

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

April 5, 2021

ACTIONS TAKEN

1. The Board approved the minutes of the March 1, 2021 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 adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
4. The Board approved a proposal from Brian Gardens Landscape for maintenance of the District's facilities and park areas.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
7. The Board designated Directors Geaslen and Campbell to approve a construction contract with Alsay for repairs to Water Well No. 1 on behalf of the Board and District, in an amount not to exceed \$172,000, to approve a Resolution to the Texas Commission on Environmental Quality for Approval to Issue Contracts for Emergency Repairs and to authorize MRPC to forward same to the TCEQ.
8. The Board approved Pay Application No. 13 and Final in the amount of \$150,893.13 to R&B Group Inc. for improvements and flood mitigation at the WWTP
9. The Board approved the Engineering Report presented by Eby Engineers, Inc.
10. The Board approved a proposal from Cypress Creek Pest Control for mosquito spraying for \$35 per application, plus \$15 per month for Cypress Creek Pest Control to maintain the District's TCEQ log.
11. 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 April 5, 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"); Captain Hoover, Lieutenant Garza, and Sergeant Westmoreland of the Harris County Constable's Office Precinct Four ("HCCO"); Brandon Smith of Gen Cap Partners; Brian Withrow of Brian Gardens Landscape; 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 March 1, 2021. After discussion, Director Theriot made a motion to approve the minutes of the March 1, 2021, Board of Directors meeting, as presented. Director Garner 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 were three (3) burglaries of a motor vehicle, two (2) suspicious vehicles and one (1) burglary of a hotel room reported within the past month.

Lieutenant Garza stated that Director Rhodes requested information on Deputy Williams' time spent within the District. He stated that HCCO conducted an audit of Deputy Williams to determine the areas where he patrolled, and the time spent patrolling those areas. Lieutenant Garza stated that Deputy Williams spent 77% of his time in the District and 23% of his time outside of the District. Director Geaslen requested that Deputy Williams monitor the entrances to the neighborhood at Lakewood Crossing Boulevard and Normont and also Cypresswood Crossing at Cypresswood Drive on occasion. Lieutenant Garza stated that he will ensure that the request is forwarded to Deputy Williams.

The Board next considered the status of security monitoring services. Director Rhodes requested that any issues or requests regarding security be sent to him so that he can forward same to HCCO.

Lieutenant Garza, Captain Hoover 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

REQUEST FROM GEN CAP PARTNERS

The Board next considered a request from Gen Cap Partners regarding Chasewood Flood Mitigation. Mr. Smith addressed the Board and stated that Gen Cap Partners is requesting approval for reimbursement for flood mitigation on the Chasewood tract to alleviate flooding on the site. He stated that preliminary estimates for the project range from \$700,000 to \$1,100,000. Director Geaslen discussed the District incurring significant costs within the last couple of years due to repeated flooding. He stated that in previous years, he has not seen districts reimburse for dirt work to bring a tract of land to a certain level to alleviate flooding. Director Geaslen stated that his recommendation would be to deny the request for reimbursement at this time. Ms. Richardson discussed the requirements for developer reimbursement required by the Texas Commission on Environmental Quality ("TCEQ"). She stated that she will need to review whether the request is a legally viable option for the District and requested that Mr. Smith provide more detailed information to her for review. Director Geaslen requested that Mr. Smith coordinate with MRPC and Eby to provide more information for the Board's review.

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 March 31, 2021. The Board reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. Director Theriot asked about the estimated refunds in the amount of \$76,815.34. Ms. Arterburn stated that this is the estimated amount to refund property owners based on lawsuits filed against the Harris County Appraisal District. 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 ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Rhodes made a motion to adopt the Resolution Authorizing Additional

Penalty on Delinquent Taxes (**Exhibit C**). Director Garner seconded the motion, which carried unanimously.

REVIEW OF PROPOSALS FOR LANDSCAPING MAINTENANCE SERVICES

The Board next considered review of proposals for landscaping services, including review of the renewal proposal from Brian Gardens. Mr. Withrow reviewed the renewal proposals (**Exhibit D**) with the Board and stated that the proposal includes a 5% increase. He noted that the irrigation checks at the park site were increased from eight (8) checks to twelve (12) checks. The Board discussed trash pickup at the hike and bike trail and whether to remove the item from the proposal.

Mr. Withrow disconnected from the teleconference at this time.

