

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

Minutes of Board of Directors Meeting  
September 8, 2020

ACTIONS TAKEN

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1. The Board approved the minutes of the August 3, 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 authorized the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2020 maintenance and operations tax of \$0.125 per \$100 of valuation to be held at the District's next regular meeting.
4. The Board approved the replacement of the no. 2 blower motor at the WWTP for \$6,920.00.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board approved Pay Estimate No. 12 from CFG Industries in the amount of \$133,740.00 for improvements and painting at Water Plant No. 1.
7. The Board approved the Engineering Report presented by Eby Engineers, Inc.
8. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
9. The Board approved the proposed Operating Budget for the fiscal year ending in 2021 as presented by Claudia Redden & Associates, L.L.C.
10. The Board appointed Directors Geaslen and Rhodes to approve correspondence to HCFCD on behalf of the Board and the District and authorized MRPC to send correspondence to HCFCD.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on August 3, 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"); Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); Sergeant Gonzalez and Lieutenant Garza of the Harris County Constable's Office Precinct Four ("HCCO"); 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 August 3, 2020. After discussion, Director Garner made a motion to approve the minutes of the August 3, 2020, Board of Directors meeting, as amended. Director Rhodes 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. Lieutenant Garza reviewed the report and discussed the activity within the past month. He stated that there has been an uptick in the number of tire and rim thefts recently and that HCCO is currently investigating same.

The Board next reviewed the Yearly Stats Report, a copy of which is attached hereto as **(Exhibit B)**. Lieutenant Garza reviewed the report with the Board. He stated that the yearly statistics do not include the Lakewood Forest neighborhood or Faulkey Gulley. He stated that those areas have comparable statistics to the District's contract. Director Theriot asked about a sexual assault that occurred at Faulkey Gulley. Sergeant Gonzalez stated that the assault was called into the sex crimes unit so HCCO did not respond to the call and does not have any specific information at this time. He stated that the suspect is a known family member and the investigation is ongoing. Director Theriot next asked about the bank fraud incident that occurred on Oaks Crossing. Sergeant Gonzalez stated that it was a fraud identification issue. Director Theriot asked about the dates of the yearly statistics. Lieutenant Garza stated that the statistics are current through September 1, 2020.

The Board then discussed adding an additional deputy to the security patrol contract. Director Rhodes asked the Board to review the patrol statistics in order to determine whether to add an additional deputy. The Board deferred action on the matter until next month's meeting.

The Board next considered the status of security monitoring services. Director Rhodes stated that he had nothing new to report.

### **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. No one present had anything to report.

Sergeant Gonzalez and Lieutenant Garza disconnected from the call 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 August 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 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.

### **2020 TAX RATE RECOMMENDATION**

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2020 tax rate. Mr. Morales reviewed financial schedules prepared by RBC Capital Markets ("RBC") (**Exhibit D**), and advised that RBC recommends that the District levy a 2020 maintenance and operations tax of \$0.125 per \$100 of valuation. After discussion, Director Rhodes made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2020 maintenance and operations tax of \$0.125 per \$100 of valuation to be held at the District's next regular meeting. Director Garner seconded the motion, which carried unanimously.

### **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report (**Exhibit E**). Mr. Thiry reported that there were no significant utility repairs within the past month.

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 that FEMA has advised that the documents are still under review, but that payment could be received as early as September. He then reviewed the spreadsheet related to the status of the FEMA projects.

Mr. Thiry reported that EDP invoiced Malcomson Road Utility District (“MRUD”) for the water purchased from the District during the months of June and July. He then reviewed the invoice with the Board.

Mr. Thiry reported that the no. 2 blower motor at the WWTP shorted to the ground and the cost of repairs exceed the cost of a new motor. He stated that the cost to replace the no. 2 blower motor is \$6,920.00. After discussion, Director Garner made a motion to approve replacement of the no. 2 blower motor at the WWTP for \$6,920.00. Director Campbell seconded the motion, which unanimously carried.

Mr. Thiry reported that EDP is in the process of converting the telephone service at the WWTP, Water Plant Nos. 1 and 2 and Lift Station Nos. 1, 2 and 3 from landline to cellular service through AT&T. He stated that the phone bills are expected to decrease from \$235.00 per month to approximately \$22.00 per month.

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 reported that the painting is approximately 90% complete and reviewed photos of same. He stated that the tank will likely be filled and chlorinated and samples taken within the next few weeks. Mr. Eby stated that he anticipates having Water Plant No. 1 back online by next month’s meeting. He then presented Pay Application No. 12 in the amount of \$133,740.00 and recommended that the Board approve payment of same. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 12, 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 90% complete. He stated that he is still waiting on CenterPoint Energy to set the meter. He also stated that the blowers need to be painted. Mr. Eby then explained that the meter delay was caused by an address discrepancy between Harris County and CenterPoint Energy and that he is working to resolve the issue.

## **ENGINEERING REPORT**

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

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production and stated that the District received a report and invoice for the month of August.

Mr. Eby presented an invoice from Brian Gardens in the amount of \$3,948.10 for repair of the fence at the park and recommended payment of same.

Mr. Eby presented an invoice from Pavement Constructors in the amount of \$2,240.00 for the parking lot and curb striping at the parking lot in the park and recommended payment of same.

Mr. Eby stated that the tot swing for the park has been delivered and will be installed by Eby.

Mr. Eby reported that he is coordinating with EDP and the new owner for the meter installation at the HP CCM-3 building.

Mr. Eby recommended that the District perform an inspection of the WWTP once the construction is complete. He presented various photos showing problematic elements at the WWTP, including rust on the clarifiers and digester.

After discussion, Director Garner 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 G**), including the checks presented for payment. After discussion, Director Garner made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded the motion, which carried unanimously.

## **ADOPT OPERATING BUDGET**

The Board next considered adoption of the operating budget for the fiscal year ending September 30, 2021 (**Exhibit H**). After discussion, Director Garner made a motion to approve the budget, as presented. Director Theriot seconded the motion, which carried unanimously.

## **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 reviewed the Trail Exhibit map, a copy of which is attached hereto as (**Exhibit I**), and stated that Harris County Flood Control District ("HCFCD") is requesting the District to pay approximately \$40,000 to fund the repair and replacement of portions of the trail which were damaged by the HCFCD during its expansion of Faulkey Gulley and Anderson Ditch.

Director Geaslen next reminded the Board of the various costs spent by the District to repair the trail in the past several years. He noted that the District may want to consider terminating its agreement with the County to maintain the trails since it has become increasingly expensive and unpredictable. After a lengthy discussion, the Board requested that Ms. Richardson send correspondence to the County stating that the District will not pay for the \$40,000 repairs requested by the County. After discussion, Director Geaslen made a motion to authorize MRPC to prepare correspondence as discussed and to authorize himself and Director Rhodes to review and approve such correspondence on behalf of the Board and the District. Director Rhodes seconded the motion, which unanimously carried.

**DISCUSSION REGARDING PROCEDURES FOR OCTOBER BOARD MEETING**


The Board next discussed procedures for the October Board meeting. After discussion, the Board concurred to hold the next Board meeting via teleconference on October 5, 2020.

**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.

DocuSigned by:  
  
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Secretary, Board of Directors

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**LIST OF EXHIBITS**

September 8, 2020

- Exhibit A Patrol Report
- Exhibit B Yearly Statistics Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Tax Rate Recommendation
- Exhibit E Operations and Maintenance Report
- Exhibit F Engineering Report
- Exhibit G Bookkeeping Report
- Exhibit H Operating Budget
- Exhibit I Trail Exhibit

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