

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
April 6, 2020

ACTIONS TAKEN

1. The Board approved the minutes of the March 2, 2020 meeting.
2. The Board adopted the Order Declaring the Existence of an Emergency and a Disaster; Adopting a Plan for the Continuity of Functions of the District During Such Emergency and Disaster; Delegating Certain Administrative Duties to Certain Authorized Officers During Such Emergency and Disaster; Establishing Meeting Procedures During Such Emergency and District; and Containing Other Provisions Relating to the Subject.
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 adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
5. The Board approved replacement of a leaking valve at ground storage tank no. 2 at the Water Plant for \$5,000.
6. The Board approved the Operations and Maintenance Report presented by EDP.
7. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
8. The Board approved Pay Estimate No. 7 from CFG Industries in the amount of \$41,985.00 for improvements and painting at Water Plant No. 1.
9. The Board approved Pay Estimate No. 7 from R&B Group Inc. in the amount of \$270,022.50 for improvements and flood mitigation at the Wastewater Treatment Plant, authorized Director Campbell to act on behalf of the District to approve Change Order No. 1, in an amount not to exceed \$8,560.00, subject to receipt of TEC Form 1295.
10. The Board approved a contract with Direct Energy Business LLC for CenterPoint Energy meter.
11. The Board approved sending correspondence to Harris County Precinct 4 Commissioner Cagle regarding repair of the Faulkey Gully trail system.
12. The Board authorized Director Campbell to coordinate with Eby Engineers, Inc. for the installation of signage and tape for park closures.
13. The Board approved the Engineering Report presented by Eby Engineers, Inc.

14. The Board adopted the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects.
15. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on April 6, 2020, in accordance with the duly posted notice of meeting, and the roll was called of the 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 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"); Brent Patterson, President of the Board of Directors of Malcomson Road Utility District ("MRUD"); and Kara Richardson and Miranda Jones Rajevac 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 March 2, 2020. After discussion, Director Rhodes made a motion to approve the minutes of the March 2, 2020, Board of Directors meeting, as presented. Director Theriot seconded the motion, which carried unanimously.

ORDER DECLARING EXISTENCE OF EMERGENCY AND DISASTER

The Board next considered a discussion regarding emergency preparedness measures related to the COVID-19 pandemic, including the delegation of certain duties and establishment of certain meeting procedures. Ms. Richardson stated that, effective March 16, 2020, the Governor took action to suspend certain general laws, including provisions of the Texas Open Meeting Act, to the extent necessary to allow the governing bodies of state agencies and local political subdivisions to conduct meetings by telephone conference call and to avoid congregate settings in physical locations. She reported that pursuant to Chapter 418 of the Texas Government Code, the Board may adopt a plan for the continuity of functions of the District and take action without a quorum of the Board during a disaster declared by the Governor or during another catastrophic event. After discussion, Director Garner moved to adopt the Order Declaring the Existence of an Emergency and a Disaster; Adopting a Plan for the Continuity of Functions of the District During Such Emergency and Disaster; Delegating Certain Administrative Duties to Certain Authorized Officers During Such Emergency and Disaster; Establishing Meeting Procedures During Such Emergency and District; and Containing Other Provisions Relating to the Subject and authorize the Board President to serve as Treasurer Pro Tem of the Board and in such capacity, to execute all checks, wires and disbursements on behalf of the Board and the District for the duration of the pandemic. Director Theriot seconded the motion, which unanimously carried.

COMMENTS FROM THE PUBLIC

The Board next considered comments from members of the public. Mr. Brent Patterson introduced himself to the Board and advised that he is the President of the Board of Directors of Malcolmson Road Utility District (“MRUD”). He reminded the Board that MRUD is requesting that the emergency interconnect valve connecting the District and MRUD remain open for the duration of MRUD’s water well replacement project, which could be for a period of up to one (1) year. Mr. Patterson stated that the current bids came in substantially higher than expected for the project and that MRUD will be re-advertising for bids soon. Director Geaslen explained that the Board previously discussed the matter and agreed that it would only provide water to MRUD when and if MRUD experiences problems with its water supply during construction, which would constitute an emergency under the current agreement. He stated that the Board agreed to provide water to MRUD under such circumstances for a period of time longer than the fifteen (15) day temporary period provided for in the agreement if needed. He also noted that any water provided to MRUD would need to be repaid monetarily rather than in-kind, and that the District’s engineer and operator would calculate the cost of the water. Ms. Richardson recommended that MRUD have its attorney draft correspondence regarding the matter for the Board’s review.

