

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

Minutes of Board of Directors Meeting  
April 7, 2014

**ACTIONS TAKEN**

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1. The Board of Directors ("Board") voted to approve the minutes of the March 3, 2014, meeting, as written.
  2. The Board approved combining constable patrol services with Norchester HOA.
  3. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including payment of the bills associated therewith.
  4. The Board adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
  5. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners, L.L.C.
  6. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
  7. The Board authorized Eby Engineers, Inc. to proceed with the Wastewater Treatment Plant Permit renewal.
  8. The Board approved the Engineering Report presented by Eby Engineers, Inc.
  9. The Board adopted the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the Harris County Department of Labor rates.
  10. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
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The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at the Board's regular meeting place, 8015 FM 1960 West, Houston, Harris, County, Texas 77070 on April 7, 2014, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

David Geaslen, President  
Paul D. Nicosia, Vice-President  
Michael Rhodes, Secretary  
Steve Garner, Assistant Secretary  
Rosalind Theriot, Assistant Secretary

All of said persons were present, therefore constituting a quorum.

Also present were Lieutenant Wayne Schultz, Sergeant James Rouse, and Deputy Joseph Martino of the Harris County Constable's Office, Precinct No. 4; 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"); Monica Pena of Utility Tax Service, L.L.C. ("UTS"); Paul Vangrieken and Tom Kirkland of Genesis Capital Advisors, L.L.C. ("Genesis"); and Kara Richardson of Marks Richardson PC ("MRPC").

President Geaslen next called the meeting to order at 6:00 p.m. and declared it open for such business as might properly come before it.

### **PUBLIC HEARING**

The Board first considered conducting a public hearing on a proposed First Amended and Restated Strategic Partnership Agreement (the "Agreement") with the City of Houston, Texas and the District. In connection therewith, the President Geaslen announced the hearing open and invited members of the public to address the Board on the proposed Agreement. After noting that no one present wished to speak, the President then announced that the hearing was closed.

### **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of the Board of Directors meeting held on March 3, 2014. After discussion, Director Rhodes moved that the minutes of the February 3, 2014, Board of Directors meeting be approved, as written. Director Theriot seconded said motion, which carried unanimously.

### **DEVELOPERS' REPORTS**

#### **HP**

The Board next deferred consideration of the status of development in the District by HP as no representative of HP was present.

### **GENESIS CAPITAL PARTNER, L.L.C.**

The Board next considered development in the District by Genesis. In connection therewith, Mr. Vangrieken stated that Genesis's development has not used as much water as anticipated and requested that the Board consider extending the surcharge agreement by 1 year. Mr. Kirkland introduced himself to the Board as the hotel developer in Chasewood. Mr. Thiry stated that he expects to have the tap fee calculation done within two weeks. Mr. Eby stated that he is currently reviewing the plans and that 2 of the three sets of plans have been approved but that there are a few outstanding issues with the hotel plans. Mr. Eby noted that any hotel construction commenced before all plan approvals and inspections are complete will be done at the risk of the developer since changes may be required after final plan approval and inspections.

### **CENTRE AT CYPRESS CREEK**

The Board next deferred consideration of the status of development in the District by the Centre at Cypress Creek as no representative of the Centre was present.

### **LONE STAR**

The Board next considered development in the District by Lone Star. In connection therewith, Director Garner stated he had nothing new to report.

### **TCH NORTHWEST ASSOCIATES ("TCH")**

The Board next deferred consideration of the development in the District by TCH as no representative of TCH was present.

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

The Board next considered the Security Patrol Report (**Exhibit A**). In connection therewith, Deputy Martino presented the report and stated that there was a vehicle theft as well as a theft at HP during the month.

A discussion next followed relative to the possibility of combining constable patrol forces with Norchester HOA. Lieutenant Schultz stated that combining patrol efforts would increase patrol visibility in the District. He stated there would be no reduced patrol coverage in neighborhood, no added cost to combine forces, and that the District could revert back to the original patrol schedule at any time. After discussion on the matter, Director Garner made a motion to approve combining constable patrol forces with Norchester HOA, as outlined above. Director Theriot seconded said motion, which carried unanimously.

Lieutenant Schultz, Sergeant Rouse, and Deputy Martino exited the meeting at this time.

## **ADVANTAGE SECURITY INTEGRATION REPORT**

The Board next deferred the consideration of the status of the installation of a security system at District facilities by Advantage and the monthly monitoring report as no representative of Advantage was present to discuss same.

## **TAX ASSESSOR-COLLECTOR REPORT**

The Board next considered the Tax Assessor-Collector Report. In connection therewith, Ms. Pena presented and reviewed with the Board the attached Tax Assessor-Collector Report (**Exhibit B**) dated April 2, 2014. She reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Nicosia moved that the Tax Assessor-Collector Report be approved as presented, and that the checks identified in said report be approved for payment. Director Theriot seconded said 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 Property 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 the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion on the matter, Director Theriot moved that the Resolution Authorizing Additional Penalty on Delinquent Taxes (**Exhibit C**) be adopted by the Board and District. Director Rhodes seconded said motion, which unanimously carried.

## **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report. In connection therewith, Mr. Thiry presented and reviewed the attached Operations and Maintenance Report (**Exhibit D**) dated April 7, 2014.

