

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
July 7, 2014

ACTIONS TAKEN

1. The Board of Directors ("Board") voted to approve the minutes of the June 2, 2014, meeting, as revised.
 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 authorized NTS to install safety nets at Lift Station #2.
 4. The Board authorized Environmental Development Partners, L.L.C. ("EDP") to relocate a 2 inch blowoff box in the District.
 5. The Board approved the Operations and Maintenance Report presented by EDP.
 6. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 7. The Board approved a First Amendment to Municipal Solid Waste Collection and Transportation Agreement with Waste Management of Texas, 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 approved the request from the Records Management Officer to destroy notes of Board of Director's meeting from January 9, 2013 to January 6, 2014.
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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 July 7, 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
Paul D. Nicosia, Vice-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; 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"); 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 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

The Board first considered approval of the minutes of the Board of Directors meeting held on June 2, 2014. After discussion, Director Theriot moved that the minutes of the June 2, 2014, Board of Directors meeting be approved, as revised. Director Garner 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 and reviewed the report with the Board. Deputy Martino further reported that 3 males took a joy ride in a maintenance golf cart on the HP Property and caused some minor damage.

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

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

The Board next considered development in the District by Genesis. In connection therewith, Mr. Kirkland stated that the Hotel is slated to open in spring of 2015.

HP

The Board next considered the status of development in the District by HP. In connection therewith, Mr. Jones reported that HP is working with the District's engineer and operator to install the backflow preventers.

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 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 next 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. In that regard, Mr. Grajeda introduced himself as a representative of Eyeforce, and explained that Eyeforce performs the monitoring service for Advantage. He reported that he met with Directors Geaslen and Theriot in June and that, pursuant to such meeting, Eyeforce and Advantage are working on various issues raised by the Board and Operator. Mr. Grajeda stated that Eyeforce will continue to send weekly reports to Director Geaslen until the Board feels that the monitoring issues have been adequately addressed and the procedures are operating smoothly.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. In connection therewith, Mr. Arterburn presented and reviewed with the Board the attached Tax Assessor-Collector Report (**Exhibit B**) dated July 2, 2014. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He stated that he received a revised preliminary value for the District for 2014 from the Harris County Appraisal District and reported that such value reflects a taxable value of \$487,901,519. He further noted that this amount only reflects the value of real property in the District and that the number would likely increase substantially after personal property values are added. After discussion of the report, Director Rhodes moved to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in said report for payment. Director Theriot seconded said motion, which carried unanimously.

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 C**) dated July 7, 2014.

Mr. Thiry reported that EDP completed various significant repairs during the month. He stated that EDP repaired the generator and purchased new blower filter elements for the Wastewater Plant. Mr. Thiry also stated that EDP relocated the gate at Lift Station #2 and painted the fire hydrants in the District.

Mr. Thiry next reported that the Texas Commission on Environmental Quality (the "TCEQ") performed a compliance inspection of the water system on May 8th and recorded a violation that has since been resolved. He stated that a copy of the report from the TCEQ regarding same is attached to the Operations Report.

Mr. Thiry next reported that EDP received a quote from NTS to install the safety nets at Lift Station #2 at a cost of \$2,470.00 and recommended the Board authorize the installation of same. After discussion on the matter, Director Rhodes made a motion to authorize NTS to install the safety nets, as outlined above. Director Theriot seconded said motion, which carried unanimously.

Mr. Thiry next reported that the water quality chart on the report indicates a need to flush the system soon.

Mr. Thiry and Director Theriot next discussed a 2-inch blowoff box located in the sidewalk on Lakewood Crossing Blvd. and noted that, during rain events, the box lid comes ajar, causing a safety hazard for people using the sidewalk. Mr. Thiry recommended relocating the blowoff box to a grass area adjacent to other valve boxes. After discussion on the matter, Director Garner made a motion to authorize EDP to relocate the blowoff box, as set out above. Director Geaslen seconded said motion, which unanimously carried.

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 reported that Vista Landscape Services made repairs to the drinking foundation and repainted the skate park. He stated that the skate park has been vandalized since the painting and noted that skaters at the park told him that they do not care for the new paint because it provides less traction for skating.

Mr. Eby next presented to the Board a proposal from Brian Gardens for the cleanup of the trail and the replacement of a backflow prevention device and recommended the Board approve of same. After discussion the Board concurred to authorize Brian Gardens to proceed with same.

Mr. Eby next presented to the Board a proposal from Vista Landscape Services for pressure washing the area under the gazebo. After discussion the Board concurred to authorize Vista Landscape Services to proceed with same.

Mr. Eby next reported that an internet connection has been installed at Water Plant #2 and that a phone line will also be installed for the auto-dialer.

Mr. Eby next presented to the Board a proposal from Rickett Site Work to construct a drain pipe to drain water from the pumps at the Wastewater Treatment Plant for a cost of \$6,285. He noted that the pumps often become submerged during rain events which has caused damage to the pumps on a few occasions. He stated that he will investigate alternate ways to address the issue for the Board's consideration next month.

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

FIRST AMENDMENT TO MUNICIPAL SOLID WASTE COLLECTION AND TRANSPORTATION AGREEMENT

The Board next considered the approval of a First Amendment to Municipal Solid Waste Collection and Transportation Agreement. In connection therewith, Ms. Richardson presented a copy of same (**Exhibit E**) and reported that Waste Management of Texas, Inc., the District's solid waste service provider has modified the Holiday pick up schedule. She stated that this new Amendment deletes Memorial Day, Labor Day, and Independence Day as holidays. After discussion on the matter, Director Garner made a motion to approve the First Amendment to Municipal Solid Waste Collection and Transportation Agreement with Waste Management of Texas, Inc., as set out above. