

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
August 4, 2014

ACTIONS TAKEN

1. The Board of Directors (“Board”) voted to approve the minutes of the July 7, 2014, meeting, as written.
 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 to authorize EDP to lower Ms. Dunn’s water bill for the period of May 22, 2014 – June 23, 2014, to \$100, contingent upon her usage returning to less than 25,000 gallons.
 4. The Board approved the Operations and Maintenance Report presented by EDP.
 5. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 6. 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 August 4, 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 Sergeant Greg Lowery of the Harris County Constable's Office, Precinct No. 4; Dennis Eby and Weston Hunt of Eby Engineers, Inc. ("Eby"); Andy Phelps of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Tom Kirkland of Chasewood Park Hotel ("Hotel"); Ed Jones of Hewlett Packard ("HP"); Daniel Grajeda of Advantage Security Integration ("Advantage"); 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.

RECOGNITION OF LATE DIRECTOR NICOSIA'S SERVICE TO THE BOARD

As the first order of business, the Board acknowledged the recent death of Director Paul D. Nicosia and formally recognized his many years of service to the District.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the Board of Directors meeting held on July 7, 2014. After discussion, Director Rhodes moved that the minutes of the July 7, 2014, 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**). Deputy Martino presented and reviewed the report with the Board. Director Theriot asked Deputy Martino about the three (3) arrests reflected on the report. Deputy Martino stated that he did not have information about the arrests because those arrests were outside of the District's contract. Director Geaslen inquired about the recent number of calls related to the park. Deputy Martino stated that the number of calls related to the park has dropped off since the security company has been announcing the park closing at night.

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

DEVELOPERS' REPORTS
GENESIS CAPITAL PARTNER, L.L.C.

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

Mr. Kirkland next noted that Mr. Goodwin spoke with Ms. Richardson about the sales tax rate imposed in the area where the hotel is being constructed. He also stated that a blow down meter was installed at the hotel during the month.

HP

The Board next considered the status of development in the District by HP. Mr. Jones reported on the status of the installation of the backflow preventers at HP. He also reported that the deposit for the backflow preventers will be sent to Mr. Eby this week. He stated that the related drawings have been sent to Mr. Eby and are awaiting review. Mr. Eby stated that he will review same and send the drawings back to HP, once complete.

CENTRE AT CYPRESS CREEK

The Board 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 deferred considering development in the District by Lone Star when Director Garner stated he had nothing new to report.

TCH NORTHWEST ASSOCIATES ("TCH")

The Board deferred consideration of the development in the District by TCH as no representative of TCH 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 in connection with same. Mr. Grajeda reported that there have been some issues with District calls going directly to his voicemail and that he is working to resolve the problem. He stated that Comcast installed the service lines at Water Plant #2. He stated that Comcast billed the District \$165 for installation but since the cost is part of the original scope of work, Advantage will cover that cost. Mr. Grajeda further reported that there have been very few issues with people refusing to leave the park after it closes.

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 August 4, 2014. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He stated that the Harris County Appraisal District will have the Certified Tax Roll for the District ready by the 3rd week of August. After discussion of the report, Director Theriot moved to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in said report for payment. Director Garner seconded said motion, which carried unanimously.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report. Mr. Phelps presented and reviewed the attached Operations and Maintenance Report (**Exhibit C**) dated August 4, 2014.

Mr. Phelps reported that EDP worked on various significant repairs during the month. He stated that EDP is working on plans to raise the non-potable water pumps approximately 24 inches off the ground to prevent motor damage during heavy rains. Mr. Phelps also stated that the installation of the safety nets and the stainless steel cable and float hangars at Lift Station #2 is underway.

Mr. Phelps next presented correspondence from Ms. Jeanette Dunn, a District customer, requesting an adjustment to a single water bill. Mr. Phelps stated that Ms. Dunn typically receives a bill of approximately \$37.00/month and that for the period of May 22, 2014 – June 23, 2014, her bill was \$250.00. After discussion, Director Rhodes made a motion to authorize EDP to lower her bill to \$100, contingent upon her July usage having returned to less than 25,000 gallons. Director Theriot seconded said motion, which carried unanimously.

