is currently in the process of separating the Compaq Center building ("CCM3") and that HPE would like assurance from the District that it has sufficient water and sanitary sewer capacity to serve the property in the future. Mr. Eby stated that HPE is requesting a capacity reservation for the CCM3 building in order to market the property for sale. He noted that HPE is also asking the District to reserve capacity for the entire HP property based on its historical usage. Mr. Eby stated that he has not yet had a chance to evaluate the specific requests. Mr. Sappington stated that HPE is requesting a "will-serve" letter from the District with respect to the CCM3 building to provide to a potential purchaser who is currently doing due diligence on the property. Mr. Eby stated that he is comfortable providing a letter to HPE confirming that the District has the capacity to serve the CCM3 building, but that he will need to do an in-depth analysis of whether or not the District has sufficient capacity to serve the entire HP tract in amounts equaling HP's historical usage prior to giving any assurances to HP relative to same. After discussion, Director Rhodes made a motion to authorize Eby to prepare a "will-serve" letter to HPE regarding capacity to serve the CCM3 building, pending evaluation and approval by Eby of the capacity needs. Director Garner seconded the motion, which unanimously carried. Mr. Roberts next stated that HP reviewed the feasibility study performed by Eby regarding the potential upgrades to the private lift station and determined that HP will not be moving forward with the proposed upgrades at this time.

### **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report (**Exhibit D**). Mr. Thiry reported that ground storage tank no. 1 has been removed from service in preparation for painting and repairs to booster pump no. 1 are in progress.

Mr. Thiry reported that EDP solicited bids to replace the step up transformer at Water Plant No. 1. He stated that he received two (2) bids and recommends awarding the job to the low bidder, NTS, in the amount of \$33,700.00. He then presented an executed TEC Form 1295 from NTS. After discussion, Director Garner made a motion to approve the bid from NTS in the amount of \$33,700.00 to replace the step up transformer at Water Plant No. 1, as discussed above. Director Rhodes seconded the motion, which unanimously carried.

Mr. Thiry next reported that EDP solicited bids to replace the automatic transfer switch at Water Plant No. 1. He stated that he received three (3) bids and recommends awarding the job to the low bidder, Gen Solutions, in the amount of \$26,068.50. He then presented an executed TEC Form 1295 from Gen Solutions. After discussion, Director Campbell made a motion to approve the bid from Gen Solutions in the amount of \$26,068.50 to replace the automatic transfer switch at Water Plant No. 1. Director Rhodes seconded the motion, which unanimously carried.

Mr. Thiry next presented a summary report on the status of reimbursement from the Federal Emergency Management Agency and insurance claim status. He reviewed the summary report in detail with the Board. The Board then requested that the summary report be included in the operations report going forward.

The Board next considered a request from Malcomson Road Utility District ("MRUD") for a temporary supply of water. Mr. Thiry reported that MRUD 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. The Board discussed the request and agreed to supply water to MRUD on an emergency basis pursuant to the interconnect agreement but noted that it does not want to allow the valve to remain open on an ongoing basis. Mr. Eby reminded the Board that the District will be doing some work to the water plant beginning in March which will last a few months so the District's water supply may be taxed. The Board requested that MRPC send correspondence to MRUD explaining the District's wishes regarding the request for a temporary supply of water.

After discussion, Director Rhodes 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. 2 in the amount of \$16,650.00 and recommended that the Board approve payment of same. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 2, as set out above. Director Garner 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

completed demolition work and is now prepping for the construction. He stated that the new control room has been prepped for new equipment installation. He noted that he continues to have meetings with R&B and EDP every Wednesday regarding the project. Mr. Eby presented Pay Application No. 2 in the amount of \$22,500.00 and recommended that the Board approve payment of same. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 2, as set out above. Director Theriot seconded the motion, which carried unanimously.

### **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 the project is ninety percent (90%) complete. He noted that the contractor is installing the fence around the generator and controls. Mr. Eby presented Pay Application No. 6 in the amount of \$16,380.00 and recommended that the Board approve payment of same. After discussion, Director Garner made a motion to approve payment of Pay Application No. 6, as set out above. Director Rhodes seconded the motion, which carried unanimously.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production. He presented an invoice for payment and stated that the gas detectors have been installed.

Mr. Eby reported that the spring rider was installed at the park.

Mr. Eby reported that the irrigation panel has been grounded and repaired. He stated that Brian Gardens will install a new controller for the irrigation system.

Mr. Eby next reported on the Centre at Cypress Creek and stated that the manufacturing building is being sold. Mr. Eby stated that there is a lot of development activity in the District and noted that there have been lots of questions about how much capacity will be required for the new developments. He stated that he needs to review the District's current capacity usage with the historical usage in order to determine how much capacity the District can allocate to new developments. Mr. Eby stated that the District has been underutilized for many years with the HP campus being underused so there are a lot of factors that need to be considered when granting capacity commitments.

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

### **REQUEST FROM MALCOMSON ROAD UTILITY DISTRICT**

The Board next deferred a request from MRUD for a temporary supply of water as same was discussed under the engineer's report.

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

## **REVIEW OF DISTRICT BOOKKEEPING AGREEMENT**

The Board next considered the review of the District's Bookkeeping Agreement between the District and Claudia Redden & Associates, L.L.C. Ms. Redden presented a revised District Bookkeeping Agreement and reviewed the proposed changes. After discussion, Director Rhodes made a motion to approve the revised District Bookkeeping Agreement between the District and Claudia Redden & Associates, L.L.C., subject to review by MRPC, and authorize the President to execute same on behalf of the Board and the District. Director Campbell seconded the motion, which unanimously carried.

## **ANNUAL REVIEW OF INVESTMENT POLICY**

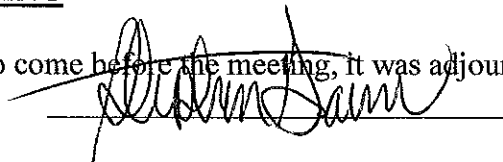
The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a Resolution relative thereto. Ms. Richardson advised that there are no proposed changes to the Order at this time and 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 H**), 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.

## **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.



Secretary, Board of Directors



**LIST OF EXHIBITS**

November 4, 2019

- Exhibit A Patrol Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Flood Mitigation Studies handout
- Exhibit D Operations and Maintenance Report
- Exhibit E Engineering Report
- Exhibit F Bookkeeping Report
- Exhibit G Revised District Bookkeeping Agreement
- Exhibit H Resolution Regarding Review of Investment Policy