Mr. Thiry reported that EDP completed various significant repairs during the month. He stated that EDP repaired the #2 clarifier gear box at the Wastewater Plant. He also stated that EDP replenished the chemicals and serviced the chlorine analyzer as well as the chlorination equipment at the Water Plant.

Mr. Thiry next reported that the fire hydrant flow testing is scheduled for May 5<sup>th</sup>.

Mr. Thiry next reported on the status of the Lift Station #2 rehabilitation work. In connection therewith, Mr. Thiry stated that the gate relocation and safety netting at the water well is not yet completed.

A discussion next followed relative to the photo cells on the lights at the gazebo and possibly relocating them to prevent the lights from staying on.

After discussion, Director Nicosia moved to approve the Operations and Maintenance Report as presented. Director Theriot seconded said motion, which unanimously carried.

### **CONSUMER CONFIDENCE REPORT**

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion on the matter, Director Rhodes made a motion that the operator be authorized to prepare same for review by the Board. Director Theriot seconded said motion, which carried unanimously.

### **IDENTITY THEFT PREVENTION PROGRAM**

The Board next considered the annual report on the District's Identity Theft Prevention Program. In connection therewith, Mr. Thiry noted no incidents involving identity theft have occurred or been reported.

### **ENGINEERING REPORT**

President Geaslen then recognized Mr. Eby for presentation of the attached Engineer's Report (**Exhibit E**).

Mr. Eby reported that the painting at the lift station on Jones Road by Blastco is complete with the exception of the final walk through.

Mr. Eby next presented to the Board invoices from Brian Gardens for past repairs performed.

Mr. Eby next reported that he walked the trail and found 8 trees that need to be removed. He presented an invoice from Brian Gardens for the removal of 8 trees at the cost of \$1,070.00. He stated that this work will happen on Thursday.

Mr. Eby reported that the painting of the curbs was done earlier today by Camino Services but that the asphalt repairs are not yet completed.

Director Theriot next reported that there is graffiti on areas within the Skate Park and inquired as to whether that was caught on the security camera. Director Geaslen requested that the area be pressure washed and/or painted as needed. Mr. Eby stated that he will get Vista to take a look at the areas.

Mr. Eby next reported that Advantage lowered the monitoring price to \$900.00 per month and recorded 8 security events that took place during the last month. He stated that he has not received a report from Advantage relative to same and will ask if there is a recording capturing the graffiti event.

Mr. Eby stated that an order was placed with Comcast to bring a line to the Water Plant #2. He stated that a phone line could also be put in to hook up an auto dialer. After discussion, the Board concurred to proceed with same.

A discussion next followed regarding the possibility of hiring a company to cut trees down. Ms. Richardson recommended that the District to continue using EDP or Brian Gardens to sub out any tree removal work due to liability issues. After discussion, the Board concurred to require Mr. Eby to spray paint part of the trunk of trees requiring removal since some of the plastic ties previously used for flagging trees had fallen off some trees, and also authorized Brian Gardens to subcontract the removal of such trees designated by Mr. Eby.

Mr. Eby next requested that the Board authorize the renewal of the Wastewater Treatment Plant Permit. After discussion on the matter, Director Rhodes made a motion to authorize Eby Engineers to proceed with the permit renewal, as outlined above. Director Nicosia seconded said motion, which carried unanimously.

After discussion, Director Nicosia moved that the Engineering Report, and the invoices set forth therein, be approved as presented. Director Rhodes seconded said motion, which unanimously carried.

#### **RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE**

The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and consideration of authorizing a survey of wages. Ms. Richardson presented a spreadsheet reflecting Prevailing Wage Rates for Construction Projects for the Harris County Department of Labor (**Exhibit F**) and reviewed the attached Resolution with the Board in connection with same. After discussion of said spreadsheet and resolution, Director Theriot moved that the Board adopt the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the Harris County Department of Labor rates. Director Rhodes seconded said motion, which unanimously carried.

#### **BOOKKEEPING REPORT**

The Board considered the Bookkeeper's Report. In connection therewith, Ms. Redden reviewed the attached Bookkeeping Report (**Exhibit G**), including the checks presented for payment. After discussion, Director Nicosia moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded said motion, which carried unanimously.

#### **AMENDMENT OF STRATEGIC PARTNERSHIP AGREEMENT**

The Board next considered the status of the amendment to the Strategic Partnership Agreement with the City of Houston. In connection therewith, Ms. Richardson stated that a second public hearing is scheduled for Monday April 28<sup>th</sup> at 6:00 p.m. at 14902 Jones Road.

**DISTRICT WEBSITE**

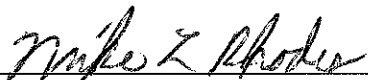
In connection with the District's website, Director Theriot stated that the site is up to date.

**ITEMS FOR FUTURE AGENDAS**

The Board next considered matters for possible placement on future agendas. In connection therewith, Director Theriot requested that a discussion relative to the MSD Application public meeting to be held on the April 16, 2014, be added to the upcoming agenda.

**ADJOURNMENT OF BOARD MEETING**

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

  
Secretary

**LIST OF EXHIBITS**

April 7, 2014

- Exhibit A. Security Report
- Exhibit B. Tax Assessor-Collector's Report
- Exhibit C. Resolution Authorizing Additional Penalty on Delinquent Taxes
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineer's Report
- Exhibit F. Wage Rate Scale
- Exhibit G. Bookkeeping Report