

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting

March 4, 2024

ACTIONS TAKEN

1. The Board approved the minutes of the February 5, 2024, 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, and holding check no. 1117 issued for payment to Lone Star College System until exemption status is confirmed.
3. The Board approve the Consent to Encroachment and Indemnity Agreement between the District and Bui Dien and Vu Rose, authorized the President to execute same on behalf of the Board and the District, and authorized Inframark to hand-deliver the correspondence and Consent to the owners for review and execution.
4. The Board approved the Operations and Maintenance Report presented by Inframark.
5. The Board approved the Order Declaring Candidates Elected declaring Directors Geaslen, Rhodes and Campbell re-elected for an additional term expiring in May 2028.
6. The Board approved payment of Pay Application No. 1 to Canyon Construction in the amount of \$11,700 for Waterline Lowering Under Faulkey Gully project.
7. The Board approved a proposal from RG Miller in the amount of \$30,000 for building a GIS for the District.
8. The Board approved the Engineering Report presented by Eby Engineers, Inc.
9. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
10. The Board adopted a Resolution Adopting List of Qualified Brokers Authorize to Engage in Investment Transactions with the District.
11. The Board authorized the Bookkeeper and Tax Assessor Collector to prepare and file 2023 Unclaimed Property Reports prior to the July 1, 2024, deadline.
12. The Board approved the renewal proposal from Arthur J. Gallagher relative to insurance coverage for the term expiring March 31, 2024.

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 March 4, 2024, 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"); Robert Cardenas of Inframark; Roshell Arterburn of Utility Tax Service, L.L.C. ("UTS"); Deputy Banda of Harris County Sheriff's Office ("HCSO"), resident; and Kara Richardson of Marks Richardson PC ("MRPC").

The President called the meeting to order.

COMMENTS FROM THE PUBLIC

The Board next considered comments from the public. Mr. Hards addressed the Board and stated that he represents Texas Groundworks Management. He thanked the Board members for their service to the Board. Mr. Hards then stated that he would like the opportunity to bid on projects in the future. He then left information about the company with the Board.

Mr. Hards exited the meeting at this time.

APPROVAL OF MINUTES

As the first order of business, the Board considered approval of the minutes of the Board of Directors meeting held on February 5, 2024. After discussion, Director Garner made a motion to approve the minutes of the February 5, 2024, Board of Directors meeting, as presented. Director Theriot seconded the motion, which carried unanimously.

STATUS OF SECURITY SERVICES WITH HARRIS COUNTY SHERIFF'S OFFICE

The Board next deferred the status of security services with HCSO until later in the meeting. The Board noted that security patrol has been much more visible since the switch to HCSO.

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. Pena presented the attached Tax Assessor-Collector Report (**Exhibit A**) dated January 31, 2023. The Board reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. Director Garner asked about the money being refunded to Lone Star College System. Ms. Pena stated that it appears that Lone Star applied for a full exemption and noted that same could be attributable to a change in use of the property. She stated that she will hold the check until she coordinates with Director Geaslen who will approve its release once the exemption has been confirmed. 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, with the exception of holding check no. 1117 issued to Lone Star College System until the exemption has been confirmed, and to approve moving the list of subject accounts to uncollectible. Director Campbell seconded the motion, which carried unanimously.

Ms. Pena next presented the attached list of delinquent accounts, dated March 4, 2024, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (**Exhibit B**).

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report (**Exhibit C**).

Mr. Cardenas reported on the remaining amounts to be paid by the Federal Emergency Management Agency ("FEMA") totaling approximately \$150,000. He stated that Inframark has provided FEMA with all additional requested information to support the additional amounts owed to the District and is awaiting further instruction or payment.

Mr. Cardenas reported on the repair of the two-inch (2") airline clarifier no. 1 at the WWTP. He stated that the work is in progress.

Mr. Cardenas reported that the manhole survey repairs are nearing completion.