Director Theriot next stated that the meter in the sidewalk between her home and Director Rhodes' home was supposed to be moved within 2 weeks after that July Board meeting and that the project has not been completed. Mr. Phelps stated that he will look into the matter.

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

ENGINEERING REPORT

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

Mr. Eby first reported regarding miscellaneous engineering expenditures. He reported that Vista Landscape Services pressure washed under the gazebo and that Camino Services restriped the parking lot. He stated that Camino Services still needs to repaint the handicapped sign in the parking lot and that he will hold payment until same is completed. Mr. Eby further reported that Brian Gardens replaced the backflow preventer and installed a rain gauge to regulate irrigation.

Mr. Eby next stated that he will review the plans recently provided by HP to add backflow prevention and will provide his comments to HP upon completion. The Board concurred to authorize installation of the auto-dialer.

Mr. Eby next reported that Comcast installed an internet connection and a phone line at Water Plant #2 and that he would like to install an auto-dialer in the near future.

Mr. Eby next reported that he sent the application package to the TCEQ regarding the District's discharge permit and is awaiting the TCEQ's approval of same. He gave a copy of same to Ms. Richardson for the District's files, explained the process of renewing same, and noted that the permit should be renewed by February 1, 2015.

Director Geaslen next inquired about the process of exercising the wells and asked how the operator and engineer ensure that the wells actually turn on during testing. Ms. Richardson noted that the Operator's Report lists how much each well pumps each month. Mr. Eby stated that the recommendation for exercising a well is at least once per week for 30 minutes. Director Geaslen requested that Mr. Eby investigate whether running the wells longer and/or more frequently may be warranted to ensure that the wells are capable of proper performance in the event that the North Harris County Regional Water Authority fails to provide adequate water to the District during an emergency or natural disaster. Mr. Eby said he will look in to same and investigate best practices with the pump manufacturer and report to the Board next month.

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

BOOKKEEPING REPORT

The Board considered the Bookkeeper's Report. Due to the absence of Ms. Redden, Director Geaslen reviewed the attached Bookkeeping Report (**Exhibit E**), including the checks presented for payment. After discussion, Director Garner moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Theriot seconded said motion, which carried unanimously.

CPI INCREASE

The Board next considered the annual CPI adjustment by Waste Management. Ms. Richardson presented and reviewed correspondence from Waste Management regarding same (**Exhibit F**). She stated that the currently monthly service fee will increase from \$17.76 to \$18.24 per connection beginning September 1, 2014. Ms. Richardson noted that because this CPI adjustment is allowed pursuant to Waste Management's existing agreement with the District, no action was necessary.

DISTRICT WEBSITE

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

VACANCY ON BOARD

The Board next considered filling the vacancy on the Board of Directors of the District. Director Theriot stated that Bill Jayroe is interested in serving on the Board. A discussion followed regarding possibly getting someone from the Faulkey Gulley neighborhood and having more than one Director for the District serve on the Home Owner's Association. The following individuals were suggested: Becky Campbell, Bob Fuller, Dwayne Gilbert, Tom Howard, and Jeff Soley. After discussion on the matter, the Board concurred to contact potential Board Members and gauge their interests to serve on the Board.

ITEMS FOR FUTURE AGENDAS

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

The Board agreed to add an item to the agenda to discuss options to commemorate former Director Nicosia's service to the District.

The Board next concurred to move the September Board of Directors meeting to September 8th due to the Labor Day Holiday.

Director Theriot requested to add an item to the agenda to consider authorizing funding of the annual water conservation meeting.

ADJOURNMENT OF BOARD MEETING

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



Secretary

LIST OF EXHIBITS

August 4, 2014

- Exhibit A. Security Report by Harris County Constable
- Exhibit B. Tax Assessor-Collector's Report
- Exhibit C. Operations and Maintenance Report
- Exhibit D. Engineer's Report
- Exhibit E. Bookkeeping Report
- Exhibit F. CPI Increase Correspondence