

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

July 6, 2021

ACTIONS TAKEN

1. The Board approved the minutes of the June 7, 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 certain Agreements with Certified Payments relative to the transfer of credit card processor for tax accounts.
4. The Board approved a proposal from Neil Technical Services in the amount of \$25,621.00 for the repair of the automatic bar screen at the Wastewater Treatment Plant.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board approved Pay Application No. 1 in the amount of \$14,323.00 and Pay Application No. 2 in the amount of \$25,573.00 to Alsay for Water Well No. 1 repairs.
7. The Board approved a proposal from Playground Solutions to replace the slide at the park.
8. The Board approved correspondence to HPE regarding water and wastewater availability, as revised, and authorized Eby to mail same to HPE.
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 a Resolution Regarding Development Designation of the District and authorized the President and Secretary to execute same on behalf of the Board and the District.

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 July 6, 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"); Jeff Cotten of Environmental Development Partners, L.L.C. ("EDP"); Adelita Lemus of Utility Tax Service, L.L.C. ("UTS"); Lieutenant Curry of the Harris County Constable's Office Precinct Four ("HCCO"); Ed Jones of Hewlett Packard Enterprises ("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 July 6, 2021. After discussion, Director Theriot made a motion to approve the minutes of the July 6, 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. The Board then reviewed the report and discussed the activity within the past month.

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

COMMENTS FROM THE PUBLIC

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

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Ms. Lemus presented the attached Tax Assessor-Collector Report (**Exhibit B**) dated June 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 Campbell seconded the motion, which carried unanimously.

REVIEW AND APPROVAL OF AGREEMENTS RELATIVE TO TRANSFER OF CREDIT CARD PROCESSOR FOR TAX ACCOUNTS

The Board next considered the review and approval of Agreements relative to the transfer of credit card processor for tax accounts. Ms. Lemus stated that UTS is switching its credit card processor from First Billing to Certified Payments due to contract requirements and lower processing fees. She then reviewed the various Agreements with the Board. After discussion, Director Rhodes made a motion to approve certain Agreements with Certified Payments and authorize the President to execute same on behalf of the Board and the District. Director Campbell seconded the motion, which unanimously carried.

OPERATIONS REPORT

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

Mr. Cotten reported that the Water Plant was tripping due to an issue with the transformer, and Neil Technical Services (“NTS”) replaced the transformer for \$8,389.00. The Board requested that the expense be taken out of the capital expenses account.

Mr. Cotten reported that EDP submitted all final invoices to the insurance company on June 30, 2021 for the WWTP damages and rebuild. He also stated that these invoices were also sent to the Federal Emergency Management Agency (“FEMA”) for processing. He then reviewed the updated 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. Cotten reported that the automatic bar screen at the WWTP failed. He reminded the Board that NTS pulled the screen and quoted \$25,621.00 for the repairs and \$87,095.00 for the replacement of the bar screen. He then reviewed a proposal from EMS for \$27,850.00 for the repairs and \$89,950.00 for the replacement of the bar screen. Mr. Cotten recommended that the Board approve the proposal from NTS for the repair work. After discussion, Director Rhodes made a motion to approve the proposal from NTS in the amount of \$25,621.00 for the repair of the bar screen. Director Theriot seconded the motion, which unanimously carried.

Mr. Cotten reported that there have been sixteen (16) additional signups for the emergency text messaging program for a total of one hundred and twenty-seven (127) customers signed up for the program.

Mr. Cotten reported that Gen Solutions performed the quarterly inspections for all six (6) generators on June 4, 2021 and that fuel testing was completed at Lift Station no. 2, and Water

Plant Nos. 1 and 2 on June 4, 2021. Mr. Cotten reported that EDP witnessed all generators running under load on June 9, 2021 and all performed well.

Mr. Cotten reported that the Texas Commission on Environmental Quality conducted a compliance investigation of the WWTP and that no violations were noted during the inspection.

Mr. Cotten reported that EDP conducted lots of flushing this past month to keep the water fresh in all of the water lines and storage tanks.

Ms. Redden entered the meeting at this time.

The Board requested that EDP contact Noble Energy about its delinquent bill, noting that the last payment received was in March 2021. Mr. Cotten agreed to contact Noble Energy regarding the matter.