Mr. Cardenas next reported on the buried manhole located behind the house on Cypresswood Trail. Ms. Richardson stated that MRPC prepared correspondence to the owners of the property advising that Inframark discovered that concrete paving had been placed over one of the District's manholes and sanitary sewer lines on their property thereby impeding the inspection of such manhole and advising that the manhole and sanitary sewer lines are located within a public utility easement prohibiting the placement of any structures within the easement that might interfere with the underlying facilities. Ms. Richardson noted that the concrete paving must be removed from the area over and around the manhole at the owner's expense. Ms. Richardson next presented a Consent to Encroachment and Indemnity Agreement between the District and property owners which provides conditions under which the owners can repave over the manhole after the inspection. She stated that upon Board approval, Inframark will hand-deliver the correspondence and Consent to Encroachment and Indemnity Agreement to the owners for execution. After discussion, Director Theriot made a motion to approve the Consent to Encroachment and

Indemnity Agreement between the District and Bui Dien and Vu Rose, to authorize the President to execute same on behalf of the Board and the District, and to authorize Inframark to hand-deliver the correspondence and Consent to the owners for review and execution. Director Garner seconded the motion, which unanimously carried.

Mr. Cardenas reported that the water main valve repairs are in progress.

Mr. Cardenas next reported that on February 6, 2024, Inframark discovered that Mexcor, Inc. (“Mexcor”) drained a large amount of hand sanitizer into the sanitary sewer system which resulted in major operational issues at the WWTP. He stated that the dead microorganisms and sludge were contained in the east side of the WWTP which allowed Inframark to resume operations in the west side of the WWTP after sludge had been hauled in from an offsite sewer plant. Mr. Cardenas stated that Inframark had to have the affected sludge hauled from the east plant and had to bring in new sludge to fill the west plant since it was empty due to the recent rehab. He noted that all expenses associated with the issue are being tracked by Inframark. Mr. Cardenas stated that MRPC prepared correspondence to Mexcor dated February 26, 2024 which was mailed via certified mail and hand-delivered to Mexcor by Inframark on February 27, 2024. Ms. Richardson noted that the District’s Rate Order provides that the offender pay for all costs incurred by the District as a result of the introduction of unauthorized waste into the District’s sanitary sewer system. Ms. Richardson asked whether Inframark has filed an insurance claim. Mr. Cardenas stated that an insurance claim has not yet been filed but will be filed. He stated that four (4) violations occurred at the WWTP resulting from the event and Inframark will have a report for the Board’s review at next month’s meeting regarding same.

Mr. Cardenas reported that Inframark will be scheduling inspections and flow testing for all fire hydrants in the District in March. He stated that any issues found will be reported to the Board at the April meeting.

Mr. Cardenas reported that on March 3, 2024, Inframark received a call for a generator running and Inframark found that the fence had been cut open and wire stolen from the main control panel. He stated that Inframark is currently assessing the damage to determine what the next steps will be for the District. Director Geaslen stated that he would like a camera installed near the well area. Mr. Eby stated that he will need to coordinate with Advantage Security Systems on the matter. He noted that there are cameras in the area just not pointing towards the direction where the theft occurred.

Director Theriot next requested that Inframark follow up with FEMA regarding the insurance claims.

Mr. Cardenas stated that the HOA is still listed on the delinquent list and that he spoke with a representative of the HOA who is aware of the bill. Directors Geaslen and Theriot then discussed which homeowners’ association is responsible for the watering of various common areas in the District.

Director Geaslen then asked why there are two (2) separate invoices from Inframark this month. Mr. Cardenas stated that he will research the matter. Ms. Redden stated that one (1)

invoice is from last month because it was improperly endorsed so she had to write a new check to replace the incorrect one.

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

SUPPLEMENTAL AGENDA - CANCEL DIRECTOR ELECTION

The Board next considered the adoption of an Order Declaring Candidates Elected and the cancellation of the May 4, 2024, Director Election. Ms. Richardson advised that in accordance with Subchapter C, Chapter 2 of the Election Code and Section 2.052 of the Election Code, after 5:00 p.m. on February 23, 2024, the District may cancel the election if each candidate whose name appears on the ballot and/or has registered as a write-in candidate is unopposed in such election, and the Board of Directors of the District can declare such unopposed candidates to be re-elected for an additional term. Ms. Richardson presented a certificate declaring all candidates unopposed and the Order Declaring Candidates Elected. After discussion, Director Theriot made a motion to adopt the Order declaring Directors Geaslen, Rhodes and Campbell re-elected for an additional term expiring in May 2028 and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Garner seconded the motion, which carried unanimously.

ADOPTION OF INDUSTRIAL WASTE ORDER

The Board next considered the adoption of an Industrial Waste Order. Mr. Eby stated that he is currently reviewing same.

