

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

Minutes of Board of Directors Meeting

October 4, 2021

ACTIONS TAKEN

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1. The Board approved the minutes of the September 7, 2021, meeting.
2. The Board conducted a public hearing and subsequently adopted an Order levying the 2021 tax rate.
3. The Board amended the District Information Form in connection with the adoption of the 2021 tax rate.
4. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board approved Pay Application No. 4 in the amount of \$9,587.50, and Pay Application No. 5 and Final in the amount of \$650.00 to Alsay for Water Well No. 1 repairs, pending receipt of the O&M manuals.
7. The Board approved invoice no. 1 in the amount of \$13,567.26 and invoice no. 3 in the amount of \$13,327.83 from New Tech Global for inspection of Water Well No. 1 repairs.
8. The Board approved a proposal from Patriot Production for \$3,850.00 for the first month and \$1,250.00 each month thereafter for a one-year term for maintenance of the flare stack at Water Plant No. 1.
9. The Board approved a proposal from Bakenhus Electric Co. in the amount of \$850.00 for electrical repairs to two (2) light poles.
10. The Board approved the Engineering Report presented by Eby Engineers, Inc.
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 the revised Collateral Security Agreement in connection with the account transfer to Central Bank.

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 October 4, 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 Geaslen, 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"); Constable Williams of Harris County Constable's Office Precinct Four ("HCCO"); Paul Vangrieken and Mark Johnson of Genesis Capital Advisors, LLC ("Genesis") and Blake Ellis 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 September 7, 2021. After discussion, Director Theriot made a motion to approve the minutes of the September 7, 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. Constable Williams reviewed the report and discussed the activity within the past month. He stated that there were two (2) burglaries of a motor 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.

#### **COMMENTS FROM THE PUBLIC**

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

## **PUBLIC HEARING**

The Board next conducted a public hearing on the District's proposed 2021 maintenance tax rate. Ms. Arterburn presented a copy of the tax rate publication and advised that it had been published in accordance with state law requirements. The Vice President announced the hearing open and invited members of the public to address the Board on the proposed 2021 maintenance tax rate. No members of the public were present and wishing to speak, so the Vice President announced the hearing closed.

## **ADOPTION OF 2021 TAX**

The Board next considered the adoption and levy of the District's 2021 maintenance tax rate. After discussion, Director Theriot made a motion that the District levy a 2021 maintenance tax of \$0.1218 per \$100 of assessed valuation and to adopt the Order Levying Taxes (**Exhibit B**). Director Garner seconded the motion, which carried unanimously.

## **APPROVAL OF DISTRICT INFORMATION FORM**

Mr. Ellis next reviewed an Amendment to the Second Amended and Restated District Information Form in connection with the 2021 tax rate. After discussion, Director Theriot made a motion to approve the Form and to authorize the Board members present to execute the Form. Director Garner seconded the motion, which carried unanimously.

## **ENGAGEMENT OF AUDITOR**

The Board next deferred consideration of the engagement of an auditor for the fiscal year ended September 30, 2021 until next month's meeting.

## **TAX ASSESSOR-COLLECTOR REPORT**

The Board next considered the Tax Assessor-Collector Report. Ms. Lemus presented the attached Tax Assessor-Collector Report (**Exhibit C**) dated September 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 Campbell made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Theriot seconded the motion, which carried unanimously.

## **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report (**Exhibit D**). 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 reported that the insurance company has acknowledged receipt and 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 the repair work to the automatic bar screen at the WWTP is in progress.

Mr. Thiry reported EDP witnessed all six (6) generators running under load in September.

Mr. Thiry reported that EDP replaced a broken twelve-inch (12”) valve on Water Well No. 1 piping. He stated that EDP has also identified a broken twelve-inch (12”) valve on piping going to the ground storage tank no. 1. Mr. Thiry stated that EDP is in the process of replacing that valve.