Mr. Eby next reviewed a spreadsheet comparing the proposal from Brian Gardens to Seaback Maintenance. He stated that the proposal from Seaback Maintenance only includes mowing of the District's facilities for \$12,480.00. Mr. Eby stated that he was unable to obtain an additional proposal for the park and esplanade areas. After discussion, Director Garner made a motion to approve the renewal proposals from Brian Gardens, and to authorize the President to execute same on behalf of the Board and the District, as discussed above. Director Campbell seconded the motion, which unanimously carried.

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 replaced a Mag-Ox pump at the WWTP.

Mr. Thiry reported that EDP submitted documents to the Federal Emergency Management Agency ("FEMA") requesting payment for the WWTP project. He stated that EDP received a payment of \$305,775 from the Texas Department of Emergency Management. Mr. Thiry 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.

Mr. Thiry reviewed the 2020 Water Loss Audit with the Board.

Mr. Thiry reviewed the most recent water well test report performed on February 23, 2021 on Water Well No. 2. He stated that no issues were noted during the test.

Mr. Thiry next reviewed a list of water accounts with relatively large increases in usage potentially from Winter Storm Uri.

Mr. Thiry next reminded the Board that EDP failed to deliver the water bills for the month of February. He stated that the bills were sent out the first week of March and reflected two (2) months of charges. He noted that EDP included a bill insert with an explanation about the error.

The Board next considered the annual report on the District's Identity Theft Prevention Program. Mr. Thiry noted that there are no identify theft issues to report.

Mr. Thiry next reported on mass communication with customers. He stated that EDP failed to include a notice in water bills reminding customers how to sign up for the mass communication system and will include a notice in upcoming water bills.

Mr. Thiry stated that EDP will be invoicing Malcomson Road Utility District and Harris County Municipal Utility District No. 464 this week for the amount of water supplied to each district.

The Board next discussed the process for handling customers who may not be able to pay their water bills due to Winter Storm Uri and whether the District will be charging penalties for late payments and disconnecting water service. Mr. Thiry stated that one (1) account is on the disconnection list and if payment is not received, will be scheduled for disconnection on April 10, 2021. The Board concurred that, for the time being, the Board follow the same procedures it has implemented for covid-related appeals and temporarily suspend cut-offs until next month. Mr. Thiry stated that EDP will continue to follow the current procedures of sending delinquent letters with the revised wording encouraging residents to contact EDP to request a payment plan if they cannot pay their bill and hanging door tags.

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 REPORT

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Garner made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Theriot seconded the motion, which carried unanimously.

IDENTITY THEFT PREVENTION PROGRAM

The Board next noted that the District's Identity Theft Prevention Program was discussed under the operations and maintenance report.

DISCUSS ISSUES WITH GENERATOR AT WATER PLANT

The Board next deferred a discussion regarding issues with the generator at the Water Plant until after repairs have been made to Water Well No. 1.

CONSIDER AUTHORIZING REPAIRS TO WATER WELL NO. 1

The Board next considered authorizing repairs to Water Well No. 1 and the approval of a Resolution Authorizing Application to the TCEQ for Approval to Issue Contracts for Emergency Repairs. Mr. Eby reported that the pumping equipment failed at Water Well No. 1 and emergency repairs are needed to ensure function and safety are restored to Water Well No. 1. He stated that he met C&C Water Services at the site to discuss the repairs and that C&C provided a proposal in the amount of \$291,150.00 for the work. Mr. Eby stated that after discussions with Director Geaslen, he obtained the following three (3) additional proposals: 1) a proposal from Alsay in the amount of \$171,766.20, 2) a proposal from Weisinger in the amount of \$180,000.00 and, 3) a proposal from Ballard in the amount of \$253,990.00 for the repair work. He recommended that the Board approve the proposal from Alsay in the amount of \$171,766.20 but noted that he did not receive an executed TEC Form 1295 from Alsay. Ms. Richardson discussed the requirements for applying to the TCEQ for approval to issue a construction contract for emergency repairs and whether the District qualifies to by-pass the bidding requirement for a construction contract for the project. Mr. Eby confirmed that the District qualifies to by-pass the bidding requirement. The Board then discussed designating two (2) Board members to approve a construction contract for the project on behalf of the Board and the District. After discussion, Director Garner made a motion to designate Directors Geaslen and Campbell to approve a construction contract with Alsay in an amount not to exceed \$172,000.00, subject to the receipt of an executed TEC Form 1295 from Alsay, to approve a Resolution to the TCEQ for Approval to Issue Contracts for Emergency Repairs, and to authorize MRPC to forward same to the TCEQ. Director Rhodes 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 the project is complete. He stated that the inspection was conducted and only minor punchlist items remain to be completed. He then reviewed various photos of the project. Mr. Eby then presented Pay Application No. 13 and Final in the amount of \$150,893.13 and recommended that the Board approve payment of same. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 13 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 R&B.

