

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

April 3, 2023

ACTIONS TAKEN

1. The Board approved the minutes of the March 6, 2023, 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 adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
4. The Board approved an estimate from EDP in the amount of \$2,900 for fire hydrant repairs.
5. The Board authorized Director Garner to act on behalf of the Board and the District to approve a quote from EDP to repair the valve or install a new valve at a cost not to exceed \$25,000.
6. The Board approved the Operations and Maintenance Report presented by EDP.
7. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
8. The Board authorized Eby to begin preparation of design plans for exposed water line in Faulkey Gulley.
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, and authorized the investment of funds in Treasury Bills through Bank of Texas.
11. The Board adopted a Resolution Declaring Development Status of the District.

The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at 13850 Cutten Road, Houston, Harris County, Texas 77069 on April 3, 2023, 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 Rhodes, 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 Robert Cardenas of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Deputy Jones of Harris County Constable's Office Precinct Four ("HCCO"); and Kara Richardson of Marks Richardson PC ("MRPC").

The 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 March 6, 2023. After discussion, Director Campbell made a motion to approve the minutes of the March 6, 2023, Board of Directors meeting, as amended. Director Theriot seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

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

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next deferred consideration of the Security Patrol Report and the status of security monitoring services within the District until later in the meeting.

The Board noted that there was nothing new to report regarding security monitoring services.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Ms. Arterburn presented the attached Tax Assessor-Collector Report (**Exhibit A**) dated March 31, 2023. The Board reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Ganer 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.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Theriot made a motion to adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes (**Exhibit B**). Director Campbell seconded the motion, which carried unanimously.

STATUS OF INSURANCE AND FEMA CLAIMS RELATIVE TO HURRICANE HARVEY DAMAGES

The Board next considered the status of insurance and Federal Emergency Management Agency (“FEMA”) claims relative to Hurricane Harvey damages. Director Geaslen reported that he emailed the CFO of the Texas Department of Emergency Management today regarding the status of the District’s updated SAM.gov application and is awaiting a response.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit C**). Mr. Cardenas reported that the annual testing of fire hydrants in the District is complete. He then presented a Fire Hydrant Survey Summary and stated that the estimated repair is \$2,900. After discussion, Director Campbell made a motion to approve the estimate in the amount of \$2,900 for the fire hydrant repairs in the District.

The Board next considered the annual report on the District’s Identity Theft Prevention Program. Mr. Thiry noted that there are no identify theft issues to report.

Mr. Cardenas reported that an insurance claim has been filed for the repair to vacuum blower no. 1 at the WWTP.

Mr. Cardenas reported that EDP will reimburse the District for the markup on the new booster pump as it is not allowed per the contract.

Mr. Thiry reported on the mainline valve that was found to not be functioning. He stated that EDP is working on plans to repair or replace the valve. He stated that the valve relates to the exposed water line under Faulkey Gulley. Mr. Eby then reviewed the plans for the waterline and explained options to repair same while trying to preserve water to the District. Director Geaslen suggested that the Board approve repairing the valve as soon as possible to prevent a water supply issue if the waterline fails. He then recommended that the Board authorize Director Garner to act on behalf of the Board and the District to approve a quote from EDP to repair the valve or install a new valve at a cost not to exceed \$25,000. After discussion, Director Theriot made a motion to

authorize Director Garner to act on behalf of the Board and the District to approve a quote from EDP to repair the valve or install a new valve at a cost not to exceed \$25,000. Director Campbell seconded the motion, which unanimously carried.

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

CONSUMER CONFIDENCE REPORT

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Theriot made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Campbell seconded the motion, which carried unanimously.

IDENTITY THEFT PREVENTION PROGRAM

The Board next noted that the District's Identity Theft Prevention Program was discussed under the operations and maintenance report.

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 D**), and the status of security monitoring services within the District. Deputy Jones reviewed the report and discussed the activity within the past month. He stated that there was a car burglary at the hotel where a firearm was stolen from the vehicle. Deputy Jones stated that two (2) catalytic converters were stolen from vehicles at the hotel as well on the same day as the previously mentioned incident. He stated that all of the incidents are under investigation. Deputy Jones stated that HCCO conducted a traffic initiative last month which resulted in multiple traffic stops.

ENGINEERING REPORT

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

Mr. Eby reported on the status of the permit application for the WWTP Discharge Permit renewal. He stated that the final permit was received from the Texas Commission on Environmental Quality and will expire in February 2028.

Mr. Eby next reported on the exposed water line in Faulkey Gulley. He recommended that the Board authorize Eby to begin preparation of design plans to lower the waterline in Faulkey Gulley. After discussion, Director Theriot made a motion to authorize Eby to begin preparation of design plans for lowering the waterline in Faulkey Gulley. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby next reported that he is having issues obtaining a quote from Playground Solutions for repairs to the park equipment. He reminded the Board that it previously authorized Director Cambell to approve same on behalf of the Board and the District.

Mr. Eby next reported on the parking lot at the park and possible expansion of same. He then presented the attached Overall Park Layout and reviewed a proposed expansion of the parking lot. Mr. Eby stated that the expansion would only add nine (9) parking spaces in order to preserve trees and equipment. Director Garner asked about parking on the grassy areas of the park. Mr. Eby stated that clearing and site preparation would still be needed for parking on grassy areas. The Board agreed to defer action on the matter until after the AWBD summer conference when the Board will have the opportunity speak with playground suppliers to determine if it wants to install additional equipment which might increase traffic at the park. Mr. Eby stated that he will research preliminary pricing in the meantime for concrete and gravel options.

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

PRESENTATION REGARDING KOMPAN PLAYGROUND EQUIPMENT FOR THE PARK

The Board next deferred consideration of a presentation regarding Kompan playground equipment for the park. The Board requested that the item be removed from the agenda hereafter.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. The Board next discussed treasury bills and requested that Ms. Redden transfer to Bank of Texas approximately \$600,000 in \$200,000 per month increments, for the purchase of one-year term United States Treasury Bills and research investing in Certificates of Deposit with Bank of Texas. Ms. Redden then suggested cashing in the low interest rate Certificates of Deposit and paying the penalty and re-investing such funds in Treasury Bills. After discussion, Director Campbell made a motion to approve the Bookkeeper's Report, including the checks presented for payment and authorized the investments as discussed above. Director Theriot seconded the motion, which carried unanimously.

STATUS OF INVESTMENTS BY BANK OF TEXAS

The Board next deferred consideration of the status of investments by Bank of Texas as same was discussed under the bookkeeper's report.

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.

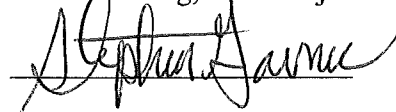
Richardson presented a Resolution designating the District as a “Developed District” pursuant to Section 49.23602 of the Water Code (**Exhibit G**) and noted that the District’s engineer had certified such designation. After discussion, Director Garner made a motion to approve the Resolution and authorize the President and Secretary to execute same on behalf of the Board and the District. Director Campbell seconded the motion, which unanimously carried.

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 "Stephen Garner", written over a horizontal line.

Secretary, Board of Directors

LIST OF EXHIBITS

April 3, 2023

- Exhibit A Tax Assessor Collector's Report
- Exhibit B Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes
- Exhibit C Operator's Report
- Exhibit D Patrol Report
- Exhibit E Engineering Report
- Exhibit F Resolution Declaring Development Status of District
- Exhibit G Bookkeeping Report