

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
February 1, 2021

ACTIONS TAKEN

1. The Board approved the minutes of the January 4, 2021 meeting.
2. The Board approved the audit report for the fiscal year ended September 30, 2020, authorized the President to execute the Annual Filing Affidavit, and authorized the filing of the audit report and Annual Filing Affidavit with the appropriate governmental authorities.
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 approved and adopted a Resolution Concerning Exemptions from Taxation granting a \$300,000 exemption from ad valorem taxation on residential homesteads for persons under a disability or sixty-five years of age or older and a 20% general residential homestead exemption for the year 2021.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board approved Pay Estimate No. 12 from R&B Group Inc. in the amount of \$47,583.62 for improvements and flood mitigation at the Wastewater Treatment Plant.
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.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on February 1, 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"); Mark Eyring of Mark C. Eyring, C.P.A., PLLC ("Eyring"); Lieutenant Garza and Sergeant Westmoreland 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 January 4, 2021. After discussion, Director Garner made a motion to approve the minutes of the January 4, 2021, 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. 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) criminal mischiefs reported within the past month.

Director Garner asked about the sixty-five (65) "other" calls listed on the report. Lieutenant Garza stated that those are calls that do not fit within a specific category, such as a barking dog.

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

Sergeant Garza and Sergeant Westmoreland 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 considered approval of an audit report for fiscal year ended September 30, 2020. Mr. Eyring presented a draft of the audit report and correspondence regarding the report (**Exhibit B**). After discussion, Director Rhodes made a motion to approve the audit report for the fiscal year ended September 30, 2020, subject to review by MRPC, to authorize the President to execute the Annual Filing Affidavit on behalf of the Board and District, and to file the audit report and Annual Filing Affidavit with the appropriate governmental authorities, including the TCEQ and the Texas Comptroller of Public Accounts. Director Garner seconded the motion, which carried unanimously.

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 January 31, 2021. The Board reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Garner made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Campbell seconded the motion, which carried unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board next considered granting exemptions from taxation for 2021. Ms. Richardson outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Sections 11.13 and 11.184 of the Property Tax Code. After discussion, Director Theriot made a motion 1) to grant a \$300,000 exemption from ad valorem taxation on residential homesteads for persons under a disability or sixty-five years of age or older for the year 2021 2) to grant a 20% residential homestead exemption for the year 2021, and 3) to approve and adopt the Resolution relative to the granted exemptions (**Exhibit D**). Director Rhodes seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Thiry reported that EDP installed an eight-inch (8") fire/domestic tap and meter, a ten-inch (10") fire line back flow and meter and a two-inch (2") irrigation tap and meter for the CCM3 building.

Mr. Thiry reported that EDP submitted documents to the Federal Emergency Management Agency ("FEMA") requesting payment for the WWTP project. He stated that FEMA has completed the compliance review and the application is now being processed by the Texas Department of Emergency Management. Mr. Thiry stated that he hopes to receive payment in the amount of \$339,750 within the next month. He then reviewed the spreadsheet with information related to the FEMA projects which includes 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. He discussed the reimbursements received from the insurance company in the total amount of \$352,730.56. He noted that there are still amounts to be submitted to insurance.

Director Garner then asked about the District spending noted on the spreadsheet on page two (2). He asked whether the \$2,383,608.32 is the total project cost of all District spending. Mr. Thiry stated that the WWTP project is not complete so that total may increase with the receipt of final invoices. Director Garner asked how much the District is paying out of pocket. Mr. Thiry stated that the District is paying approximately ten percent (10%) out of pocket as FEMA pays ninety percent (90%) of the District's losses minus insurance reimbursements.

Mr. Thiry reported that the annual testing of the fire hydrants is scheduled for the week of March 29, 2021. He then reviewed the copy of the insert to be included in customer water bills.

After discussion, Director Garner made a motion to approve the Operations and Maintenance Report, as presented. Director Rhodes 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 project is substantially complete. He stated that the new electrical is running, the rental generator has been pulled and the final inspections are being conducted. Mr. Eby presented Pay Application No. 12 in the amount of \$47,583.62. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 12, as set out above. Director Garner seconded the motion, which unanimously carried.

