

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
October 6, 2014

ACTIONS TAKEN

1. The Board of Directors ("Board") approved the minutes of the September 8, 2014, and September 22, 2014, meetings.
 2. The Board accepted the Oath, Statement, Affidavit and Election Not to Disclose Personal Information for Becky Campbell and declared her appointed as a member of the Board of Directors of the District for the unexpired term of the late Paul Nicosia.
 3. The Board conducted a public hearing and subsequently adopted an Order levying its 2014 tax rate.
 4. The Board amended its District Information Form in connection with the adoption of the 2014 tax rate.
 5. 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.
 6. The Board approved the Operations and Maintenance Report presented by EDP.
 7. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 8. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
 9. The Board elected Director Rhodes as Vice President, Director Garner as Secretary, and Director Campbell as Assistant Secretary and elected Directors Geaslen and Theriot to their current positions on the Board.
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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 October 6, 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
Michael Rhodes, Secretary
Steve Garner, Assistant Secretary
Rosalind Theriot, 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"); Gregory Camp of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Becky Campbell; and Kara Richardson and Lindsey Eubank 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 September 8, 2014. After discussion, Director Rhodes made a motion to approve the minutes of the September 8, 2014, Board of Directors meeting, as written. Director Theriot seconded the motion, which carried unanimously.

The Board next considered approval of the minutes of the Board of Directors meeting held on September 22, 2014. After discussion, Director Rhodes made a motion to approve the minutes of the September 22, 2014 Board of Directors meeting, as written. Director Theriot seconded the motion, which carried unanimously.

ACCEPTANCE OF OATH

The Board next considered acceptance of a Qualification Statement, Oath of Office, Affidavit of Current Director, and Election Not to Disclose Certain Information executed by Ms. Campbell. Ms. Campbell executed the Qualification Statement, and Ms. Richardson noted that MRPC would file the Statement with the Secretary of State in a timely manner. Ms. Campbell then took her oath of office. After discussion on the matter, Director Rhodes made a motion to accept the election documents and to accept the appointment of Becky Campbell to the Board of Directors of the District for the unexpired term of the late Paul Nicosia. Director Theriot seconded the motion, which unanimously carried. Director Campbell participated in the remainder of the meeting.

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

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

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

PUBLIC HEARING

The Board next conducted a public hearing on the District's proposed 2014 maintenance tax rate. Mr. Arterburn presented a copy of the proposed tax rate publication and advised that it had been published in accordance with state law requirements. The President announced the hearing open and invited members of the public to address the Board on the proposed 2014 maintenance tax rate. No members of the public were present and wishing to speak, so the President announced the hearing closed.

ADOPTION OF 2014 TAX

The Board next considered the adoption and levy of the District's 2014 proposed maintenance tax rate. After discussion, Director Theriot made a motion that the Board levy a 2014 maintenance tax rate of \$0.16 per \$100 of assessed valuation and to adopt the Order Levying Taxes (**Exhibit B**). Director Garner seconded the motion, which carried unanimously.

APPROVAL OF DISTRICT INFORMATION FORM

Ms. Richardson next presented and reviewed with the Board an Amendment to the Second Amended and Restated District Information Form in connection with the 2014 tax rate. After discussion, Director Theriot moved to approve the Form and to authorize the Board members present to execute the Form. Director Garner seconded the motion, which unanimously carried.

DEVELOPERS' REPORTS

GENESIS CAPITAL PARTNER, L.L.C.

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

HP

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

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 was present.

LONE STAR

The Board next considered the development in the District by Lone Star. Director Garner stated that Lone Star has a bond election coming up.

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.

ADVANTAGE SECURITY INTEGRATION REPORT

The Board next considered the status of the installation of a security system at District facilities by Advantage Security Integration (“Advantage”) and the monthly monitoring report. Director Geaslen reported that there were no issues to report this month and that Advantage is doing a good job monitoring the facilities.

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 C**) dated October 1, 2014. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He noted that collections for 2013 are at 99.91%. 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 Garner seconded the motion, which carried unanimously.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report. Mr. Camp presented and reviewed the attached Operations and Maintenance Report (**Exhibit D**) dated October 6, 2014.

