

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

June 7, 2021

ACTIONS TAKEN

1. The Board approved the minutes of the May 3, 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 approved the Operations and Maintenance Report presented by EDP.
4. The Board authorized the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2020 and prior years.
5. The Board approved the Engineering Report presented by Eby Engineers, Inc.
6. The Board approved a rate increase for Eby Engineers, Inc.
7. The Board concurred to resume normal disconnection procedures as set forth in the District's Rate Order and authorized EDP to coordinate a payment plan if requested by the customer.
8. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
9. The Board authorized the completion, execution and filing of the Voting System Annual Filing Form.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at 12779 Jones Road, Houston, Harris County, Texas 77070 on June 7, 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 were Claudia Redden of Claudia Redden & Associates L.L.C.; Dennis Eby of Eby Engineers, Inc. ("Eby"); Eric Thiry and Jeff Cotten of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Deputy Williams and Deputy Churgin of the Harris County Constable's Office Precinct Four ("HCCO"); Kevin Atkinson of Texas Pride Disposal; John Roberts and Charles Penland of HPE; 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 May 3, 2021. After discussion, Director Rhodes made a motion to approve the minutes of the May 3, 2021, Board of Directors meeting, as presented. Director Theriot 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. Deputy Churgin introduced Deputy Williams to the Board. He next reviewed the report and discussed the activity within the past month. He stated that there were two (2) suspicious persons and one (1) suspicious vehicle within the past month.

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

Deputy Churgin and Deputy Williams exited the meeting at this time.

COMMENTS FROM THE PUBLIC

The Board deferred comments from the public, as no members of the public were present.

DISCUSS SOLID WASTE COLLECTION SERVICES BY TEXAS PRIDE DISPOSAL

The Board next discussed solid waste collection services by Texas Pride Disposal, including the request for a rate increase, a copy of which is attached as **Exhibit B**. The Board noted the recent service issues with solid waste collection. Director Theriot noted that she has contacted Texas Pride on many occasions over the past several months to report collection issues and noted that the issues continue to occur with little improvement. Mr. Atkinson stated that the pandemic has caused a sharp increase in the volume of refuse being generated from each home since people have been working from home which creates the need for multiple trips to the landfill which results in service delays. He also noted that he has had trouble finding steady employees, but noted that Texas Pride recently hired nine (9) new drivers and he anticipates that service should improve soon. He recommended that the Board defer action on the rate increase until service is back on track. Director Geaslen stated that he would like Texas Pride to come back to a Board meeting in a few months and offer the Board something additional for the rate increase like guaranteed hours, etc. Mr. Atkinson thanked the Board for its partnership and then exited the meeting.

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 May 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 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 Campbell seconded the motion, which carried unanimously.

Ms. Richardson next presented the attached list of delinquent accounts, dated June 7, 2021, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") (**Exhibit D**).

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 safety bollards around the WWTP to protect the new natural gas line.

Mr. Thiry reported that EDP has not received an update from the Federal Emergency Management Agency ("FEMA") regarding the request for payment for the WWTP project. 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. Mr. Thiry stated that he believes that FEMA has all the information needed to close out the project. He stated that EDP needs to send information to the insurance company and FEMA as they both

wanted to the District to wait to send everything until complete. Mr. Thiry stated that he should have complete by the end of June.

Mr. Thiry reported that the automatic bar screen at the WWTP failed. He stated that Neil Technical Services (“NTS”) pulled the screen and quoted \$25,621.00 for the repairs. He stated that replacement of the bar screen would cost \$87,095.00. Mr. Thiry stated that he would like to obtain additional proposals for the work and will coordinate with Mr. Eby to investigate other options for the mechanical screen. He stated that the screen can be operated manually right now because the WWTP is only flowing at approximately 15% so he would like to come up with other options, if possible. Mr. Eby suggested revisiting the matter when the inspection is conducted in the next month or so. He stated that there are other options, and the costs vary.

Mr. Thiry reported that EDP inserted a notice in water bills on June 3, 2021, offering participation in the emergency text messaging program. Director Theriot stated that she updated the information on the District’s website relative to the messaging system.

Mr. Thiry next presented and reviewed the Generator Maintenance Schedule and scope of maintenance. Director Geaslen stated that he would like EDP to test and run the generators once per week with a person onsite during the test to ensure the functionality. Mr. Thiry stated that EDP follows the maintenance protocol which calls for running the generator once per month under load, but noted that the generators are tested remotely on a weekly basis. Director Geaslen stated that he would prefer that EDP run the Water Plant generator on a weekly basis and at least once per month in-person. Mr. Thiry agreed for EDP to continue with the weekly automatic testing and begin an in-person test once per month at the Water Plant.

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

COLLECTION OF DELINQUENT TAXES

The Board next considered authorizing Perdue to pursue the collection of delinquent taxes for 2020 and prior years, including the filing of lawsuits. After discussion, Director Theriot made a motion to authorize Perdue to proceed with the collection of the District’s 2020 and prior years’ delinquent tax accounts, as set out above. Director Campbell seconded the motion, which carried unanimously.

