

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

September 11, 2023

ACTIONS TAKEN

1. The Board approved the minutes of the August 7, 2023, meeting.
2. The Board authorized the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2023 maintenance and operations tax of \$0.1078 per \$100 of valuation to be held at the District's next regular meeting.
3. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
4. The Board authorized Directors Geaslen and Garner to act on behalf of the Board and the District to approve a quote for cleaning of the basin and clarifier tank at the WWTP at a cost not to exceed \$17,000.
5. The Board approved the Operations and Maintenance Report presented by EDP.
6. The Board awarded a construction contract to TMS in the amount of \$33,000 for the Sanitary Sewer Rehabilitation, Phase 1 project, subject to review of bonds and insurance by MRPC.
7. The Board awarded a construction contract to Canyon Construction in the amount of \$125,000 for the Waterline Lowering Under Faulkey Gully project, subject to review of bonds and insurance by MRPC.
8. The Board approved a quote from Main Branch Tree Service in the amount of \$2,400 to remove trees and tree limbs at the park.
9. The Board authorized Eby for the Phase 2 Cleaning and Televising of the sanitary sewer lines in the District at a cost of \$6,627.
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 proposed Operating Budget for the fiscal year ending in 2024 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 13850 Cutten Road, Houston, Harris County, Texas 77069 on September 11, 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, therefore constituting a quorum.

Also present were Claudia Redden of Claudia Redden & Associates L.L.C.; Dennis Eby of Eby Engineers, Inc. ("Eby"); Robert Cardenas of Environmental Development Partners, L.L.C. ("EDP"); Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Corporal Cassidy and Deputy Williams 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 August 7, 2023. After discussion, Director Theriot made a motion to approve the minutes of the August 7, 2023, Board of Directors meeting, as presented. Director Garner 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.

2023 TAX RATE RECOMMENDATION

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2023 tax rate. Mr. Morales distributed and reviewed financial schedules prepared by RBC Capital Markets ("RBC") (**Exhibit A**) and advised that RBC recommends that the District levy a 2023 maintenance and operations tax of \$0.1078 per \$100 of valuation. After discussion, Director Rhodes made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2023 maintenance and operations tax of \$0.1078 per \$100 of valuation to be held at the District's next regular meeting. Director Campbell seconded the motion, which carried unanimously.

Mr. Morales exited the meeting at this time.

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 B)**, and the status of security monitoring services within the District. Deputy Cassidy reviewed the report and discussed the activity within the past month.

Corporal Cassidy stated that Deputy Kromah resigned from his position with HCCO. Director Rhodes stated that the Board was not informed about Deputy Kromah's resignation. Corporal Cassidy stated that HCCO has lost quite a few deputies recently and, although HCCO is hiring new deputies, it sometimes takes a while to train the deputies. He stated that he is not sure who has been assigned to the District's contract but that he will find out and advise Director Rhodes. Director Geaslen noted that this will be the third deputy that the District has had this year.

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

Corporal Cassidy and Deputy Williams exited the meeting at this time.

The Board next considered review and approval of an Interlocal Agreement for Law Enforcement Services Agreement between Harris County and the District. Director Geaslen stated that he called HCCO last Thursday regarding an incident in front of his home and could not get ahold of anyone but that eventually the school police showed up. He then discussed his concerns with the security services provided by HCCO and the lack of visibility of the patrol. He noted that the District is not being informed when the patrol deputy changes or is not able to work in the District. After discussion, the Board concurred not to renew the Interlocal Agreement for Law Enforcement Services Agreement between the District and Harris County. The Board then discussed inviting other security patrol companies to the meeting next month.

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 August 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 Theriot made a motion to approve the Tax Assessor-Collector Report as presented, to approve the checks identified in the report for payment and to approve moving the list of subject accounts to uncollectible. Director Rhodes seconded the motion, which carried unanimously.

Ms. Arterburn next presented the attached list of delinquent accounts, dated September 11, 2022, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. **(Exhibit D)**.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report **(Exhibit D)**. Mr. Cardenas reported on the remaining amounts to be paid by the Federal Emergency Management

Agency totaling approximately \$150,000. Mr. Cardenas stated that EDP provided FEMA with additional information requested by FEMA to support the additional amounts owed to the District but has not yet received a response.

Mr. Cardenas next reported on the main valve repairs and stated that EDP will have a breakdown of the actual costs for the Board's review at next month's meeting.

Mr. Cardenas next reported on the manhole survey repairs and stated that EDP has started the repairs to the manholes.

Mr. Cardenas reported that there are two (2) water meters owned by the homeowner's association ("HOA") that have been billed to the wrong account since 2018. He stated that the accounts total \$3,583 and were billed to the wrong HOA section. Mr. Cardenas stated that EDP is researching the matter. Director Geaslen suggested that EDP credit the accounts that overpaid and bill the sections that were underbilled. He also suggested offering a payment plan for the HOA that was not billed.

Mr. Cardenas reported that the District is paying for two (2) irrigation meters on Cypresswood Drive. Director Theriot asked why the District is paying for these since the HOA is paying for the other esplanades in the District. Director Geaslen stated that the District is paying for the irrigation meters on Cypresswood Drive since those meters were installed before the homes were built. The Board then discussed who pays for the mowing of the median on Cypresswood Drive. The Board then requested that EDP obtain the costs for paying for the water for all of the medians versus just the medians on Jones Road and Cypresswood Drive.