Mr. Camp reported that EDP worked on various significant repairs during the month. He stated that EDP performed preventive maintenance on the chemical feed pumps at the Water Plant and that NTS repaired well controls at Water Plant #2.

Mr. Camp next reported that EDP replaced the non-potable pump #2 at the Wastewater Treatment plant and that, in addition to relocating the pumps to avoid future water damage, EDP rebuilt the piping for the pumps which had been damaged from corrosion. Mr. Eby requested that Mr. Thiry test the SCADA system to ensure that it is working properly after the repairs.

Mr. Camp next reported that the safety nets, stainless steel cables, and float hangers at the #2 Lift Station were installed today.

Mr. Camp next reported that EDP last tested the commercial meters in the District in January of 2013, and he recommend that the District test them again in the next couple of months. He stated that EDP repaired a commercial meter in Chasewood a few months ago. After discussion, the Board authorized EDP to test all commercial meters in January, per the recommended maintenance schedule.

Mr. Camp next reviewed a water quality chart indicating that the District had water quality issues in August. He stated that the issues relate to water quality issues experienced simultaneously by the North Harris County Regional Water Authority (the "NHCRWA") since the NHCRWA provides the bulk of the District's water. He also noted that the NHCRWA's water quality issues have been resolved.

Mr. Camp next reported that the #2 well check valve was leaking and that the Board previously authorized the replacement of the valve. He stated that the issue seems to have improved since then, but recommended that the valve be replaced. After discussion, the Board authorized EDP to replace the valve.

After discussion, Director Rhodes moved 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 E**).

Mr. Eby first reported that he received the requirements from the TCEQ regarding the Wastewater Treatment Plant Discharge Permit and that the TCEQ needs verification of the type of waste being discharged into the system. He recommended that the District ask landowners in the District to keep an eye on what sort of businesses their tenants are engaging in to determine if they might be discharging industrial waste into the District's system. Mr. Thiry stated that he could drop in to various businesses for periodic inspections to make EDP's presence known in the District. Mr. Eby concurred that it is a good idea for Mr. Thiry to make EDP's presence in the District known every few years.

Mr. Eby next reported that he spoke with Brian Attaway from Noble Energy who told him that Noble Energy is building a 20 story building within Malcomson Road MUD. He reported that Noble Energy had some questions regarding obtaining water for part of its property, since part was located in the District and part in Malcomson Road. After discussion, the board determined that Ms. Richardson would discuss the matter further with Noble Energy.

A discussion next followed regarding a leaking water fountain at the Park. Mr. Eby stated that he will look at it to determine what repairs are needed. Mr. Thiry stated that he will turn off the

fountain tomorrow for National Night Out. Director Theriot requested that Mr. Eby remind Bryan Gardens to send a crew to empty the trash cans and clean the Park on October 8, 2014 following the Water Conservation Meeting and National Night Out events.

After discussion, Director Rhodes moved that the Engineering Report and the invoices set forth therein be approved as presented. 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 Rhodes moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Theriot seconded the motion, which carried unanimously.

WATER CONSERVATION MEETING

The Board next considered the status of the Water Conservation Meeting. Director Theriot reported that she spent \$2,298 of the authorized \$3,000 for the event, and she requested that the Board attend the meeting on the following night.

DISTRICT WEBSITE

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

ELECTION OF OFFICERS

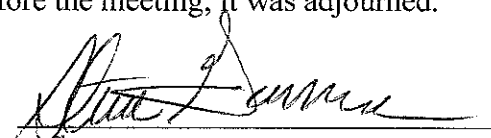
The Board next considered the election of officers of the Board of Directors. After discussion on the matter, Director Theriot made a motion to nominate Director Rhodes for Vice President, Director Garner for Secretary, and Director Campbell for Assistant Secretary. Director Garner seconded the motion, which unanimously carried.

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

LIST OF EXHIBITS

October 6, 2014

- Exhibit A. Security Report by Harris County Constable
- Exhibit B. Order Levying Taxes 2014
- Exhibit C. Tax Assessor-Collector's Report
- Exhibit D. Operations and Maintenance Report
- Exhibit E. Engineering Report
- Exhibit F. Bookkeeping Report