

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

December 2, 2019

ACTIONS TAKEN

1. The Board approved the minutes of the November 4, 2019 meeting.
 2. The Board approved the audit report for the fiscal year ended September 30, 2019, authorized the President to execute the Annual Filing Affidavit, and authorized the filing of the audit report and Annual Filing Affidavit with the appropriate governmental authorities.
 3. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
 4. The Board approved the Operations and Maintenance Report presented by EDP.
 5. The Board approved Pay Estimate No. 3 from CFG Industries in the amount of \$24,975.00 for improvements and painting at Water Plant No. 1.
 6. The Board approved Pay Estimate No. 3 from R&B Group Inc. in the amount of \$41,985.00 for improvements and flood mitigation at the Wastewater Treatment Plant.
 7. The Board approved Pay Estimate No. 7 from T&C Construction, Ltd. in the amount of \$26,100.00 for the lift station rehabilitation project.
 8. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 9. 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 December 2, 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"); Jeff Cotten of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring"); Claudette McCamley, community member; 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 November 4, 2019. After discussion, Director Theriot made a motion to approve the minutes of the November 4, 2019, Board of Directors meeting, as presented. 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 Wright reviewed the report and discussed the activity within the District. He stated that there was one (1) burglary of a motor vehicle in a parking garage where they removed car parts in a likely attempt to steal the car. He also stated that an employee at the Springhill Suites was found to be stealing checks and hotel points from patrons. Deputy Wright stated that he will be speaking to local businesses to obtain floorplans of their buildings in the event there are issues that arise in those areas.

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.

APPROVAL OF AUDIT REPORT

The Board next considered approval of an audit report for fiscal year ended September 30, 2019. Mr. Eyring presented a draft of the audit report and correspondence regarding the report (**Exhibit B**). He stated that there are various outstanding amounts owed by developers and that he will coordinate with Mr. Eby regarding the matter. After discussion, Director Rhodes made a motion to approve the audit report for the fiscal year ended September 30, 2019, as presented, to authorize the President to execute the Annual Filing Affidavit on behalf of the Board and District, and to file the audit report and Annual Filing Affidavit with the appropriate governmental authorities, including the TCEQ and the Texas Comptroller of Public Accounts. Director Theriot seconded the motion, which carried unanimously.

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"). The Board noted that no complaints were received by Board members or residents. Director Theriot noted that Texas Pride will be collecting garbage starting earlier around 7:00 a.m. going forward.

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 C**) dated November 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 Rhodes seconded the motion, which carried unanimously.

Ms. Richardson next presented the attached list of delinquent accounts, dated December 2, 2019, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (**Exhibit D**).

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit E**). Mr. Cotten reported that EDP replaced forty-four (44) residential water meters per the water meter changeout program.

Mr. Cotten reported that the replacement of the booster pump motors at the WWTP is in progress.

Mr. Cotten reported that the replacement of the step up transformer at Water Plant No. 1 is in progress.

Mr. Cotten reported that the replacement of the automatic transfer switch at Water Plant No. 1 is in progress.

Mr. Cotten reported that the ground storage tank no. 1 at the Water Plant has been removed from service in preparation for painting.

Mr. Cotten next reviewed the summary report on the status of reimbursement from the Federal Emergency Management Agency and insurance claim status.

The Board next considered the status of the request from Malcomson Road Utility District ("MRUD") for a temporary supply of water. Mr. Thiry reported that EDP tested the interconnect with MRUD to ensure the valves and water meters are working and found that all is functioning properly.

After discussion, Director Garner made a motion to approve the Operations and Maintenance Report, as presented. Director Rhodes 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 reviewed various photos of the status of the painting. He then presented Pay Application No. 3 in the amount of \$24,975.00 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.

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 presented various photos of the construction progress. He noted that he continues to have meetings with R&B and EDP every Wednesday regarding the project. Mr. Eby presented Pay Application No. 3 in the amount of \$41,985.00 and recommended that the Board approve payment of same. After discussion, Director Garner made a motion to approve payment of Pay Application No. 3, as set out above. Director Rhodes seconded the motion, which carried unanimously.

ENGINEERING REPORT

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

Mr. Eby reported on the status of the lift station rehabilitation project. He stated that the project is ninety-five percent (95%) complete. He presented and reviewed various photos of the construction progress. Mr. Eby presented Pay Application No. 7 in the amount of \$26,100.00 and recommended that the Board approve payment of same. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 7, as set out above. Director Garner seconded the motion, which carried unanimously.

Mr. Eby next presented a contract extension with Direct Energy Business LLC for the meter at the lift station for a term of thirty-seven (37) months. After discussion, Director Rhodes made a motion to approve the contract extension with Direct Energy Business LLC for a term of thirty-seven (37) months. Director Garner seconded the motion, which unanimously carried.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production and presented an invoice for payment.

Mr. Eby reported that he is scheduled to meet with the company that repaired the trails to walk the trails in order to obtain a proposal to repair the miscellaneous cracks that still remain.

Mr. Eby next reviewed correspondence received from Capital Commercial Investments ("CCI") regarding the purchase of the Compaq Center building ("CCM3") and a request to begin discussions regarding the development process with the District. He stated that he will request a deposit from CCI for engineering services for reviewing design plans. Mr. Eby stated that CCI is going to keep the existing private lift station and is going to attempt to get a shared agreement with HPI for maintenance of the lift station.

Mr. Eby next discussed the developers with remaining amounts owed to the District per the recent audit. He stated that both developers are embarking on new projects and will be putting up deposits with the District prior to beginning any such work and that he will let them know about the outstanding money owed to the District.

After discussion, Director Campbell made a motion to approve the Engineering Report. Director Theriot 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 G**), 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.

PRESENTATION REGARDING FLOOD MITIGATION STUDIES

The Board next considered participation in the United States Army Corps of Engineering ("USACE") flood mitigation assessment. Ms. Richardson gave an overview of her discussions with Ms. McCamley regarding the USACE flood mitigation studies. Ms. McCamley then answered various questions from the Board and discussed in the detail the flood mitigation studies. She stated that it appears as though Harris County is slowly understanding that there is more to be done in the lower Cypress Creek watershed and is open to discussions on the matter. Ms. McCamley stated that her and the group she is working with have additional meetings scheduled with the Harris County Flood Control District ("HCFCD") and hope to make more progress towards working together to get HCFCD on board with addressing the issues in the lower Cypress Creek watershed. Ms. McCamley discussed the District's potential funding of a study by the USACE, and stated that the first step in the process would be for the District to submit a letter of intent and then schedule a scoping meeting with the USACE prior to the District committing to spend any funds on a potential assessment. She stated that the USACE will want to understand the specific areas of concern during the scoping meeting. Mr. Eby then asked how the scope of work is determined. Ms. McCamley stated that the District determines the scope of work and that the District should appoint a Board member liaison to meet regularly with the USACE and Mr. Eby to define the scope and oversee the process for the foreseeable future. Director Geaslen then asked the Board members if anyone would be willing to take the lead on this potential project for the District. Each Board member stated that they do not have time to dedicate to taking the lead on a project of such size and scope at this time. Director Geaslen stated that he does not believe that the District is ready to move forward with the project at this time, given the time commitment required and each member's limitations with respect to same. The Board agreed with Director Geaslen and thanked Ms. McCamley for her time and efforts.

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

December 2, 2019

- Exhibit A Patrol Report
- Exhibit B Draft Audit for fiscal year ended September 30, 2019
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Operations and Maintenance Report
- Exhibit F Engineering Report
- Exhibit G Bookkeeping Report