

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286**

Minutes of Board of Directors Meeting

September 7, 2021

ACTIONS TAKEN

---

1. The Board approved the minutes of the August 2, 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 an Amendment to Agreement for Services of Tax Assessor and Collector between the District and Mike Arterburn, R.T.A., and authorized the President to execute same.
4. The Board authorized the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2021 maintenance and operations tax of \$0.1218 per \$100 of valuation to be held at the District's next regular meeting.
5. The Board approved a Lockbox Service Agreement relative to Central Banks's lockbox payment services and authorize the President to execute same.
6. The Board approved an Amendment to Operating Agreement between the District and EDP and authorized the President to execute same.
7. The Board approved the Operations and Maintenance Report presented by EDP.
8. The Board approved Pay Application No. 3 in the amount of \$148,373.20 to Alsay for Water Well No. 1 repairs.
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 the proposed Operating Budget for the fiscal year ending in 2021 as presented by Claudia Redden & Associates, L.L.C.

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 September 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, except Director Garner, 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 of Environmental Development Partners, L.L.C. ("EDP"); Adelita Lemus of Utility Tax Service, L.L.C. ("UTS"); Loren Morales of RBC Capital Markets ("RBC"); and David M. Marks of Marks Richardson PC ("MRPC").

The Vice President called the meeting to order.

#### **APPROVAL OF MINUTES**

As the first order of business, the Board considered approval of the minutes of the Board of Directors meeting held on August 2, 2021. After discussion, Director Campbell made a motion to approve the minutes of the August 2, 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 deferred consideration of the Security Patrol Report as the Board noted that a constable was not present at the meeting.

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 A**) dated August 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.

**APPROVAL OF AMENDMENT TO AGREEMENT FOR SERVICES OF TAX ASSESSOR AND COLLECTOR**

The Board next considered review and approval of an Amendment to Agreement for Services for Tax Assessor and Collector between the District and Mike Arterburn, R.T.A. Ms. Richardson stated that the Amendment relates to implementation of House Bill 1154 from 87<sup>th</sup> Texas Legislature and the continued reporting of SB2 from 86<sup>th</sup> Texas Legislature. She reported that Arterburn will charge a one-time fee of \$250 for initial District set-up and then \$250 per month thereafter for monthly compliance. After discussion, Director Theriot made a motion to approve an Amendment to Agreement for Services of Tax Assessor and Collector and authorize the President to execute same on behalf of the Board and District, as discussed above. Director Campbell seconded the motion, which unanimously carried.

Director Geaslen entered the meeting at this time.

**2021 TAX RATE RECOMMENDATION**

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2021 tax rate. Mr. Morales distributed and reviewed financial schedules received prepared by RBC Capital Markets ("RBC") (**Exhibit B**), and advised that RBC recommends that the District levy a 2021 maintenance and operations tax of \$0.1218 per \$100 of valuation. After discussion, Director Theriot made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2021 maintenance and operations tax of \$0.1218 per \$100 of valuation to be held at the District's next regular meeting. Director Campbell 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 EDP submitted all final invoices to the insurance company relative to the WWTP damages and rebuild and that they are reviewing same. He also stated that these invoices were also sent to the Federal Emergency Management Agency ("FEMA") for processing. Mr. Thiry reported that FEMA has not completed its review of all of the damages despite having all documentation since the end of June. He stated that FEMA will not proceed until the insurance company has completed its review. Director Geaslen requested that EDP set up a conference call with the insurance company, EDP and himself for next week to which Mr. Thiry agreed.

Mr. Thiry reported that the repair work to the automatic bar screen at the WWTP is in progress.

Mr. Thiry reported that Water Well No. 1 was turned over to EDP on Friday and that EDP is currently preparing to turn the well on. He stated that there is some water in the ground storage tank that needs to be removed and then the well will be turned on. Director Geaslen suggested

turning on the generator when filling the tank to see how long the diesel in the generator will last. Mr. Eby stated that the only problem with doing that is it does not mimic a typical situation since the well would not normally run for that extended period of time. Mr. Eby suggested running the generator under those conditions and then a week later run it under more normal well run time conditions.

The Board next considered review and approval of a Lockbox Service Agreement relative to Central Bank's electronic lockbox payment services. Mr. Thiry noted that the agreement is needed in connection with the transfer of the District's account to Central Bank. After discussion, Director Rhodes made a motion to approve the Lockbox Service Agreement, and authorize the President to execute same on behalf of the Board and the District. Director Campbell seconded the motion, which unanimously carried.

The Board next considered review and approval of an Amendment to Operating Agreement with EDP. Mr. Thiry reviewed the changes with the Board. After discussion, Director Rhodes made a motion to approve an Amendment to Operating Agreement with EDP, and authorize the President to execute same on behalf of the Board and the District. Director Theriot seconded the motion, which unanimously carried.

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

Mr. Morales exited the meeting at this time.

### **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 project is complete, and Water Well No. 1 is scheduled to go on-line on September 7, 2021. He stated that Alsay did not shut the well during construction and that Harris County stated that they have been getting several calls about flaring at the Water Plant. He noted that the well has been shut now so the flaring should be minimized. Mr. Eby then presented Pay Application No. 3, in the amount of 148,373.20, and recommended payment of same. After discussion, Director Rhodes made a motion to approve payment of Pay Application No. 3, in the amount of \$148,373.20, as discussed above. Director Theriot 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 the Harris County Fire Marshal approved the inspection and issued the Certificate of Inspection.

Mr. Eby reported that he received email correspondence from George Kehler of Lone Star College regarding Lone Star possibly selling two (2) buildings at its University Park Campus. He stated that Lone Star has requested to schedule a meeting with Mr. Eby to discuss the matter further.

Ms. Redden entered the meeting at this time.

Mr. Eby next reported that he drove by Chasewood Park several days ago and it appeared that the contractor has started filing in the site. He stated that he requested a meeting with the developer as it appears that they are not doing what they promised in the way of protecting the District's underground utilities.

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

### **WATER CONSERVATION MEETING**

The Board next considered a discussion regarding the annual Water Conservation Meeting and concurred not to hold the meeting this year due to Covid-19 concerns.

### **DISCUSSION REGARDING MOBILE SITE FOR DISTRICT'S WEBSITE**

The Board next considered a discussion regarding a mobile site for the District's website. Director Theriot reported that Mr. Don Dulin has completed the updates and the District's mobile site should be up and running.

### **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 Theriot made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded the motion, which carried unanimously.

### **ADOPT OPERATING BUDGET**

The Board next considered adoption of the operating budget for the fiscal year ending September 30, 2021 (**Exhibit F**). After discussion, Director Rhodes made a motion to approve the budget, as amended. Director Theriot seconded the motion, which carried unanimously.

### **SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE**

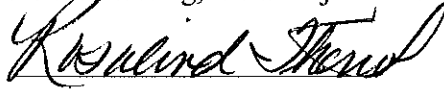
The Board next reviewed the Security Patrol Report, a copy of which is attached hereto as (**Exhibit G**), and the status of security monitoring services within the District.

**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.



Assistant Secretary, Board of Directors

**LIST OF EXHIBITS**

September 7, 2021

- |           |                                   |
|-----------|-----------------------------------|
| Exhibit A | Tax Assessor-Collector's Report   |
| Exhibit B | Tax Rate Recommendation           |
| Exhibit C | Operations and Maintenance Report |
| Exhibit D | Engineering Report                |
| Exhibit E | Bookkeeping Report                |
| Exhibit F | Draft Operating Budget            |
| Exhibit G | Patrol Report                     |