

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
November 2, 2020

ACTIONS TAKEN

1. The Board approved the minutes of the October 5, 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 deferred water terminations for thirty (30) days and authorized EDP to hang door tags with revised language advising delinquent customers to make payment or contact EDP for payment arrangements.
4. The Board approved the Operations and Maintenance Report presented by EDP.
5. The Board approved Pay Estimate No. 14 from CFG Industries in the amount of \$77,620.00 for improvements and painting at Water Plant No. 1.
6. The Board approved the Engineering Report presented by Eby Engineers, Inc.
7. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
8. The Board approved a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on November 2, 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 Gonzalez of the Harris County Constable's Office Precinct Four ("HCCO"); 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 October 5, 2020. After discussion, Director Theriot made a motion to approve the minutes of the October 5, 2020, 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. Sergeant Gonzalez reviewed the report and discussed the activity within the past month. He stated that there were three (3) alarms, one (1) suspicious person and one (1) suspicious vehicle reported within the past month.

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

Sergeant Gonzalez 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 B**) dated October 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.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit C**). Mr. Thiry reviewed the significant utility repairs within the past month.

Mr. Thiry reported that Water Plant Nos. 1 and 2 and Lift Station Nos. 1, 2 and 3 now have modems installed and are converted to cellular phone service. He stated that the WWTP is still on landline pending acceptance of the new alarm dialing system. Director Geaslen asked about the timing for the WWTP. Mr. Thiry stated that EDP is waiting on CenterPoint Energy ("CE").

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 reviewed the attached correspondence which was sent to Hewlett Packard ("HP") for the removal of an existing water tap and installation of a new fire/domestic tap and meter vault.

Mr. Thiry reported on the emergency interconnect between the District and Malcomson Road Utility District ("MRUD"). He stated that there was an incorrect meter read which reflected extremely high-water usage through the interconnect this past month. He stated that the interconnect had not been opened within the past month and that EDP is investigating the matter. Director Garner requested that Mr. Thiry email the Board regarding his findings.

Mr. Thiry next reviewed the Delinquent Notice/Service Disconnection Report and Delinquent Accounts Report. He stated that fourteen (14) delinquent account letters were mailed out and EDP will be placing a door hanger advising of water termination if payment is not received. Director Geaslen stated that he is concerned with fourteen (14) accounts having their water service terminated and asked if the termination date could be extended from seven (7) days to fourteen (14) days. Ms. Richardson recommended that EDP still hang door tags but include language that

advises customers to contact EDP to make payment arrangements and exclude the current language indicating a service termination date. After discussion, Director Rhodes made a motion to defer water terminations for thirty (30) days and to authorize EDP to hang door tags that exclude a service termination date and include language advising customers to make payment or contact EDP for payment arrangements.. Director Garner seconded the motion, which unanimously carried.

Director Theriot stated that she sent an EDP representative pictures of the gate to the Water Plant entrance that is not functioning properly. Mr. Thiry stated that the gate has been fixed. Director Theriot also asked about the gate adjacent to the gate at the Water Plant entrance that was knocked down. Mr. Thiry stated that no action has been taken regarding the knocked down fence because he is not sure if it is the District's responsibility or Harris County's responsibility. Mr. Eby stated that he believes that the HCFCD installed the gate. The Board discussed options for repairing the gate. Mr. Thiry stated that he will obtain a quote to repair the gate and report to the Board next month. The Board requested that the gate be locked until it has been repaired.

After discussion, Director Rhodes made a motion to approve the Operations and Maintenance Report, as presented. 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 reported that Eby is still awaiting installation of the CE meter. He stated that he has been coordinating with CE regarding a Consent to Encroachment and Indemnity Agreement for the subject meter. Mr. Eby stated that he recently spoke with a representative from CE who advised that there is no reason for the easement on site and that CE would release the easement. He stated that he has completed a Release of Easement and is awaiting a response from CE. Mr. Eby stated that the meter will not be installed until the easement has been released.

Mr. Eby reported that Ms. Redden received an invoice from CE in the amount of \$64,000 for gas usage at the WWTP. He stated that he contacted CE and advised that the District did not use that amount of gas. Mr. Eby stated that CE put a hold on the bill and is investigating the reason for the high reading.

ENGINEERING REPORT

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

Mr. Eby reported on 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 with no issues found. Mr. Thiry reported that he anticipates filling the Water Plant this year. Mr. Eby then presented Pay Application No. 14 and Final in the amount of \$77,620.00 and recommended that the Board approve payment of same. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 14

and Final, as set out above. Director Garner seconded the motion, which carried unanimously. The Board requested that Ms. Redden hold the check until Mr. Eby advises to release the payment to CFG.

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 October.

Mr. Eby presented an invoice from Advantage Security Integration in the amount of \$370.00 for replacement of the wire to camera 4, adjustment of a few cameras and connection of the DVR at the District's park and recommended payment of same.

Mr. Eby reviewed the site plan for the HP CCM-3 building parking lot and reported that he is coordinating with EDP and the new owner for the meter installation.

Mr. Eby reported that he received the site plan for Lone Star College from Studio Red Architects. He stated that he will request a deposit from Lone Star College for Eby's review of the site plan.

Mr. Eby reported that HP has requested an analysis of remaining capacity in the District and that Eby is in the process of preparing same.

Mr. Eby reported that he is reviewing the mitigation plans for submittal five (5) for Chasewood Park.

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 Theriot reported that there is a sinkhole on the side of Faulkey Gulley near the Water Plant. Mr. Eby stated that he contacted Mr. Bobby Martin of Harris County Precinct Four regarding the sinkhole and that he stated that he believes it is under warranty and the contractor's responsibility. He stated that he will send e-mail correspondence to the HCFCD regarding the matter and will copy Ms. Richardson on the correspondence.

Director Geaslen next reported that a response has not been received regarding the correspondence that was sent to the 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 will follow up with Mr. Martin regarding the matter. Director Geaslen also recommended that the District allow HCFCD more time to respond before terminating the trail agreement. The Board agreed with Director Geaslen's recommendation and requested that the item remain on the agenda to monitor the situation.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report and Supplemental Report (**Exhibit E**), including the checks presented for payment. She noted that the deposit received from MRUD will be reflected on next month's report. 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.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a Resolution relative thereto. Ms. Richardson advised that there are no proposed changes to the Order at this time and recommended that the current Order remain in effect. After discussion, Director Theriot made a motion to adopt the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (**Exhibit F**), and to authorize the President to sign and the Secretary to attest the Resolution on behalf of the Board and District. Director Campbell seconded the motion, which carried unanimously.

DISCUSSION REGARDING PROCEDURES FOR NOVEMBER BOARD MEETING


The Board next discussed procedures for the December Board meeting. After discussion, the Board concurred to hold the next Board meeting via teleconference on December 7, 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.

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Secretary, Board of Directors

LIST OF EXHIBITS

November 2, 2020

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| Exhibit A | Patrol Report |
| Exhibit B | Tax Assessor-Collector's Report |
| Exhibit C | Operations and Maintenance Report |
| Exhibit D | Engineering Report |
| Exhibit E | Bookkeeping Report |
| Exhibit F | Resolution Regarding Review of Investment Policy |