

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

Minutes of Board of Directors Meeting  
December 2, 2013

**ACTIONS TAKEN**

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1. The Board of Directors ("Board") voted to approve the minutes of the November 4, 2013, meeting, as written.
  2. The Board concurred to decline the proposal for park maintenance from Park Rangers, LLC at this time.
  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 approved the Operations and Maintenance Report presented by Environmental Development Partners, L.L.C.
  5. The Board approved the Engineering Report presented by Eby Engineers, Inc.
  6. The Board approved Maintenance Contract addendums from Brian Gardens relative to monthly lawn care maintenance at Water Plant No. 1 and at the Lift Station on Jones Road.
  7. 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 December 2, 2013, 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, except Director Nicosia and Director Garner, therefore constituting a quorum.

Also present were 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 Peña of Utility Tax Service, L.L.C. ("UTS"); Kevin Drewes of Genesis Capital Advisors, L.L.C. ("Genesis"); and Kara Richardson of Marks Richardson PC ("MRPC").

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

### **APPROVAL OF MINUTES**

The Board considered approval of the minutes of the Board of Directors meeting held on November 4, 2013. After discussion, Director Rhodes moved that the minutes of the November 4, 2013, Board of Directors meeting be approved, as written. Director Theriot seconded said motion, which carried unanimously.

### **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 not much activity to report this month, other than the items listed in the report. Mr. Eby informed the Constables that the District is installing security cameras at the District's plants and at the park, and that the cameras will be monitored. Deputy Martino and Mr. Eby agreed to coordinate efforts so that the monitoring service knows to contact the Constable in the event of an alarm.

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

### **DEVELOPERS' REPORTS**

#### **HP**

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

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

The Board considered development in the District by Genesis. In connection therewith, Mr. Drewes reported that some site work has been done on the hotel site and that it is scheduled to open in September or October of next year. He stated that he spoke with Mr. Attaway of Trammell Crow who reported that Noble Energy sold their building, Noble Energy Center One, to Cole Real Estate. Ms. Richardson noted that Mr. Attaway informed her that the new owners will maintain the entity name of TCH Northwest Associates, LLC.

Mr. Drewes exited the meeting at this time.

### **CENTRE AT CYPRESS CREEK**

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

### **LONE STAR**

The Board deferred consideration of the development in the District by Lone Star as there was nothing new to report.

### **TCH NORTHWEST ASSOCIATES (“TCH”)**

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

### **PROPOSAL FOR PARK MAINTENANCE**

The Board next considered a proposal for park maintenance from Park Rangers, LLC. In connection therewith, Ms. Richardson presented and reviewed a proposed Park Maintenance Agreement with the Board (**Exhibit B**). Mr. Eby stated that he requested a proposal from Mr. John Parker of Vista Landscape Services (“Vista”), but that Mr. Parker declined to submit a bid because Park Rangers, LLC regularly uses Vista as a subcontractor to perform maintenance services on behalf of Park Rangers, LLC. Mr. Eby further stated that he could perform a monthly inspection of the park if the Board so desired, and that he can include an area in his report dedicated to maintenance updates. Director Rhodes noted that services currently provided by Eby and Brian Gardens might be a duplicate of those proposed by Park Rangers, LLC. After discussion on the matter, the Board concurred to decline the service proposal from Park Rangers, LLC at this time.

The Board concurred to authorize Mr. Eby to inspect the park on a monthly basis and make a report of his findings. He noted that he will still perform the safety inspection twice a year. The Board requested the addition of an agenda item under the Engineering Report relative to a report on Park and Trails Maintenance.

Director Theriot next reported that the area under the playground equipment is in need of additional mulch and that a low area on the walking trail is in need of repair due to erosion. Mr. Eby stated he will look into adding mulch to the areas in need and that he will contact Director Geaslen for approval if the cost will exceed \$2,500.00.

### **TAX ASSESSOR-COLLECTOR REPORT**

The Board next considered the Tax Assessor-Collector Report. In connection therewith, Ms. Peña presented and reviewed with the Board the attached Tax Assessor-Collector Report (**Exhibit C**) dated December 2, 2013. She reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Rhodes 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.

### **ADVANTAGE SECURITY INTEGRATION**

The Board next considered the status of the installation of a security system at District facilities by Advantage Security Integration (“Advantage”). In connection therewith, Mr. Eby reported that the installation of the system will begin later this week. He stated that Advantage wants an initial deposit of half the amount of the contract price to cover the cost of equipment. Mr. Eby requested that Ms. Redden forward any invoices from Advantage to him prior to releasing any checks so that he can review them for accuracy.

### **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 December 2, 2013.

Mr. Thiry reported that EDP completed various significant repairs during the month. He stated that EDP replaced the fuel solenoid, replaced the motor for booster pump #2, and replaced the coupling on booster pump #1 for Water Plant #1. He further reported that EDP installed a 4-inch compound domestic meter vault, a 12x6 inch TS&V for the fire line, and a commercial irrigation tap and meter in connection with the Lone Star Energy Manufacturing Institute.