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. Director Geaslen reviewed the report.

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

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 March 31, 2020. 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 Theriot seconded the motion, which carried unanimously.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to

exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Rhodes made a motion to adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes (**Exhibit C**). Director Garner seconded the motion, which carried unanimously.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit D**). Mr. Thirty reported that the replacement of the five (5) booster pump motors is complete.

Mr. Thirty reported that the replacement of the automatic transfer switch is complete.

Mr. Thirty reported that the hatch on the ground storage tank at the Water Plant has been re-installed with new bolts and gaskets.

Director Geaslen asked about the status of receiving funds from the Federal Emergency Management Agency (“FEMA”) for the various Harvey-related projects previously presented to FEMA. Mr. Thirty reported that the repair work is complete but that there are three (3) invoices which need to be presented for payment. Director Geaslen requested that EDP coordinate with FEMA within five (5) days of project completion. Mr. Thirty agreed to coordinate with FEMA regarding same.

Mr. Thirty reported that ground storage tank no. 2 at the Water Plant has been removed from service in preparation for painting. He then requested authorization to replace a leaking sixteen-inch (16”) valve on ground storage tank no. 2 for an estimated \$5,000. After discussion, Director Rhodes made a motion to approve EDP to replace the leaking valve at ground storage tank no. 2 at the Water Plant for an estimated \$5,000. Director Campbell seconded the motion, which unanimously carried.

The Board next considered the annual report on the District’s Identity Theft Prevention Program. Mr. Thirty noted that there are no identify theft issues to report.

Mr. Thirty next reviewed the annual Critical Load Report with the Board. He stated that EDP will submit the report on behalf of the Board.

Mr. Thirty next reviewed a copy of the Certificate of Delivery for the Consumer Confidence Report wholesale water user report.

Mr. Thirty next reviewed the spreadsheet of the FEMA claims summarizing the various repair projects presented to FEMA. He reminded the Board that the claim grants have been fully approved by FEMA and the grant has been transitioned to the Texas Department of Emergency Management for review.

The Board next discussed the process for handling customers who may not be able to pay their water bills due to the current COVID-19 pandemic and whether the District will be charging

penalties for late payments and disconnecting water service. Director Geaslen suggested offering customers a payment plan if they are unable to pay their water bill. The Board discussed the temporary suspension of cut-offs and recommended that, for the time being, customers be handled on a case-by-case basis. Mr. Thiry asked the Board whether to proceed with sending delinquent letters and hanging door tags. The Board discussed re-wording the delinquent letter to advise customers to contact EDP regarding payment options. Director Geaslen recommended that the Board continue sending delinquent letters but discontinue hanging door tags for this month. He also recommended adding wording to the delinquent letters encouraging residents to contact EDP to request a payment plan if they cannot pay their bill. Ms. Richardson stated that MRPC will review the revised delinquent letter from EDP.

Mr. Thiry reported that the water accountability was 86.3% for the month of March. He stated that it is still lower than normal and believes it is due to repair work at the Water Plant.

Mr. Thiry reported that flushing of the fire hydrants will be conducted this week.

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

CONSUMER CONFIDENCE REPORT

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Garner made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Rhodes seconded the motion, which carried unanimously.

IDENTITY THEFT PREVENTION PROGRAM

The Board next noted that the District's Identity Theft Prevention Program was discussed under the operations and maintenance report.