Mr. Cardenas reported that the basin and clarifier were emptied for inspection. He stated that there is sludge and rags in the bottom that need to be cleaned out. Mr. Cardenas stated that he will obtain three (3) quotes and would like the Board to authorize two (2) Board members to act on behalf of the Board and the District to approve a quote for the cleanout. After discussion, Director Theriot made a motion to authorize Directors Geaslen and Garner to act on behalf of the Board and the District to approve a quote for the cleanout of the basin and clarifier at a cost not to exceed \$17,000. Director Rhodes 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.

AMEND RATE ORDER

The Board next considered an amendment to the District's Rate Order. Director Garner stated that the HOA was encouraging residents to continue watering prior to the drought restrictions taking place. He then suggested increasing the minimum water usage for the base rate amount during drought conditions. Directors Geaslen and Theriot stated that they are not in favor of amending the Rate Order to increase the minimum water usage during drought conditions. The Board agreed to take no action on amending the District's Rate Order at this time.

REVIEW OF BIDS AND AWARD CONSTRUCTION CONTRACTS

The Board next considered the review of bids and the award of a construction contract for the Sanitary Sewer Rehabilitation, Phase 1 project. Mr. Eby stated that the District received eight (8) bids for the project, and he recommended awarding the contract to the low bidder, TMS, with a low bid of \$33,000. After discussion, Director Rhodes made a motion to award a construction contract to TMS in the amount of \$33,000 for the Sanitary Sewer Rehabilitation, Phase 1 project, subject to review of bonds and insurance by MRPC. Director Campbell seconded the motion, which unanimously carried.

The Board next considered the review of bids and the award of a construction contract for the Waterline Lowering Under Faulkey Gully project. Mr. Eby stated that the District received five (5) bids for the project, and he recommended awarding the contract to the low bidder, Canyon Construction, with a low bid of \$125,000. After discussion, Director Garner made a motion to award a construction contract to Canyon Construction in the amount of \$125,000 for the Waterline Lowering Under Faulkey Gully project, subject to review of bonds and insurance by MRPC. Director Campbell seconded the motion, which unanimously carried.

ENGINEERING REPORT

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

Mr. Eby reviewed the monthly checklist and invoice for the month of August from Patriot Production & Rental Services, LLC.

Mr. Eby next presented a quote from Main Branch Tree Service in the amount of \$2,400 to cut down and haul away four (4) dead oak trees and to cut down and haul away dead and hanging broken tree limbs from eleven (11) other trees. After discussion, Director Rhodes made a motion to approve the quote from Main Branch Tree Service in the amount of \$2,400, as detailed above. Director Theriot seconded the motion, which unanimously carried.

Mr. Eby reported that he inspected the clarifier after it was drained and that it seems to be in pretty good shape other than the debris previously noted.

Director Geaslen then reminded Ms. Redden that the operator costs associated with the WWTP project, valve and manhole repairs should come out of the District's capital allocation reserve.

Mr. Eby reported on the review of the Capital Improvements Plan. He stated that he will coordinate with EDP to prepare an update for the Board's review.

Mr. Eby reported on the status of the Phase 2 Cleaning and Televising of the sanitary sewer lines in the District. He stated that Phase 2 encompasses the residential area of Chasewood Park. He noted that the last time repairs were done was approximately twenty (20) years ago. Mr. Eby stated that the cost to clean and televise Phase 2 would be \$6,627. After discussion, Director

Rhodes made a motion to authorize the Phase 2 Cleaning and Televising of the sanitary sewer lines at a cost of \$6,627. Director Campbell seconded the motion, which unanimously carried.

Mr. Eby stated that he would like to present a rate increase and requested that an item be added to the agenda for next month's meeting to consider same. The Board agreed to add the item to the agenda. Mr. Eby stated that he will bring a proposal for the Board's review at the next meeting.

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

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 discussed purchasing additional treasury bills. After discussion, Director Theriot made a motion to approve the Bookkeeper's Report, including the checks presented for payment and authorized the investments as discussed above. 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, 2024 (**Exhibit G**). After discussion, Director Theriot made a motion to approve the budget, as presented. Director Rhodes seconded the motion, which carried unanimously.

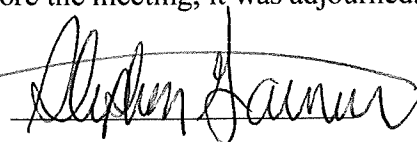
ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. The Board concurred to hold the next meeting on Monday, October 9, 2023.

Director Theriot stated that she will contact Touchstone District Services to send a text alert about the upcoming water conservation meeting. She then requested that the Board authorize a check in the amount of \$3,000 for the water conservation meeting. After discussion, Director Rhodes made a motion to authorize payment of a check in the amount of \$3,000 for the water conservation meeting. Director Campbell seconded the motion, which unanimously carried.

ADJOURNMENT OF BOARD MEETING

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



Secretary, Board of Directors