

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

July 6, 2020

ACTIONS TAKEN

1. The Board approved the minutes of the June 1, 2020 meeting.
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 approved a proposal from Cypress Creek Pest Control for mosquito spraying for \$35 per application, subject to verification of insurance coverage.
4. The Board authorized EDP to continue with the temporary suspension of cut-offs and to offer customers a payment plan if they are unable to pay their water bill.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board approved Pay Estimate No. 10 from CFG Industries in the amount of \$27,000.00 for improvements and painting at Water Plant No. 1.
7. The Board approved Pay Estimate No. 10 from R&B Group Inc. in the amount of \$15,845.46 for improvements and flood mitigation at the Wastewater Treatment Plant.
8. The Board approved a proposal from Brian Gardens in the amount of \$3,948.10 for repair of the fence at the park.
9. The Board approved a proposal from Pavement Constructors in the amount of \$1,850 for striping on the parking lot and curbing.
10. The Board authorized Director Campbell to act on behalf of the Board and the District to approve a proposal for a swing set.
11. The Board approved the Engineering Report presented by Eby Engineers, Inc.
12. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment, and approved renewal of Certificates of Deposit.
13. The Board approved a Resolution Regarding Development Designation of the District and authorized the President and Secretary to execute same on behalf of the Board and the District.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on July 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 via teleconference 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"); Sergeant Abercia of the Harris County Constable's Office Precinct Four ("HCCO"); Tim Austin of Allen Boone Humphries Robinson LLP ("ABHR"); Tony Allender of Hawes Hill and Associates, LLP ("HHA"); 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 June 1, 2020. After discussion, Director Rhodes made a motion to approve the minutes of the June 1, 2020, 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 Abercia reviewed the report and discussed the activity within the past month. Director Garner asked about the inconsistency of calls as reflected on the report. Sergeant Abercia stated that it was a misprint.

The Board next considered the status of security monitoring services. Director Rhodes stated that the cameras are being fixed at the park.

COMMENTS FROM THE PUBLIC

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

DEVELOPERS' REPORTS

The Board next considered the status of development in the District. Mr. Austin introduced himself to the Board and stated that he represents Hewlett Packard Enterprises ("HPE") which is

in the process of a proposed reprogram of the HPE campus for purposes of flood mitigation in an effort to market the property for sale. Mr. Allender then introduced himself to the Board and presented the Proposed Reprogram of HPE Campus (**Exhibit B**). He reviewed the HPE and HPI Houston campus map and the plans for redevelopment of the properties. Mr. Allender stated that HPE is not requesting action from the District but is providing the information for purposes of updates and awareness. Mr. Allender stated that the HPE campus has experienced substantial flooding in recent years rendering portions of the buildings unusable. He noted that HPE ultimately determined to move its business from the site but would like to make major improvements in order to make the site marketable to potential purchasers. Mr. Allender then reviewed an updated concept site design which proposes to sell a 20-22-acre stormwater detention area to the Harris County Flood Control District (“HCFC”) for a highly amenitized stormwater detention pond. He stated that Option A would create a tax increment reinvestment zone and annex the HPE campus into the City of Houston and Option B would create a Municipal Management District over the property. Director Geaslen stated that it was his understanding that under the District’s Strategic Partnership Agreement with the City of Houston, that it would not annex the District until 2029.

Mr. Austin and Mr. Allender disconnected from the call at this time.

Director Geaslen expressed his concerns for the City of Houston annexing the HPE property. The Board then discussed the options in length. The Board took no action on the matter at this time.

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 June 30, 2020. The Board reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Theriot 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.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit D**). Mr. Thiry reported that the contractor raised the electrical panel at the lift station no. 3.

Mr. Thiry next presented proposals from Cypress Creek Pest Control and Marathon Pest Control for mosquito treatments in the District. He reviewed the proposal from Cypress Creek Pest Control and stated that the mosquito treatment for spraying the neighborhood streets is \$35.00 per application. He then reviewed the proposal from Marathon Pest Control and stated that the treatment for mosquito spraying the neighborhood streets is \$40 per application, mosquito backpacking at park and playground areas is \$85 per application and mosquito spraying of park trails using UTV with a fogger is \$100 per application. Ms. Richardson stated that the mosquito company would need to provide proof of insurance before performing any work. After discussion, Director Garner made a motion to approve the proposal from Cypress Creek Pest Control for

mosquito spraying of the neighborhood streets for \$35 per application, pending verification of insurance coverage from Cypress Creek Pest Control. Director Theriot seconded the motion, which unanimously carried.

Mr. Thiry reported that EDP submitted documents to the Federal Emergency Management Agency (“FEMA”) requesting partial payment for the WWTP project prior to completion of the project and stated that FEMA has acknowledged receipt of the request. He then reviewed the spreadsheet related to the status of the FEMA projects.

Mr. Thiry reported that Malcomson Road Utility District (“MRUD”) took its Water Plant out of service in early June. He stated that the District had to open the emergency interconnect in the early morning hours on several occasions to supply MRUD with water. Mr. Thiry reported that EDP is investigating modifying the Water Plant settings relative to opening the emergency interconnect.