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 reported that the painting is approximately 51% complete and presented photos of same. He then presented Pay Application No. 7 in the amount of \$41,985.00 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 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 gave an update on construction progress by R&B. He presented Pay Application No. 7 in the amount of \$270,022.50

and Change Order No. 1 in the amount of \$8,560 and recommended that the Board approve payment of same. Mr. Eby stated that the Change Order request is for fabrication and installation of a service platform and a pump platform.

Mr. Eby next reviewed a contract with Direct Energy Business LLC for the CenterPoint Energy meter for a term of two (2) months and recommended that the Board approve same.

After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 7, as set out above, to approve the contract with Direct Energy Business, LLC for the new CenterPoint Energy meter, and authorize Director Campbell to act on behalf of the District to approve Change Order No. 1, in an amount not to exceed \$8,560, with the finding that such change order is necessary and beneficial to the District, subject to receipt of an executed TEC Form 1295 from R&B. Director Campbell seconded the motion, which carried unanimously. Director Garner then requested that Mr. Eby provide photos to the Board for any invoices that are to be approved.

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-nine percent (99.9%) complete. He stated that the contractor has completed the project except for hooking up the generator which needs to be done by CenterPoint Energy.

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

Mr. Eby next reviewed a proposal from Brian Gardens in the amount of \$9,472 for the installation of kiddie cushion at the park. The Board took no action on the matter at this time.

Director Geaslen reported that the striping in the parking lot of the park needs to be redone. He also noted that there is graffiti on the skatepark. Director Geaslen requested that Eby obtain a proposal for the parking lot striping and removal of the graffiti at the skatepark.

Director Geaslen next reviewed draft correspondence to Commissioner Cagle at Harris County Precinct 4 regarding the Faulkey Gully trail system. He stated that the District is requesting that the Harris County Precinct 4 Parks and Trails Department assist the District in making repairs of anticipated damages to the trails caused by on-going construction by Harris County Flood Control District. Director Geaslen stated that the District proposes to purchase the materials for the repairs if Precinct 4 will agree to provide the construction. After discussion, Director Campbell made a motion to approve the correspondence to Commissioner Cagle and authorize MRPC to send same, and to authorize the President to execute same on behalf of the Board and the District. Director Theriot seconded the motion, which unanimously carried.

Director Theriot next asked whether a sign needs to be installed at the park advising that the playground and skatepark are temporarily closed. The Board discussed various options for locations of the signage and adding tape around the amenity areas. After discussion, Director

Rhodes made a motion to authorize Director Campbell to coordinate with Mr. Eby for the best practice for installing signage and tape for the park closure. Director Garner seconded the motion, which unanimously carried.

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

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE

The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and consideration of authorizing a survey of wages. Ms. Richardson presented a spreadsheet reflecting Prevailing Wage Rates for Construction Projects for the Harris County Department of Labor (**Exhibit F**) and reviewed the Resolution with the Board. After discussion, Director Rhodes made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the Department of Labor rates. Director Garner seconded the motion, which carried unanimously.

DISCUSS HIKE AND BIKE TRAIL ALONG CYPRESS CREEK

The Board next deferred a discussion regarding the hike and bike trail along Cypress Creek 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 Campbell made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded the motion, which carried unanimously.

DISCUSS CYBERSECURITY AWARENESS TRAINING

The Board next discussed cybersecurity awareness training requirements. Ms. Richardson stated that the Board should have received an email containing a cybersecurity awareness training video for Board members to complete prior to June 14, 2020. She stated that Board members should complete the training video and submit the certificate of completion to MRPC.

DISCUSS CHANGE OF MEETING PLACE

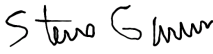
The Board next deferred a discussion regarding a change in the office and meeting place for monthly meetings. The Board requested that the item be removed from the agenda.

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.

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Secretary, Board of Directors

LIST OF EXHIBITS

April 6, 2020

- Exhibit A Patrol Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit D Operations and Maintenance Report
- Exhibit E Engineering Report
- Exhibit F Resolution Adopting Prevailing Wage Rate Scales
- Exhibit G Bookkeeping Report