

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

Minutes of Board of Directors Meeting  
April 6, 2015

**ACTIONS TAKEN**

---

1. 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.
  2. The Board of Directors ("Board") approved the minutes of the March 2, 2015, meeting.
  3. The Board authorized the engagement of Roth & Eyring, PLLC to prepare a Developer Reimbursement audit.
  4. The Board adopted a Resolution Authorizing an Additional Penalty on Delinquent Taxes.
  5. The Board authorized the Operator and Engineer to replace or repair a 6-inch sewer line lead going under Oaks Crossing, at a cost not to exceed \$6,500, and contingent upon final approval by Director Rhodes.
  6. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners ("EDP").
  7. The Board authorized the Operator to prepare a draft Consumer Confidence Report.
  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 authorized the District's bookkeeper to use excess revenue from the District's Strategic Partnership Agreement with the City of Houston to purchase a CD, on behalf of the District.
-

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 6, 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 Melvin Curry 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"); 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.

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

As the first order of business, the Board considered the Tax Assessor-Collector Report. Mr. Arterburn presented and reviewed with the Board the attached Tax Assessor-Collector Report (**Exhibit A**) dated March 31, 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 99.79%. After discussion of the report, Director Rhodes made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Theriot seconded the motion, which carried unanimously.

Mr. Arterburn exited the meeting at this time.

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

The Board next considered the Security Patrol Report (**Exhibit B**). Deputy Martino reviewed the report with the Board. He inquired if the cameras at the park parking lot are working since he has seen cars parked there after hours. Director Geaslen stated that he called dispatch after witnessing 2 cars parked in the lot after hours. He noted that he has been discussing the camera issue with Advantage and that they are trying to fix the problem.

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

## **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of the Board of Directors meeting held on March 2, 2015. After discussion, Director Theriot made a motion to approve the minutes of the March 2, 2015, Board of Directors meeting, as written. Director Rhodes seconded the motion, which carried unanimously.

## **DEVELOPER REIMBURSEMENT AUDIT**

The Board next considered the engagement of an auditor for the preparation of a Developer Reimbursement Audit relative to the proposed reimbursement to CTP Land, Ltd. for drainage and detention expenses. Ms. Richardson presented an engagement letter from the District's Auditor, Roth & Eyring, PLLC and noted that they propose to prepare the reimbursement audit for an approximate fee of \$750. After discussion, Director Rhodes made a motion to approve the engagement of Roth & Eyring, PLLC, as set out above. Director Garner seconded the motion, which carried unanimously.

## **DEVELOPERS' REPORTS**

### **HP**

The Board next considered the status of development in the District by HP. Mr. Jones reported that he is working on scheduling a date to meet with Mr. Eby regarding the plans for the backflow preventers. He next inquired about the Strategic Partnership Agreement with the City of Houston and when the HP property was added to the area covered by the Agreement. He noted that some addresses are not showing up on the Comptroller's website as being within the City of Houston boundaries.

Mr. Jones exited the meeting at this time.

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

The Board next considered the status of development in the District by Genesis. Mr. Vangrieken presented the current Loan Computation Schedule (**Exhibit C**). A discussion followed regarding the assessment of the surcharge to the new hotel. Mr. Thiry stated that EDP has not yet begun to assess the surcharges. Ms. Richardson noted the District's Rate Order requires imposition of the surcharge upon connection of District services.

### **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.

## **SPRINGHILL SUITES**

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

## **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, Director Rhodes made a motion to adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes (**Exhibit D**). Director Theriot seconded the motion, which carried unanimously.

## **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report. Mr. Thiry presented and reviewed the attached Operations and Maintenance Report (**Exhibit E**) dated April 6, 2015.

Mr. Thiry reported that EDP completed the installation of eyewash and shower stations at the wastewater plant. He noted that EDP is still working on the containment for the magnesium hydroxide system and an eyewash station at Water Plant No. 2.

Mr. Thiry next reported that EDP received a call from the resident at 14602 Oaks Crossing about repeated sewer backups. He noted that there is a dip in the sewer line across the street from the residence which is causing the backups. He stated that EDP recommends replacing the 6-inch sewer line to rectify the backup issues. Director Geaslen and Director Rhodes expressed concern that the line replacement would solve the problem since grading appeared to be the issue. Mr. Eby stated that he will coordinate with EDP to find a qualified company to perform the work and that he will televise the line after the repair to make sure that the line has proper grading to prevent backups. After discussion, Director Theriot made a motion to authorize EDP and Eby to coordinate the replacement and/or repair of the sewer line at a cost not to exceed \$6,500, contingent upon final approval of Director Rhodes. Director Rhodes seconded the motion, which carried unanimously.