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 an invoice for the month of March. He stated that Director Campbell contacted him and advised that the flare had been running every night for several days. He stated that Mr. Jeff Cummings and a representative from Patriot inspected the flare and made some minor revisions. Director Campbell stated that the flare has not been running as much recently.

Mr. Eby next reviewed a proposal from Brian Gardens in the amount of \$13,921.30 for removal of dead plant materials and trees from the park and esplanade areas and the planting of new plants and trees. He reviewed various photos reflecting a few small trees and plants that died following Winter Storm Uri. Director Geaslen requested that Mr. Eby obtain additional proposals for the same items for the Board's review at next month's meeting.

Mr. Eby reviewed a proposal from Signquick in the amount of \$1,276 for the purchase and installation of two (2) metal signs at the hike and bike trail. Ms. Richardson noted that the District should obtain approval from Harris County prior to installing the signs since Harris County maintains the area. Director Geaslen requested that Mr. Eby contact Mr. Bobby Martin of Harris County Precinct 4 regarding the matter.

Mr. Eby stated that a review letter was sent to H2B, Inc. regarding the Lone Star College Visual Performing Arts Building.

Mr. Eby next reported that he received a request from Hewlett Packard Enterprise ("HPE") for confirmation that additional water and sanitary sewer capacity is available from the District for the HPE campus. He stated that HPE is marketing the property and would like to include such available capacity in the marketing materials. Mr. Eby stated that he completed a detailed capacity letter years ago but that such letter is likely outdated. Ms. Richardson discussed the District providing the current capacity available and advising that no capacity can be guaranteed without review and approval of plans for a project. The Board discussed issuing a commitment letter to HPE for a one (1) year term. The Board requested that an item be added to the agenda for next month's meeting to consider same.

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

DISCUSS DISTRICT'S RATE ORDER

The Board next considered a discussion regarding the District's Rate Order. Ms. Richardson stated that Director Geaslen previously asked about the straight pass-through tap fee charges and charging additional repair costs. The Board concurred to defer the matter until next month's meeting.

DISCUSS HIKE AND BIKE TRAIL ALONG CYPRESS CREEK

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

REVIEW AND APPROVE MOSQUITO CONTROL AGREEMENT BETWEEN THE DISTRICT AND CYPRESS CREEK MOSQUITO CONTROL, INC.

The Board next considered the review and approval of a Mosquito Control Agreement between the District and Cypress Creek Mosquito Control, Inc. ("CCMC") The Board reviewed

the Agreement from CCMC for mosquito treatments in the District for \$35.00 per application (**Exhibit G**). Director Theriot asked whether the Board would like CCMC to maintain the District's TCEQ log for \$15.00 per month. After discussion, Director Rhodes made a motion to approve the Agreement from CCMC for mosquito spraying for \$35 per application, plus \$15.00 per month to maintain the District's TCEQ log. Director Garner seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit H**), including the checks presented for payment. After discussion, Director Rhodes made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Campbell seconded the motion, which carried unanimously.

DISCUSSION REGARDING PROCEDURES FOR MAY BOARD MEETING

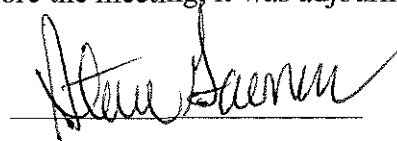
The Board next discussed procedures for the May Board meeting. After discussion, the Board concurred to hold the next Board meeting via teleconference on May 3, 2021 at 6:10 p.m.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. Ms. Richardson stated that an item will be added to the agenda for next month's meeting to discuss cybersecurity training requirements for Board members.

ADJOURNMENT OF BOARD MEETING

There being no further business to come before the meeting, it was adjourned.



Secretary, Board of Directors

LIST OF EXHIBITS

April 5, 2021

- Exhibit A Patrol Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit D Proposals from Brian Gardens Landscape
- Exhibit E Operations and Maintenance Report
- Exhibit F Engineering Report
- Exhibit G 2021 Mosquito Control Agreement from Cypress Creek Mosquito Control
- Exhibit H Bookkeeping Report