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 two (2) invoices for the month of January.

Mr. Eby next reported that Brian Gardens Landscape & Design (“Brian Gardens”) installed the kiddie cushion at the playground. He recommended payment of the invoice in the amount of \$6,497.50.

Mr. Eby next presented a proposal from Brian Gardens in the amount of \$378 to remove thirty (30) tree stakes from the Cypresswood esplanade and dispose of same. Director Geaslen requested that Mr. Eby investigate what kind of stakes are in question. Mr. Eby stated that he will research same and report to the Board next month.

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 that he sent correspondence to Dannenbaum Engineering Corporation advising that Eby has no objections to the mitigation and grading plans for Chasewood Technology Park. He stated that the project will work around the District’s facilities but that Eby will monitor the project.

Mr. Eby reported that he is currently reviewing the capacity request and site plans for the Lone Star College Visual Performing Arts Building.

Director Garner asked if Mr. Eby can take photos of the newly installed valves for the CCM-3 building. Mr. Eby agreed to take photos of the valves and include in next month’s report.

After discussion, Director Theriot 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 discussed the hike and bike trail along Cypress Creek. Director Campbell stated that Harris County has re-paved the trail from Jones Road to Lakewood Forest near the Clubhouse and will start installing crushed asphalt on the trail soon. Director Geaslen stated that the trail looks great and that Harris County may be re-paving the trail all the way to the bridge. Director Campbell stated that her understanding is that the County plans to re-pave to the bridge. Director Eby asked whether Harris County is taking over maintenance of the trail. Director Geaslen stated that Mr. Bobby Martin of Harris County Precinct 4 previously said he would send a contract that would give permission to Harris County to maintain parts of the trail on District property. Director Theriot next discussed email correspondence she received from Precinct 4 regarding proposed work on the cemetery near the trail. She stated that she is concerned that Harris County is granting permission to another group to maintain the trail. Director Geaslen stated that the District’s agreement with the Harris County Flood Control District is still enforced and recommended that the agreement remain in place for now. Director Theriot stated that she will forward the email correspondence to Director Geaslen in order for him to discuss the matter with Mr. Martin.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report and Supplemental 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.

RENEWAL OF DISTRICT'S INSURANCE

The Board next deferred consideration of proposals relative to the renewal of the District's insurance coverage for term expiring March 31, 2021 until next month's meeting.

DISCUSSION REGARDING PROCEDURES FOR JANUARY BOARD MEETING

The Board next discussed procedures for the January Board meeting. Director Geaslen asked about moving the start time of meetings back to 6:00 p.m. After discussion, the Board concurred to hold the next Board meeting via teleconference on February 1, 2021 at 6:10 p.m.

Mr. Thiry next reported that a resident contacted him interested in making a donation to the park in honor of their nephew who recently passed away. He stated that the resident is interested in donating a memorial bench for the park. Ms. Richardson reminded the Board that it had considered and declined similar requests in the past because it did not want to set a precedent going forward. After discussion, the Board agreed to continue the policy of disallowing donations of memorials for the park. Mr. Thiry stated that he will advise the resident that the Board is not allowing memorials to be placed in the park.

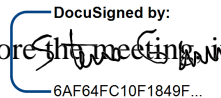
Ms. Richardson reported that she received an email from a resident who is interested in having her wedding at the park in December 2021. She stated that the woman told her that she was interested in having a 20-minute ceremony on the trail that would only be attended by the bride, groom and officiant. The Board members stated that they had no objections to the request. Director Geaslen suggested that Ms. Richardson inform the woman that she would not be able to reserve any areas of the park for exclusive use but that she was free to use any of the areas if available.

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

February 1, 2021

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| Exhibit A | Patrol Report |
| Exhibit B | Draft Audit |
| Exhibit C | Tax Assessor-Collector's Report |
| Exhibit D | Resolution Regarding Exemptions from Taxation |
| Exhibit E | Operations and Maintenance Report |
| Exhibit F | Engineering Report |
| Exhibit G | Bookkeeping Report |