Mr. Thiry next reported that the meter for the emergency interconnect between the District and HC MUD 468 is not working properly and needs repairs. He stated that the isolation valves also need replacing and noted that, per the existing agreement between HC MUD 468 and the District, the costs of maintenance and repairs for such interconnect must be shared equally by both Districts. He stated that HC MUD 468 is moving forward with the repairs and that Southern Flowmeter is the contractor. Mr. Eby requested that a District representative be presents during the final inspection of the interconnect repair. Mr. Thiry stated that EDP will have a representative present during the repair which should be completed tomorrow. He noted that there likely won't be a separate final inspection.

Mr. Drewes next inquired about the removal of an irrigation meter in Chasewood. He stated that when one of their representatives called to inquire about the removed meter, the representative was told that the District authorized removal of the meter for testing purposes. Mr. Drewes stated that Chasewood would like the meter to be replaced as soon as possible because Chasewood is in the process of obtaining LEEDS certification for the 4 Chasewood Building.

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

### **CONSUMER CONFIDENCE REPORT**

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Theriot made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Garner seconded the motion, which carried unanimously.

### **IDENTITY THEFT PREVENTION PROGRAM**

The Board next deferred consideration of the annual report on the District's Identity Theft Prevention Program until next month.

### **ENGINEERING REPORT**

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

Mr. Eby next presented the inspection report on the ground storage tanks and hydropneumatic tanks. He stated that the inspection of the ground storage tanks reflected no major issues. He stated that he will monitor a few small rust spots identified inside the tanks. He stated that the inspection report recommended that the interior of both hydropneumatic tanks be reblasted and recoated in the next year. Mr. Eby presented a quote from Blastco to perform the work for \$17,000 per tank. After discussion, the Board requested that Mr. Eby get two additional bids for the work. Mr. Eby stated that the work is not urgent and can wait until the fall to get additional bids and perform the work.

Director Geaslen next requested Mr. Eby to coordinate cleaning debris from the areas under the bridges that has built up from the recent heavy rains.

Mr. Eby next stated that the spring rider and water fountain at the park have been repaired, but he noted that the water fountain appears to be leaking again. He also noted that the receptacle for the dog waste bags needs to be refilled. Mr. Eby further stated that a sign is down along the trail. After discussion, the Board concurred to authorize Mr. Eby to replace the trail sign.

Mr. Eby next reported that the bench to commemorate former Director Nicosia's service to the Board is scheduled to be installed this week. Director Rhodes stated that he will email the Board after the installation is complete to schedule a dedication ceremony.

Director Rhodes stated that the park is now closing at 8:00 p.m. due to the time change.

After discussion, Director Rhodes made a motion to approve the Engineering Report and the invoices set forth therein. Director Theriot seconded the motion, which unanimously carried.

### **BOOKKEEPING REPORT**

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

Ms. Redden stated that she received a payment today from the City of Houston for its share of the Strategic Partnership Agreement revenue in the amount of \$139,000 and noted that the payment will be reflected on the next report. After discussion, the Board unanimously concurred to authorize Ms. Redden to purchase a CD, on behalf of the District, with the excess revenue.

### **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.

Ms. Richardson discussed proposed House Bill 2389 and Companion Senate Bill 1000 relating to the proposed restriction on the expenditure of revenue received by a municipal utility district pursuant to a strategic partnership agreement with a municipality. After discussion, the Board directed MRPC prepare a letter of opposition for the Board's signature.

Mr. Eby discussed the need to replace certain exercise equipment at the park. After discussion, the Board authorized Mr. Eby to investigate options for replacement of the equipment and to place an item on the next agenda to discuss same.

Director Garner discussed the need for mosquito control in the District and inquired about the viability of the District providing such service. Ms. Richardson stated that she does not think that the District has the authority to provide such services unless such service is related to the provision of park and recreational facility maintenance, but she noted that she will investigate the District's options relative to same. Director Theriot stated that she will call Garrett Berg from Harris County Precinct 4 office to inquire about the possibility of the County providing such services as well.

**ADJOURNMENT OF BOARD MEETING**

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

  
Secretary, Board of Directors

**LIST OF EXHIBITS**

April 6, 2015

- Exhibit A. Tax Assessor-Collector's Report
- Exhibit B. Patrol Report
- Exhibit C. Chasewood Loan Computation Schedule
- Exhibit D. Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes
- Exhibit E. Operations and Maintenance Report
- Exhibit F. Engineering Report
- Exhibit G. Bookkeeping Report