Mr. Thiry next discussed the delinquent notice and service disconnection report. He asked the Board how it would like to handle customers who may not be able to pay their water bills due to the current COVID-19 pandemic and whether to continue with the same process as last month. The Board concurred to continue with the temporary suspension of cut-offs and to offer customers a payment plan if they are unable to pay their water bill. The Board instructed EDP to continue sending delinquent letters and hanging door tags.

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 reported that the painting is approximately 65% complete and reviewed photos of same. He then presented Pay Application No. 10 in the amount of \$27,000.00 and recommended that the Board approve payment of same. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 10, 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 reported that the construction is approximately 85% complete and reviewed photos of the construction progress. He presented Pay Application No. 10 in the amount of \$15,845.46. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 10, as set out above. Director Campbell seconded the motion, which unanimously carried.

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%) complete. Mr. Eby stated that he anticipates receiving the final pay estimate soon.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production and stated that invoices were received for the months of May and June.

Mr. Eby next presented a proposal from Brian Gardens in the amount of \$3,948.10 for repair of the fence at the park. He then presented an executed TEC Form 1295 from Brian Gardens. After discussion, Director Garner made a motion to approve the proposal from Brian Gardens in the amount of \$3,948.10, as discussed above. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby next presented a proposal from Pavement Constructors in the amount of \$1,850 for striping on the parking lot and curbing at the park. He then presented an executed TEC Form 1295 from Pavement Constructors. After discussion, Director Rhodes made a motion to approve the proposal from Pavement Constructors in the amount of \$1,850, as discussed above. Director Campbell seconded the motion, which unanimously carried.

Director Campbell stated that she has not seen a proposal for a swing set at the park. After discussion, Director Campbell made a motion to authorize Director Campbell to act on behalf of the Board and the District to approve a proposal for a swing set. Director Rhodes seconded the motion, which unanimously carried.

Mr. Eby next reported that he sent correspondence to Dannenbaum Engineering Corporation providing comments related to the review of the Chasewood Technology Park, Mitigation and Grading Plans.

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

Ms. Arterburn disconnected from the call at this time.

SUBMISSION OF UPDATED INFORMATION REGARDING DISTRICT FACILITIES THAT QUALIFY FOR CRITICAL LOAD STATUS

Ms. Richardson reported that Section 13.1396, Texas Water Code requires public water suppliers, including the District, to: (a) annually submit to each electric distribution utility and each retail electric utility provider (collectively, "Electric Utilities") its facilities that qualify for critical load status and certain emergency contact information related thereto ("Critical Load Information"), and (b) update the Electric Utilities, the Public Utility Commission of Texas, the office of emergency management of each county in which the District has facilities that qualify

for critical load status, and the Division of Emergency Management of the Governor of Texas with any updates to the Critical Load Information. Mr. Thiry stated that Critical Load Information was previously provided to the Electric Utilities and the Critical Load Information was previously submitted to the entities described above.

DISCUSS HIKE AND BIKE TRAIL ALONG CYPRESS CREEK

The Board next considered a discussion regarding the hike and bike trail along Cypress Creek. Director Geaslen reported regarding his discussions with Harris County Precinct 4. He stated that Harris County Precinct Four has agreed to re-install black top in the area of the hike and bike trail. He stated that he is awaiting a response from Harris County regarding various issues and will report to the Board next month.

AUTHORIZE MOSQUITO SPRAYING IN THE DISTRICT

The Board next deferred authorizing mosquito spraying in the District as same was previously discussed in the operations 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. Ms. Redden stated that the District has several Certificate of Deposits that will be up for renewal soon and that rates have been extremely low recently. The Board agreed that Ms. Redden should renew the CDs upon maturity for a term of six (6) months. After discussion, Director Rhodes made a motion to approve the Bookkeeper's Report, including the checks presented for payment, and approve renewal of the Certificates of Deposit. Director Campbell seconded the motion, which carried unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT DESIGNATION OF DISTRICT UNDER SENATE BILL 2 (86TH TEXAS LEGISLATURE)

Ms. Richardson next discussed certain requirements imposed by Senate Bill 2 which sets limitations on the amount that certain municipal utility districts can increase their property taxes without triggering elections to approve such increases. In connection therewith, Ms. Richardson presented a Resolution designating the District as a "Developed District" pursuant to Section 49.23602 of the Water Code (**Exhibit G**) and noted that the District's engineer had certified such designation. After discussion, Director Garner made a motion to approve the Resolution and authorize the President and Secretary to execute same on behalf of the Board and the District. Director Rhodes seconded the motion, which unanimously carried.

DISCUSSION REGARDING PROCEDURES FOR AUGUST BOARD MEETING

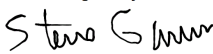
The Board next discussed procedures for the August Board meeting. After discussion, the Board concurred to hold the next Board meeting via teleconference.

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

July 6, 2020

- Exhibit A Patrol Report
- Exhibit B HPE Proposed Reprogram of HPE Campus
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Operations and Maintenance Report
- Exhibit E Engineering Report
- Exhibit F Bookkeeping Report
- Exhibit G Resolution Declaring Development Status of District