

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

Minutes of Board of Directors Meeting  
October 5, 2020

ACTIONS TAKEN

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1. The Board approved the minutes of the September 8, 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 conducted a public hearing and subsequently adopted an Order levying the 2020 tax rate.
4. The Board amended the District Information Form in connection with the adoption of the 2020 tax rate.
5. The Board confirmed the engagement of Mark C. Eyring, CPA, PLLC to prepare the District's audit report for the fiscal year ending September 30, 2020.
6. The Board approved the Operations and Maintenance Report presented by EDP.
7. The Board approved Pay Estimate No. 13 from CFG Industries in the amount of \$24,750.00 for improvements and painting at Water Plant No. 1.
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.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on October 5, 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 of RBC Capital Markets ("RBC"); Sergeant Gonzalez and Lieutenant Garza of the Harris County Constable's Office Precinct Four ("HCCO"); and David Marks 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 September 8, 2020. After discussion, Director Garner made a motion to approve the minutes of the September 8, 2020, Board of Directors meeting, as presented. 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 was one (1) burglary of a motor vehicle and two (2) vehicles stolen within the past month.

The Board next reviewed correspondence from HCCO advising of a rate increase of 2.5% for law enforcement services to be effective March 1, 2021 **(Exhibit B)**.

The Board next discussed adding an additional deputy to the security patrol contract. Director Rhodes reviewed the Three-Year Stats Report received from HCCO, a copy of which is attached hereto as **(Exhibit C)**. He stated that the report does not indicate that an additional deputy needs to be added to the contract. The Board concurred not to add an additional deputy to the security patrol contract at this time. The Board requested that the item be removed from the agenda.

The Board next considered the status of security monitoring services. Director Rhodes stated that there are nine (9) cameras, seven (7) of which are working and two (2) that are not functioning and will be repaired. He stated that he expects all cameras to be back online within the next month.

Sergeant Gonzalez and Lieutenant Garza disconnected from the call at this time.

### **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.

### **TAX ASSESSOR-COLLECTOR REPORT**

The Board next considered the Tax Assessor-Collector Report. Ms. Arterburn presented the attached Tax Assessor-Collector Report (**Exhibit D**) dated September 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 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.

### **PUBLIC HEARING**

The Board next conducted a public hearing on the District's proposed 2020 maintenance tax rate. Ms. Arterburn presented a copy of the tax rate publication and advised that it had been published in accordance with state law requirements. The President announced the hearing open and invited members of the public to address the Board on the proposed 2020 maintenance tax rate. No members of the public were present and wishing to speak, so the President announced the hearing closed.

### **ADOPTION OF 2020 TAX**

The Board next considered the adoption and levy of the District's 2020 maintenance tax rate. After discussion, Director Garner made a motion that the District levy a 2020 maintenance tax of \$0.125 per \$100 of assessed valuation and to adopt the Order Levying Taxes (**Exhibit E**). Director Theriot seconded the motion, which carried unanimously.

### **APPROVAL OF DISTRICT INFORMATION FORM**

Mr. Marks next reviewed an Amendment to the Second Amended and Restated District Information Form in connection with the 2020 tax rate. After discussion, Director Theriot made a

motion to approve the Form and to authorize the Board members present to execute the Form. Director Campbell seconded the motion, which carried unanimously.

### **ENGAGEMENT OF AUDITOR**

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2020. Mr. Marks reminded the Board that last year the District entered into a two-year engagement with Mark C. Eyring, CPA, PLLC ("Eyring") for the fiscal years ended September 30, 2019, and September 30, 2020, and therefore only needs to confirm the engagement. He presented the two-year engagement letter received from Eyring last year (**Exhibit F**) and advised that Eyring's fee for the preparation of the audit report is \$9,300 per year. After discussion, Director Theriot made a motion to confirm the engagement of Eyring to prepare the District's audit report for the fiscal year ending September 30, 2020. Director Campbell seconded the motion, which carried unanimously.

### **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report (**Exhibit G**). 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 within sixty (60) days. He then reviewed the spreadsheet related to the status of the FEMA projects.

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 cellular modems have been received and installation has begun.

The Board next asked about the current news involving a naegleria fowleri contamination in the City of Lake Jackson and whether the District is protected. Mr. Thiry stated that the District is protected through the chorine disinfection and flushing procedures. He noted that EDP does not test for naegleria fowleri as it is not required by the Environmental Protection Agency.

After discussion, Director Garner 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 complete, and the final inspection was conducted today with no issues found. He then reviewed photos of same. Mr. Eby then presented Pay Application No. 13 in the amount of \$24,750.00 and recommended that the Board approve payment of same. After discussion, Director Theriot made

a motion to approve payment of Pay Application No. 13, 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 CenterPoint Energy will be installing the meter on October 8, 2020. He stated that the changeover to the new electrical system will occur next week. Mr. Eby stated that R&B anticipates completion of the project by November.

### **ENGINEERING REPORT**

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

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 September.

Mr. Eby presented an invoice from Advantage Security Integration in the amount of \$2,577.00 for the installation of five (5) cameras and DVR at the District’s park and recommended payment of same.

Mr. Eby next reviewed correspondence from Mr. Grady Persell regarding timing on completion of the repairs along Faulkey Gulley.

Mr. Eby next reported on a complaint received from a resident, Mr. Rob Greenberg, that dirt has washed down areas along Faulkey Gulley and that the excessive dirt and mud presents a safety hazard for pedestrians and bicyclists. The Board discussed the safety of the area and agree that it does not present a safety hazard to pedestrians or bicyclists.

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

After discussion, Director Garner made a motion to approve the Engineering Report. Director Campbell 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 reported that correspondence was sent to the Harris County Flood Control District (“HCFCD”) on September 14, 2020, advising that the District will not pay the requested \$40,000 to fund the repair and replacement of portions of the trail which were damaged by HCFCD during its expansion of Faulkey Gulley and Anderson Ditch. He stated that he has not yet received a response from HCFCD and recommends that the District allow them more time to respond before terminating its agreement with the County to maintain the trails. The Board agreed with Director Geaslen’s recommendation.

**BOOKKEEPING REPORT**

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit I**), 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 Rhodes seconded the motion, which carried unanimously.

**DISCUSSION REGARDING PROCEDURES FOR NOVEMBER BOARD MEETING**

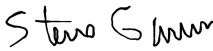
The Board next discussed procedures for the November Board meeting. After discussion, the Board concurred to hold the next Board meeting via teleconference on November 2, 2020.

**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

**LIST OF EXHIBITS**

October 5, 2020

- |           |                                       |
|-----------|---------------------------------------|
| Exhibit A | Patrol Report                         |
| Exhibit B | Correspondence from HCCO              |
| Exhibit C | Three Year Statistics Report          |
| Exhibit D | Tax Assessor-Collector's Report       |
| Exhibit E | Order Levying Taxes                   |
| Exhibit F | Engagement Letter from Mark C. Eyring |
| Exhibit G | Operations and Maintenance Report     |
| Exhibit H | Engineering Report                    |
| Exhibit I | Bookkeeping Report                    |