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 the cleaning is complete but that the project is on hold awaiting the arrival of the pump and motor which should take approximately three (3) to four (4) weeks. He then reviewed photos of the motor. Mr. Eby stated that he estimates that the Water Well will be back online in one (1) to two (2) months. He stated that insurance adjuster has inspected the damaged equipment and called today to say the insurer will be paying the District

approximately \$117,000 which covers a portion of the costs. Mr. Cotten stated that EDP rejected the offer since EDP does not yet have all of the invoices in and that he will forward same to the insurance company when received.

ENGINEERING REPORT

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

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 fire inspection failed and three issues were identified that need to be addressed, including: 1) the installation of new emergency handles on the interior of the three exit doors, 2) the installation of new emergency lights with battery backup above the three exit doors, and 3) the installation of Harris County Flood Control District locks on two gates and the building door.

Mr. Eby next reported on the request from Hewlett Packard Enterprise (“HPE”) for corrections to the availability letter for confirmation of water and sanitary sewer capacity from the District for the HPE campus. He reviewed correspondence from HPE dated June 2, 2021, advising that HPE is concerned with the one-year limitation on the capacity allocation previously provided for in correspondence sent to HPE a couple of months ago. Mr. Roberts addressed the Board and stated that it will be hard to market and sell the property without confirmation of sufficient capacity allocation to at least serve the property as currently configured, and further noted that it is unlikely that HPE will sell the property within a year. He stated that the District previously allocated 170,000 gallons per day of water and sanitary sewer capacity to HPE, and that a subsequent owner should accrue to the same capacity allocation, assuming similar usage needs for the subsequent owner. Mr. Roberts stated that a subsequent owner should not have to renew the capacity allocation since such capacity allocation vested with the property after its initial development and subsequent connection to District services by HPE. There was a lengthy discussion regarding the capacity allocation to HP, and Ms. Richardson agreed that subsequent property owners should accrue to the same capacity allocations as prior owners, assuming similar property and capacity uses and as long as the property does not remain dormant without usage for a period of years while other developments are stalled due to capacity limitations that wouldn’t not exist but for the allocated, but unused capacity of other landowners. After discussion, the Board concurred that Mr. Eby and Ms. Richardson draft correspondence to HPE advising that a subsequent owner of the HPE property will have the same capacity allocation from the District as HPE, assuming similar land usage and a reasonable development schedule that does not unduly burden or limit the development of other properties within the District with unmet capacity needs.

Mr. Roberts and Mr. Penland exited the meeting at this time.

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

The Board next considered the review and approval of a rate increase from Eby. Mr. Eby reviewed a Rate Schedule for Engineering Services (**Exhibit G**). He stated that Eby has not

requested a rate increase in many years and that, due to normal inflation, Eby is requesting a rate increase on hourly charges for project manager at \$125 per hour, senior CAD tech at \$80.00 per hour and clerical at \$60.00 per hour. After discussion, Director Theriot made a motion to approve the rate increase for Eby, as discussed above. Director Garner seconded the motion, which unanimously carried.

Mr. Thiry next asked the Board whether it would like to resume normal disconnection procedures as set forth in the District's Rate Order. The Board concurred to resume normal disconnection procedures and to authorize EDP to coordinate with customers for a payment plan, if requested by the customer.

DISCUSS HIKE AND BIKE TRAIL ALONG CYPRESS CREEK

The Board next deferred a discussion on the hike and bike trail along Cypress Creek, including the status of transfer of certain maintenance duties to Harris County as it was noted that the Board is awaiting the executed Interlocal Agreement from Harris County.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit H**), including the checks presented for payment. She stated that she is working on moving the District's operating account from BBVA to Central Bank which needs to be complete prior to September 7, 2021. 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.

VOTING SYSTEM ANNUAL FILING FORM

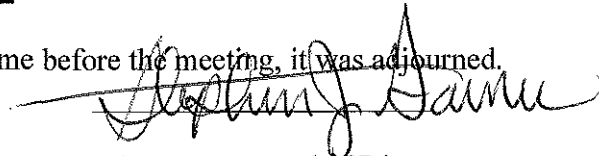
Ms. Richardson next discussed a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. She advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file the Form with the Secretary of State's Office. After discussion, Director Theriot made a motion to approve the Form and authorize MRPC to file same with the Secretary of State's Office. Director Rhodes seconded the motion, which carried unanimously.

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.



Secretary, Board of Directors

LIST OF EXHIBITS

June 7, 2021

- Exhibit A Patrol Report
- Exhibit B Rate Adjustment Request from Texas Pride
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Operations and Maintenance Report
- Exhibit F Engineering Report
- Exhibit G Rate Schedule for Engineering Services from Eby Engineers, Inc.
- Exhibit H Bookkeeping Report