

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
May 3, 2021

ACTIONS TAKEN

1. The Board approved the minutes of the April 5, 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 authorized EDP to make the recommended fire hydrant repairs totaling \$4,841.00.
4. The Board approved a request from the customer at 13910 Lakewood Crossing for an adjustment to their water bill.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board approved the Consumer Confidence Report, contingent on review and approval of same by MRPC, and authorized EDP to distribute same to consumers.
7. The Board approved a proposal from Alsay in the amount of \$25,250.00 for cleaning, re-televising and disinfecting Water Well No. 1.
8. The Board approved a proposal from Vista Landscaping in the amount of \$10,865.00 for removal of dead plant material from the park and esplanade areas and the planning of new plants and trees.
9. The Board approved the Engineering Report presented by Eby Engineers, Inc.
10. The Board approved an Interlocal Agreement between the District and Harris County for repair and maintenance to the hike and bike trail.
11. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
12. The Board approved moving the District's operating account to Central Bank.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session by teleconference on May 3, 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 Westmoreland of the Harris County Constable's Office Precinct Four ("HCCO"); Brandon Smith of Gen Cap Partners; 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 April 5, 2021. After discussion, Director Theriot made a motion to approve the minutes of the April 5, 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. Sergeant Westmoreland reviewed the report and discussed the activity within the past month. He stated that there was one (1) burglary of a motor vehicle, four (4) suspicious persons and one (1) burglary within the past month. Director Geaslen asked if HCCO is still monitoring the Water Plant and WWTP. He requested that Sergeant Westmoreland ensure that HCCO is monitoring those sites.

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

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. Ms. Richardson discussed her conversations with Mr. Jack Carter of Dannenbaum Engineering. She stated that she requested certain information from Mr. Carter which she forwarded to the Board for review. Mr. Smith addressed the Board and stated that the plans for the site include a multifamily apartment complex with an estimated value of \$70,000,000. He noted that Harris County Flood Control adopted new rules post-Harvey that require additional flood mitigation in flood plain areas and that, as a result, the contemplated development will require a retaining wall and infrastructure work just to get the site to a developable level out of the flood plain. Mr. Smith stated that the mitigation will include using 50,000 cubic yards of dirt which will be excavated from the District's detention pond owned jointly with Harris County MUD No. 230 and that the mitigation project is estimated to cost \$800,000. . Mr. VanGrieken discussed the previous reimbursement from the District several years ago for the initial expansion of the detention pond. Director Geaslen asked about a breakdown of the estimate for the Board's review. Mr. VanGrieken stated that Gen Cap will prepare a breakdown of the proposed costs and will coordinate with Eby regarding the costs for mitigation of the site.

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 April 30, 2021. 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 Garner 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 Neil Technical Services ("NTS") pulled the step screen for repairs at the WWTP.

Mr. Thiry reported that EDP installed a new twelve-inch (12") valve on the ground storage tank at the Water Plant.

Mr. Thiry reported that EDP performed the annual fire hydrant flushing in the District over the past month.

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 Annual Water Quality Report with the Board. He stated that upon approval from the Board, EDP will insert the report in water bills prior to the July 1, 2021 deadline.

Mr. Thiry next presented the annual fire hydrant flow testing report. He then reviewed the recommended repairs totaling \$4,841.00. After discussion, Director Garner made a motion to approve the repairs totaling \$4,841.00 and authorized EDP to make the recommended repairs. Director Theriot seconded the motion, which unanimously carried.

Mr. Thiry next reviewed the annual critical load spreadsheet filing with the Board.

Mr. Thiry next reviewed correspondence from the customer at 13910 Lakewood Crossing requesting an adjustment to their water bill due to a water leak following Winter Storm Uri. After discussion, Director Campbell made a motion to approve a one-time adjustment to reduce the customer's water bill by 75%. Director Garner seconded the motion, which unanimously carried.

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 there are four (4) accounts listed on the disconnection list and if payment is not received, they will be scheduled for disconnection. 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.