After discussion, Director Campbell made a motion to approve the Operations and Maintenance Report, as presented. Director Theriot 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 pump and motor arrived and should be installed soon. The Board then discussed the length of time it will take to put the Water Well back into service after installation of the pump and the motor. Mr. Eby then presented Pay Application No. 1, in the amount of 14,323.00 and Pay Application No. 2, in the amount of \$25,573.00, and recommended payment of same. After discussion, Director Garner made a motion to approve payment of Pay Application No. 1, in the amount of \$14,323.00 and Pay Application No. 2, in the amount of \$25,573.00, as discussed above. Director Rhodes seconded the motion, which unanimously carried.

ENGINEERING REPORT

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

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 EDP has been working to address the punchlist items required for the Fire Department approvals. Mr. Eby stated once the punchlist items are complete, the Fire Department will need to conduct a re-inspection.

Mr. Eby reported that Brian Gardens made some irrigation repairs within the past month. He stated that Brian Gardens also identified some electrical issues and that he will coordinate with Brian Gardens to determine the exact repairs needed, if any.

Mr. Eby reported that Playground Solutions submitted a quote of \$3,994,88 for the repair/replacement of the broken slide and cracked seat at the playground. Mr. Eby noted that the seat is only slightly cracked and that he does not believe the seat needs to be replaced. The Board then concurred to only replace the slide. After discussion, Director Theriot made a motion to approve a proposal from Playground Solutions to replace the slide only. Director Rhodes seconded the motion, which unanimously carried.

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 draft correspondence dated July 6, 2021 to HPE regarding the request for water and wastewater availability including language that a subsequent owner of the HPE property will have the same capacity allocation from the District as HPE, assuming similar land usage and capacity needs and also assuming the property does not lay dormant after the sale by HPE for a period longer than five (5) years. After discussion, Director Garner made a motion to approve correspondence to HPE, as revised, and to authorize Eby to mail same to HPE following today’s meeting. Director Rhodes seconded the motion, which unanimously carried.

Mr. Eby reported that one of the Lone Star buildings may be up for sale.

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

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next revisited the Security Patrol Report and the status of security monitoring services within the District. Lieutenant Curry then discussed the activity within the past month. He stated that there were two (2) thefts of a vehicle, two (2) suspicious persons and one (1) suspicious vehicle within the past month.

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. The Board requested that the item be removed from the agenda.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper’s Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit E**), 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 Theriot seconded the motion, which carried unanimously.

DISCUSSION REGARDING EMERGENCY NOTICES FOR CUSTOMERS

The Board next discussed emergency notices for customers. The Board discussed what it has done in the past regarding emergency notices and requested that Ms. Richardson and Director Theriot work together with respect to same.

ADOPT RESOLUTION REGARDING DEVELOPMENT DESIGNATION OF DISTRICT

Ms. Richardson next discussed certain statutory requirements which set limitations on the amount by which certain municipal utility districts can increase their property taxes without triggering mandatory elections to approve such increases. In connection therewith, Ms. Richardson presented a Resolution designating the District as a "Developed District" pursuant to Section 49.23602 of the Water Code (**Exhibit F**) and noted that the District's engineer had certified such designation. After discussion, Director Rhodes made a motion to approve the Resolution and authorize the President and Secretary to execute same on behalf of the Board and the District. Director Garner seconded the motion, which unanimously carried.

UPDATES FROM 87TH TEXAS LEGISLATURE

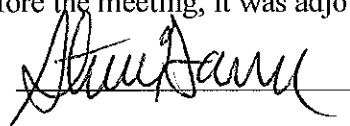
The Board next considered updates from the 87th Texas Legislature. Ms. Richardson stated that MRPC is in the process of preparing a memorandum of updates affecting municipal utility districts and will forward same to the Board once complete.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. The Board requested that an item be added to the agenda for the next meeting to consider a discussion regarding the annual Water Conservation Meeting and a discussion regarding a mobile site for the District's website.

ADJOURNMENT OF BOARD MEETING

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



Secretary, Board of Directors

LIST OF EXHIBITS

July 6, 2021

- Exhibit A Patrol Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Operations and Maintenance Report
- Exhibit D Engineering Report
- Exhibit E Bookkeeping Report
- Exhibit F Resolution Regarding Development Status of District