

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

January 4, 2021

ACTIONS TAKEN

1. The Board approved the minutes of the December 7, 2020 meeting.
2. The Board approved the Interlocal Agreement for Law Enforcement Services with Harris County.
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 Personal Property Taxes and authorized Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of the District's 2021 delinquent personal property accounts, including the filing of lawsuits, as necessary.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board authorized EDP to provide information to entities receiving water from the District in 2020 for purposes of Consumer Confidence Report reporting requirements.
7. The Board approved a proposal from Patriot in the amount of \$4,389.00 for replacement of the pulse card and new power supply.
8. The Board approved a proposal from Brian Gardens Landscape in the amount of \$6,497.50 for installation of kiddie cushion at the park.
9. The Board approved the Engineering Report presented by Eby Engineers, Inc.
10. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
11. The Board approved and adopted a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on January 4, 2021, 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 December 7, 2020. After discussion, Director Garner made a motion to approve the minutes of the December 7, 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. Sergeant Gonzalez 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) criminal mischiefs reported within the past month.

The Board next considered the status of security monitoring services. Director Rhodes discussed reports of people staying in the park late on New Year's Eve.

APPROVAL OF INTERLOCAL AGREEMENT

The Board next considered the review and approval of an Interlocal Agreement ("Agreement") for Law Enforcement Services between Harris County and the District. Ms. Richardson reviewed the Agreement with the Board, noting that it provides for the same coverage as the current agreement with a price increase of five percent (5%) from the previous year and that the contract term will begin March 1st. After discussion, Director Rhodes made a motion to

approve the Agreement and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Campbell seconded the motion, which carried unanimously.

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.

APPROVE AUDIT REPORT

The Board next deferred approval of the audit report for the fiscal year ended September 30, 2020 until next month's meeting.

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 December 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.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, (**Exhibit C**). Ms. Richardson advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the delinquent personal property taxes due to the District that became delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent. After discussion, Director Theriot made a motion to adopt the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes and to authorize Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of the District's 2021 delinquent personal property accounts following proper notice as provided in the Resolution, including the filing of lawsuits, as necessary. Director Garner seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Thiry reported that EDP repaired a water leak on a fire hydrant.

Mr. Thiry reported that EDP submitted documents to the Federal Emergency Management Agency (“FEMA”) requesting payment for the WWTP project and that FEMA has advised that the documents are still under review. He then reviewed the spreadsheet related to the status of the FEMA projects. Director Geaslen requested that Mr. Thiry prepare an additional spreadsheet to determine the total costs spent on Harvey-related projects, amounts filed and/or paid with insurance, amounts filed with and approved by FEMA and the amounts that are currently pending approval by FEMA. Mr. Thiry stated that he will have the spreadsheet for review at next month’s meeting. The Board requested that at least one (1) Director be present on any upcoming phone calls between EDP and FEMA. Mr. Thiry also stated that he will research the latest insurance payments made to the District.

Mr. Thiry reported that the water accountability was 89.9% for the month of December.

Mr. Thiry stated that EDP will be monitoring the TSS Daily average at the WWTP.

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

CONSUMER CONFIDENCE REPORTS

The Board next considered authorizing EDP to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports. After discussion, Director Theriot made a motion to authorize EDP to provide the required information. Director Campbell seconded the motion, which unanimously carried.

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 (“CE”) installed the CE meter. He stated that R&B is back on site and the project has resumed. Mr. Eby stated that he is having a meeting tomorrow with the contractor and the generator supplier. He stated that the new generator and pumps will be started up this week.

ENGINEERING REPORT

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

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 December. He stated that the pulse card failed and needs to be replaced along with a new power supply. He then presented a proposal from Patriot for \$2,788.80 for the pulse card and \$1,600.20 for the power supply totaling \$4,389.00. After discussion, Director Rhodes made a motion to approve the proposal from Patriot for \$4,389.00 for replacement of the pulse card and new power supply. Director Garner seconded the motion, which unanimously carried.

The Board next considered the installation of kiddie cushion at the playground. Mr. Eby presented proposals from Vista Landscape Services, LLC for \$11,577.64 and from Brian Garden Landscape & Design for \$6,497.50. After discussion, Director Theriot made a motion to approve the proposal from Brian Gardens Landscape & Design for \$6,497.50 for installation of kiddie cushion. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby reported that the parking lot plans are currently under review by Harris County for the HP CCM-3 building parking lot.

Mr. Eby reported on the hike and bike trail along Cypress Creek. He reviewed email correspondence sent to Mr. Bobby Martin of Harris County Precinct 4 with an exhibit of the hike and bike trail that the District constructed reflecting the portion that is on District property. Director Geaslen discussed his conversations with Mr. Martin relative to Harris County taking over maintenance of the of the hike and bike trail. He stated that the District will need to enter into an Agreement with Harris County for the maintenance of same. He also stated that the District will need to give thirty (30) days prior notice before terminating the trail agreement with the Harris County Flood Control District.

Mr. Eby reviewed revised correspondence to HP regarding the request for water and wastewater availability in the District. He informed HP that the average daily flow for three domestic meters over the time period of February 2013 to August 2019 was approximately 173,000 gallons per day, of which 11,250 gallons per day was for irrigation. Mr. Eby informed HP that since the irrigation water does not flow to the wastewater treatment system, Eby reduced the amount of available wastewater capacity by that amount to 161,750 gallons per day. He also stated that Eby reduced the metered flow for both water and wastewater available capacity by 18,250 gallons per day which was committed for water supply and wastewater treatment to serve the redevelopment of CCM-3. Mr. Eby stated that based on the historical data, Eby is estimating that 154,750 gallons per day of water supply and 143,500 gallons per day for wastewater treatment capacity is available for the redevelopment of the subject area.

Mr. Eby reported that he received email correspondence from Heights Engineering, LLC regarding a new commercial development located along 249 Access Road and Chasewood Drive for a proposed gas station or retail center.

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

CONSIDER STATUS OF SINKHOLE REPAIR LOCATED IN FAULKEY GULLY

The Board next deferred consideration of the status of the sinkhole repair located in Faulkey Gully as same was previously discussed under the engineer's report.

DISCUSS HIKE AND BIKE TRAIL ALONG CYPRESS CREEK

The Board next deferred consideration of the hike and bike trail along Cypress Creek as same was previously discussed under the engineer's report.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report and Supplemental Report (**Exhibit F**), including the checks presented for payment. She noted that pool information was not available at the time the bookkeeper's report was finalized. 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.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

Ms. Richardson next advised the Board that requirements in the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and the attached list of financial institutions, brokers and dealers prepared by Claudia Redden. Ms. Richardson recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the lists that could create a conflict of interest, that such institution(s) should be deleted from the list that the Board adopts or that any affected Director should execute a conflicts disclosure statement relative to same. After discussion, Director Rhodes made a motion to adopt the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District and the list of financial institutions, brokers and dealers prepared by Claudia Redden (**Exhibit G**). Director Campbell seconded the motion, which carried unanimously.

DISCUSSION REGARDING PROCEDURES FOR JANUARY BOARD MEETING


The Board next discussed procedures for the January Board meeting. After discussion, the Board concurred to hold the next Board meeting via teleconference on February 1, 2021.

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

January 4, 2021

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| Exhibit A | Patrol Report |
| Exhibit B | Tax Assessor-Collector's Report |
| Exhibit C | Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes |
| Exhibit D | Operations and Maintenance Report |
| Exhibit E | Engineering Report |
| Exhibit F | Bookkeeping Report |
| Exhibit G | Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with District |