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

### **ENGINEERING REPORT**

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

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 on-line. Mr. Eby then presented Pay Application No. 4, in the amount of \$9,587.50 and Pay Application No. 5 and Final, in the amount of \$650.00, and recommended payment of same. After discussion, Director Theriot made a motion to approve payment of Pay Application No. 4, in the amount of \$9,587.50, and Pay Application No. 5 and Final, in the amount of \$650.00, pending receipt of the O&M manuals by Eby, as discussed above. Director Garner seconded the motion, which unanimously carried.

Mr. Eby next presented invoice no. 1 in the amount of \$13,567.26 and invoice no. 3 in the amount of \$13,327.83, from New Tech Global, for inspection of the Water Well repairs, and recommended payment of same. After discussion, Director Theriot made a motion to approve payment of invoice no. 1 in the amount of \$13,567.26 and invoice no. 3 in the amount of \$13,327.83, from New Tech Global, as discussed above. Director Garner seconded the motion, which unanimously carried.

Mr. Eby next reported on the complaints regarding the flare at the Water Plant. He stated that the PSI limits were raised so the flare is not going off as much. Mr. Eby stated that he was unsure if the District had proper approval for the flare and discussed the possible need to submit an application to the Texas Commission on Environmental Quality for approval of the flare. The Board concurred to defer action on the matter to allow MRPC and Mr. Eby time to review the District’s files for permit information. The Board also requested that MRPC respond to the complaints regarding the flare.

Mr. Eby next reviewed a proposal from Patriot Production in the amount of \$3,850 for the first month and \$1,250 each month thereafter until the one (1) year contract expires for maintenance of the flare stack at Water Plant No. 1. After discussion, Director Garner made a motion to approve the proposal from Patriot Production for the new rates, as discussed above, for a one-year contract term. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby next reviewed a proposal from Bakenhus Electric Co. in the amount of \$850.00 for electrical repairs to two (2) light poles in the District. After discussion, Director Theriot made a motion to approve the proposal from Bakenhus Electric Co. in the amount of \$850.00, as discussed above. Director Campbell seconded the motion, which unanimously carried.

The Board next discussed the Chasewood Park fill project. Mr. Eby stated that the detention pond is being raised above the 500-year flood plain which includes moving dirt from the pond to the mitigation hole elsewhere. He stated that the recent issues have been resolved and that he will keep the Board informed of any other issues. Mr. Eby stated that there will be charges from the District to the engineer and inspector for cleaning up the sanitary sewer line which amounts are to be paid by the developers. Mr. Vangrieken advised that there was miscommunication and stated that Mr. Eby should have been involved throughout the process. Mr. Johnson stated that he will be taking the lead to oversee the project going forward and will ensure that any related charges are addressed.

Mr. Eby reported that HPE is considering selling some of its land in the District. The Board discussed the potential to revise the Strategic Partnership Agreement boundaries regarding same.

Mr. Eby reported reminded the Board that Lone Star College is considering selling two (2) buildings at its University Park Campus.

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

### **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 Campbell seconded the motion, which carried unanimously.

The Board next considered approval of a Collateral Security Agreement in connection with the account transfer to Central Bank. Mr. Ellis reviewed the Agreement (**Exhibit F**) with the Board. After discussion, Director Campbell made a motion to approve the revised Collateral Security Agreement and to Authorize the Vice President and Secretary to execute same on behalf of the Board and the District. Director Garner seconded the motion, which unanimously carried.

**ITEMS FOR FUTURE AGENDAS**

The Board next considered matters for possible placement on future agendas. Mr. Eby requested that an item be added to the agenda for next month's meeting to consider approval of a utility commitment for the HPE campus.

**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 "Stephen J. ...", written over a horizontal line.

Secretary, Board of Directors

**LIST OF EXHIBITS**

October 4, 2021

- Exhibit A Patrol Report
- Exhibit B Order Levying Taxes
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Operations and Maintenance Report
- Exhibit E Engineering Report
- Exhibit F Bookkeeping Report
- Exhibit G Revised Collateral Security Agreement