STATUS OF CONSTRUCTION CONTRACT WITH CANYON CONSTRUCTION

The Board next considered the status of the construction contract with Canyon Construction for the Waterline Lowering Under Faulkey Gully project. Mr. Eby reviewed photos of the construction progress and noted that he anticipates the construction to be complete within the next few weeks. Mr. Eby next presented Pay Application No. 1 in the amount of \$11,700 and recommended payment of same. After discussion, Director Theriot made a motion to approve Pay Application No. 1 in the amount of \$11,700. Director Garner seconded the motion, which unanimously carried.

ENGINEERING REPORT

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

Mr. Eby reviewed the Water Plant No. 1 monthly checklist for the month of February from Patriot Production & Rental Services, LLC along with the related invoice and recommended payment of same.

Mr. Eby next presented an exhibit of a proposed pickleball court at Lakewood Crossing Park. He stated that there is likely not enough room for two (2) courts. Mr. Eby stated that he can prepare plans and will speak to some companies regarding estimates of costs.

Mr. Eby next presented a proposal from RG Miller in the amount of \$30,000 and a proposal from Lockwood, Andrews & Newnam, Inc. in the amount of \$45,000, copies attached hereto as (**Exhibit E**) for building a Geographic Information System (“GIS”) for the District. He stated that both companies have their own GIS departments. Mr. Eby stated that the GIS would be a cloud-based system. He then stated that RG Miller is offering to do the GPS coordinates whereas LAN is not offering to complete same. After discussion, Director Theriot made a motion to approve the proposal from RG Miller in the amount of \$30,000 to build a GIS for the District, and to authorize the President to execute same on behalf of the Board and the District. Director Campbell seconded the motion, which unanimously carried.

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

STATUS OF SECURITY SERVICES WITH HARRIS COUNTY SHERIFF’S OFFICE

The Board next revisited the status of security services with the HCSO. Deputy Banda discussed the activity within the District for the past month. He discussed an incident where a truck was stopped in the intersection but was unoccupied and still had the engine running. Deputy Banda stated that there were two (2) cell phones in the vehicle and that he later determined that the truck had been abandoned as part of a domestic dispute.

ANNUAL REVIEW OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board next deferred the annual review of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects until next month’s meeting.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper’s Report. Ms. Trebing reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. 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.

ADOPT RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH DISTRICT

Ms. Richardson next advised the Board that requirements in the Public Funds Investment Act require the Board to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District (**Exhibit G**) and the attached list of financial institutions, brokers and dealers prepared by

MA&C. Ms. Richardson recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the lists that could create a conflict of interest, that such institution(s) should be deleted from the list that the Board adopts or that any affected director should execute a conflicts disclosure statement relative to same. After discussion, Director Garner made a motion to adopt the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District and the list of financial institutions, brokers and dealers prepared by MA&C. Director Campbell seconded the motion, which carried unanimously.

UNCLAIMED PROPERTY REPORT

The Board next considered authorizing the bookkeeper and tax assessor to prepare a 2023 Unclaimed Property Report and the filing of same with the State Comptroller prior to the July 1, 2024 deadline. After discussion, Director Theriot made a motion to authorize the District's consultants to research the District's accounts to determine the necessity of preparing an Unclaimed Property Report, and, if such report is necessary, authorize the District's Bookkeeper to file same with the State Comptroller prior to July 1, 2024. Director Campbell seconded the motion, which carried unanimously.

CONSIDER PROPOSAL RELATIVE TO RENEWAL OF THE DISTRICT'S INSURANCE COVERAGE

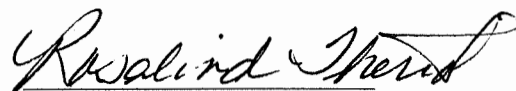
The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2024. Ms. Richardson distributed the renewal proposals received from Gallagher relative to property, comprehensive boiler and machinery, commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, business travel and flood coverage scheduled to expire on March 31, 2025. After discussion, Director Garner made a motion to approve the renewal proposals from Gallagher for the coverage's set out above, with increased flood insurance coverage, and to authorize the President to execute same on behalf of the Board and District. Director Campbell seconded the motion, which carried unanimously.

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.



Secretary, Board of Directors

LIST OF EXHIBITS

March 4, 2024

- Exhibit A Tax Assessor Collector's Report
- Exhibit B Delinquent Tax Report
- Exhibit C Operator's Report
- Exhibit D Engineering Report
- Exhibit E Proposals for GIS
- Exhibit F Bookkeeping Report
- Exhibit G Resolution Adopting List of Qualified Brokers