Director Theriot asked whether there are any recent changes with EDP. Mr. Thiry stated that EDP was recently acquired by Inframark but that there should be no changes to service for the District.

Director Theriot next asked whether information was included in recent water bills reminding customers how to sign up for the mass communication system. Mr. Thiry stated that he is not sure whether the information was included but if not, he will make sure it is included in upcoming water bills.

Director Geaslen requested that Mr. Jeff Cotten attend the monthly meetings with Mr. Thiry each month.

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

CONSUMER CONFIDENCE REPORT

The Board next considered approval of a Consumer Confidence Report. After discussion, Director Rhodes made a motion to approve the Report, contingent upon review by MRPC, and to authorize the distribution of the Report to consumers by mail. Director Theriot seconded the motion, which passed unanimously.

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 STATUS OF CONSTRUCTION CONTRACT WITH ALSAY FOR REPAIRS TO WATER WELL NO. 1

The Board next considered the status of the construction contract with Alsay for repairs to Water Well No. 1. Mr. Eby reported that Alsay performed a down hole television survey of the Water Well and found some areas of plugging on the well screen. He reviewed a proposal from Alsay in the amount of \$25,250.00 to mechanically clean, re-televise and disinfect the Water Well. He stated that the cleaning will be added as a Change Order to the original contract with Alsay. Director Geaslen asked about completion time for the cleaning to the Water Well. Mr. Eby estimated about six (6) to eight (8) weeks to complete. After discussion, Director Rhodes made a motion to approve a proposal from Alsay in the amount of \$25,250.00 for the cleaning, subject to the receipt of an executed TEC Form 1295 from Alsay, and to authorize Eby to add same as Change Order No. 1 to the construction contract with Alsay. Director Campbell seconded the motion, which unanimously carried.

ENGINEERING REPORT

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

Mr. Eby next reviewed a proposal from Vista Landscaping in the amount of \$10,865.00 for removal of dead plant materials and trees from the park and esplanade areas and the planting of new plants and trees. He stated that the proposal previously received from Brian Gardens was \$13,921.30 for the same work. Director Theriot noted that the proposal from Vista Landscaping does not include the removal of three (3) dead trees. She recommended that Eby obtain a proposal from the company that previously removed several trees for the District. Mr. Eby agreed to obtain a proposal for the removal of the dead trees. After discussion, Director Theriot made a motion to approve a proposal from Vista Landscaping in the amount of \$10,865.00 for the removal of dead plant materials from the park and esplanade areas and the planting of new plants and trees. Director Garner seconded the motion, which unanimously carried.

Mr. Eby reviewed the proposal and revised signs that he ordered from Signquick for \$1,420 to be installed at the hike and bike trail. He stated that the signs were revised to include a contact phone number at Harris County. He also noted that he spoke with Director Geaslen following last month's meeting and he approved the purchase of the four (4) metal signs.

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 April.

Mr. Eby stated that a review letter was sent to H2B, Inc. on April 22, 2021 regarding review of the construction drawings for the Lone Star College Visual Performing Arts Building.

Mr. Eby next reported that he received a request from Hewlett Packard Enterprise (“HPE”) for corrections to the availability letter for additional water and sanitary sewer capacity from the District for the HPE campus. He stated that he made the corrections requested by HPE and advised that the letter served only as an availability letter and not a commitment for capacity. He stated that he advised HPE that if a commitment was needed, it would need to be formally requested from the District. Mr. Eby stated that he also advised HPE that a utility commitment letter is issued for a one (1) year term.

