

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
March 2, 2015

ACTIONS TAKEN

1. The Board of Directors ("Board") approved the minutes of the February 2, 2015, meeting.
 2. 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.
 3. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners ("EDP").
 4. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 5. The Board adopted the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects.
 6. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
 7. The Board authorized the District's consultants to research the District's accounts and prepare Unclaimed Property Reports, if necessary, and file same with the State Comptroller prior to July 1, 2015, deadline.
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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 March 2, 2015, 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
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 Deputy Joseph Martino and Corporal Miller 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 and Gregory Camp of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Paul Vangrieken and Kevin Drewes of Genesis Capital Advisors, L.L.C. ("Genesis"); Ed Jones of Hewlett Packard ("HP"); Nick Albers of Springhill Suites by Marriott ("Springhill"); Bill Collier of Greater Houston Off-Road Biking Association ("Association") 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.

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 2, 2015. After discussion, Director Rhodes made a motion to approve the minutes of the February 2, 2015, Board of Directors meeting, as written. Director Theriot seconded the motion, which carried unanimously.

GREATER HOUSTON OFF-ROAD BIKING ASSOCIATION PRESENTATION

The Board next considered a presentation from the Greater Houston Off-Road Biking Association (the "Association"). Mr. Collier introduced himself to the Board and stated that the purpose of his visit was to address various concerns voiced by residents in the area. Director Theriot stated that she has seen evidence of trees being cut down on Cypress Creek, just past the park. Mr. Collier stated that the Association is a "tree-hugging" group and assured the Board that the Association is not responsible for any trees being cut down.

Director Rhodes next stated that there is currently a buffer of property between the homes and the creek and that the residents are concerned about the possibility of new bike trails being constructed along the buffer. Mr. Collier stated that the Association does not have plans for any new trails at this time and that they do not build trails on private property. Mr. Eby presented a map of current District trails and noted that Section 7 runs behind the homes and crosses through private

property. Mr. Collier stated that the Association can close that section to prevent biking traffic by using vegetation or sand. The Board concurred that the closure of section 7 is a good idea.

Deputy Martino next noted that there have been several confrontations where bikers on the trail have cursed at homeowners. He also stated that he is worried about trees being cut down behind those homes since HCFCD planted the trees there to prevent flooding to the homes.

Mr. Collier stated that the Association has asked bikers not to park at the skate park and that they are parking off of Glennway instead. He next discussed possible acquiring some nearby land that is owned by FEMA to utilize for parking. The Board suggested that Mr. Collier contract Garret Berg with Precinct 4 to help facilitate a discussion between the Association and FEMA.

Mr. Collier next stated that the Association is hosting a biking clinic on March 14th and noted that all residents are invited to attend. He stated that the clinic will be from 1:00-3:00 p.m. at the Lakewood Forest Resident's Club.

Mr. Collier exited the meeting at this time.

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next considered the Security Patrol Report (**Exhibit A**). Deputy Martino reviewed the report with the Board.

Deputy Martino and Corporal Miller exited the meeting at this time.

DEVELOPERS' REPORTS

HP

The Board next considered the status of development in the District by HP. Mr. Jones reported that HP's engineer told him several months ago that he sent all information required by the District to Mr. Eby for review but he realized that after further investigation that Mr. Eby was still awaiting receipt of the plans for the backflow preventers and the sampling well. He stated that, when he received the correspondence from Ms. Richardson on behalf of the Board, he made sure the plans and required information were sent to Mr. Eby. Mr. Eby reported that HP has already installed the backflow preventers but that he did not review the plans prior to the installation. Mr. Eby stated that he will review both sets of plans upon receipt from HP.

Mr. Eby next noted that he would like more detailed maps from HP of the future CCM3 area.

GENESIS CAPITAL PARTNER, L.L.C.

The Board next considered the status of development in the District by Genesis. A discussion followed regarding reimbursement to Genesis for detention and the current assessed

value of same. Ms. Richardson stated that she will add an item to next month's agenda to consider authorizing the District's auditor to perform a developer reimbursement audit.

A discussion followed regarding the deposit for the future lift station upgrades.

SPRINGHILL SUITES

The Board next considered the development in the District by Springhill Suites. Mr. Albers stated that they are currently planning on a May 1st opening. Mr. Thiry discussed the required inspections that will be needed before connection to the District's system. Mr. Eby discussed the additional deposit needed to cover engineering expenses.