Mr. Thiry next reported that the new online payment options for customers in the District became available on October 21<sup>st</sup>, and that 24 online transactions took place between November 1<sup>st</sup> and 18<sup>th</sup>.

Mr. Thiry next reported that the 6 inch water line installation at the water plant is in the planning phase.

Mr. Thiry next reported that the fire hydrant painting has begun and that the expected completion date is December 5<sup>th</sup>.

Mr. Thiry next reported that EDP inspected Lift Station #2 and recommends some rehabilitation work to prevent future failures and break downs. Specifically, he recommended replacing two (2) air release valves, three (3) plug valves, and three (3) check valves along with recoating the valves and piping for an estimated cost of \$18,000.00. He also recommended modifications to the gate and fence that would allow vehicles to completely exit Jones Road when entering the lift station for an estimated cost of \$5,000.00. Mr. Thiry further recommended addition of a safety net and stainless steel fixtures to the wet well for an estimated cost of \$2,500.00

Mr. Thiry noted that the valves are 15 years old and still work, but they are approaching the end of their useful life. He stated that if the Board chooses not to replace them now, he would still recommend recoating them and inspecting them more often due to the age of the valves. After discussion, the Board concurred that the replacement of valves is not necessary at this time but authorized EDP to repaint them as recommended.

With respect to the proposed modifications of the gate and fence, Mr. Thiry stated that the cost estimate contains pricing for a new gate but that he thinks that the existing gate can likely be used, which would reduce the costs substantially. He stated he will get an updated cost estimate for the meeting next month.

With respect to the proposed addition of a safety net and stainless steel fixtures to the wet well, Mr. Thiry stated that new lift stations have a safety hatch in the wet well, and that it would be a good idea to install a safety net in Lift Station #2 to make it safer. After discussion, the Board concurred to authorize EDP to install a safety net and fixtures at a cost not to exceed \$3,000.00

A discussion next followed regarding the introduction of fluoride into the District's water supply. In connection therewith, Mr. Eby stated he will call the TCEQ to make sure it is okay to begin. Mr. Thiry stated that it has been tested and he is just waiting on a go-ahead from Mr. Eby before starting.

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

## **ENGINEERING REPORT**

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

Mr. Eby next presented 5 invoices from Brian Gardens relative to maintenance completed in the District.

Mr. Eby next presented an estimate of projected maintenance costs for 2014 as well as a 10-year projection of capital costs and major repairs. A discussion next followed regarding the potential Waste Water Treatment Plant expansion, the possibility of setting aside more money for the maintenance fund, and the various projects on the 10-year plan. Director Geaslen requested that Mr. Eby update said plan yearly, and the Board requested that Ms. Redden deposit \$40,000 per month into the capital expense account.

Mr. Eby next reported that he spoke with Acclaim regarding their request to install a generator at the Water Plant. He stated that the Water Plant does not need a new generator but that other facilities of the District may benefit from a generator. Mr. Eby stated that he will meet with Acclaim to look at the possibility of installing generators at other facilities and the feasibility of doing so.

Mr. Eby next presented and reviewed with the Board two proposals (**Exhibit F**) to amend the District's contract with Brian Gardens relative to performing monthly lawn care maintenance at the Jones Road Lift Station and Water Plant #1. After discussion on the matter, Director Rhodes made a motion to approve said Extensions, as set out in Exhibit F. Director Theriot seconded said motion, which carried unanimously.

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

### **DROUGHT CONTINGENCY PLAN**

The Board next deferred consideration of an amendment to the District's Drought Contingency Plan.

### **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 Rhodes moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Theriot seconded said motion, which carried unanimously.

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

The Board next deferred authorizing the preparation of an amendment to the Strategic Partnership Agreement with the City of Houston, as Ms. Richardson stated that she has reached out to the City but has not heard back.

### **WASTE MANAGEMENT PROPOSAL**

The Board next considered a proposal from Waste Management to waive the CPI increase for the current year in exchange for a three (3) year contract extension. After discussion on the matter, the Board directed Ms. Richardson to ask Waste Management if they would agree to waive the CPI increase for two (2) years in exchange for a three (3) year extension. Ms. Richardson stated that she will follow up with Waste Management regarding same.

**DISASTER RECOVERY PLANS**

The Board next considered Disaster Recovery Plans for district consultants. In connection therewith, Ms. Richardson presented and distributed to the Directors a packet containing all the Disaster Recovery Plans from the District's consultants (**Exhibit H**).

**DISTRICT WEBSITE**

In connection with the District's website, Director Theriot stated she had nothing new to report.

**ADJOURNMENT OF BOARD MEETING**

The Board next considered matters for possible placement on future agendas.

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

  
Secretary

**LIST OF EXHIBITS**

December 2, 2013

- Exhibit A. Security Report
- Exhibit B. Proposed Park Maintenance Agreement
- Exhibit C. Tax Assessor-Collector's Report
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineer's Report
- Exhibit F. Brian Gardens Contract Extensions (2)
- Exhibit G. Bookkeeping Report
- Exhibit H. Disaster Recovery Plan Packet