Mr. Eby next reported on the Chasewood mitigation plans. He stated that he will get with MRPC to discuss his comments on the request. Ms. Richardson stated that she is unsure about the legality of the District funding costs to raise the elevation of the Chasewood development. Mr. Eby discussed the new requirements from Harris County regarding flooding and the flood plain levels. He also discussed other concerns regarding the project. Director Geaslen discussed the District’s detention pond levels during rain events. He stated that he will only consider reimbursing costs to expand the detention pond if same is required by the County. Mr. Eby stated that the District has already paid approximately \$200,000 for the detention pond for the original building and parking lot. Director Garner asked whether the District has a legal requirement to proceed with reimbursement. Ms. Richardson stated that the District has no legal obligation to reimburse the developer and discussed the previous utility development agreements for the original project. The Board next discussed whether or not to have MRPC and Eby proceed with gathering additional information regarding the potential reimbursement and ultimately concluded that they were not interested in participating in the mitigation project at this time. The Board requested that Ms. Richardson advise Gen Cap of the Board’s decision.

Director Theriot stated that she emailed Mr. Eby pictures of the slide that was damaged on the playground at the park. Mr. Eby stated that it is not within the one (1) year warranty period. The Board discussed what to do with the damaged slide for the time being. Mr. Eby stated that he will inspect the slide and then order a replacement for installation.

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

DISCUSS DISTRICT’S RATE ORDER

The Board next considered a discussion regarding the District’s Rate Order. Director Geaslen stated that he would like for the Board to consider adding the North Harris County Regional Water Authority fee to residential customers for usage that exceeds approximately 35,000 to 40,000 gallons of water. After discussion, the Board concurred to keep the Rate Order as currently adopted.

DISCUSS HIKE AND BIKE TRAIL ALONG CYPRESS CREEK

The Board next considered a discussion on the hike and bike trail along Cypress Creek, including the review and approval of an Interlocal Agreement with Harris County. Director Geaslen reviewed the Interlocal Agreement between the District and Harris County (**Exhibit E**) which allows Harris County to make repairs and maintain the hike and bike trail located on the District's property. He stated that MRPC reviewed the Agreement and requested certain changes which Harris County incorporated into the Agreement. After discussion, Director Campbell made a motion to approve the Interlocal Agreement between the District and Harris County, and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Theriot seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. Director Geaslen asked about the annual interest rates for TexPool and Texas Class. Ms. Redden stated that TexPool is currently 0.0135% and that she will research the current Texas Class interest rate. Director Geaslen recommended investing in Certificates of Deposit if the rates are better. Ms. Redden stated that rates decreased significantly over the past few weeks and she would not recommend investing in Certificates of Deposit right now. 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.

CONSIDER APPROVAL OF MOVING DISTRICT'S OPERATING ACCOUNT TO CENTRAL BANK

The Board next considered approval of moving District's operating account to Central Bank. Ms. Redden recommended moving the District's operating account to Central Bank as it has been rumored that BBVA Compass will be closing down its municipal utility district department. After discussion, Director Theriot made a motion to approve moving the District's operating account to Central Bank. Director Garner seconded the motion, which unanimously carried.

DISCUSS CYBERSECURITY AWARENESS TRAINING

The Board next discussed cybersecurity awareness training requirements. Ms. Richardson stated that the Board should have received an email containing a cybersecurity awareness training video for Board members to complete prior to June 14, 2021. She stated that Board members should complete the training video and submit the certificate of completion to MRPC.

DISCUSSION REGARDING PROCEDURES FOR JUNE BOARD MEETING

The Board next discussed procedures for the June Board meeting. Director Geaslen asked whether it would like to meet in-person at Luigi's for the meeting on June 7, 2021. The Board

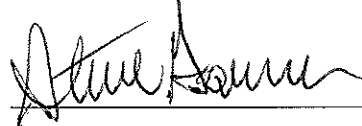
discussed options for places to hold the monthly meetings. After discussion, the Board concurred to hold the next Board meeting in-person at Luigi's on June 7, 2021 at 6:00 p.m.

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.

A handwritten signature in black ink, appearing to read "Steve Bounie", written over a horizontal line.

Secretary, Board of Directors

LIST OF EXHIBITS
May 3, 2021

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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 | Interlocal Agreement between the District and Harris County |
| Exhibit F | Bookkeeping Report |