CENTRE AT CYPRESS CREEK

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

LONE STAR

The Board next considered the development in the District by Lone Star. Director Garner stated that 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 was present.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. Mr. Arterburn presented and reviewed with the Board the attached Tax Assessor-Collector Report (**Exhibit B**) dated March 2, 2015. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He noted that collections for 2014 are at 99.46%. After discussion of the report, Director Theriot moved to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Campbell seconded the motion, which carried unanimously.

A discussion followed regarding collections from the Strategic Partnership Agreement with Harris County for the newly annexed property.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report. Mr. Thiry presented and reviewed the attached Operations and Maintenance Report (**Exhibit C**) dated March 2, 2015.

Mr. Thiry reported that EDP is working on the installation of eyewash stations and containment for the magnesium hydroxide system at the wastewater plant. He stated that EDP will start working on installation of same at the water plants in the next few weeks.

Mr. Thiry next reported that the semi-annual testing of water well # 2 was performed on February 9th and that no problems were found.

Mr. Thiry next reported that the water well # 1 flow meter failed during the month and is in the process of being repaired. He state that the estimated repair cost is \$2,400.00 and noted that a new meter would have cost approximately \$3,800.00.

Mr. Thiry next stated that he will schedule testing of the commercial meter.

The Board next discussed a 'no water' call received from Noble Energy and the ensuing investigation to find the source of the problem. Mr. Thiry stated that the invoice reflects a charge of approximately \$1,200 due to the time and manpower required to investigate the problem. The Board discussed billing HC MUD 486 for half of the cost of the investigation and repair since HC MUD 486 closed a valve that should not have been closed, thus contributing to the problem. The Board directed EDP to bill HC MUD 486 for half of the cost associated with the valve investigation. Mr. Eby recommended that EDP perform a valve survey to make searching for valves more efficient. Mr. Thiry suggested that EDP could also physically exercise the valves during the survey using a "spin doctor". He noted that one of EDP's clients purchased a "spin doctor" that they may be willing to rent out.

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

ENGINEERING REPORT

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

A discussion followed regarding the inspection of flare. Mr. Eby stated he will contact the inspector to try and schedule an inspection.

Mr. Eby next stated that Brian Gardens laid the mulch in the park for a cost of \$959.40. He also stated that he received a quote to repair the spring riders in the park for an estimated cost of \$1,003.02.

Mr. Eby presented photos of various rust areas on the playscape at the playground. He noted that he will contact the manufacturer to address the repairs and find out if they are still under warranty.

Mr. Eby next presented a cost summary for the widening of the sidewalk on Cypresswood Drive. After discussion, the Board concurred to decline the expansion at this time due to the estimated cost.

Mr. Eby next reported that the replacement equipment from Advantage will be installed at the parking lot tomorrow and noted that it should fix the issues with the parking lot monitoring.

Mr. Eby reported that he is in the process of inspecting the District's ground storage tanks and that he will present a report of his findings once completed.

After discussion, Director Theriot made a motion to approve the Engineering Report and the invoices set forth therein. Director Garner seconded the 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 E**) and reviewed the Resolution with the Board in connection with same. After discussion, Director Rhodes made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the Harris County Department of Labor rates. Director Garner seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit F**), including the checks presented for payment. After discussion, Director Garner made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Theriot seconded the motion, which carried unanimously.

A discussion followed regarding fund balances. Director Theriot discussed the possibility of constructing a sidewalk along Jones Road.

UNCLAIMED PROPERTY REPORT

The Board next considered authorizing the bookkeeper and tax assessor to prepare a 2015 Unclaimed Property Report and the filing of same with the State Comptroller prior to the July 1, 2015 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, 2015. Director Garner seconded the motion, which carried unanimously.

DISTRICT WEBSITE

The Board next considered the status of the District's website. Director Theriot noted that all items on the website are up to date.


ITEMS FOR FUTURE AGENDAS

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

Director Rhodes reported that the slab for the park bench to commemorate former Director Nicosia's service to the District will be poured in the next few weeks. A discussion followed regarding the scheduling of a dedication ceremony.

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 2, 2015

- Exhibit A. Patrol Report
- Exhibit B. Tax Assessor-Collector's Report
- Exhibit C. Operations and Maintenance Report
- Exhibit D. Engineering Report
- Exhibit E. Wage Rate Scale
- Exhibit F. Bookkeeping Report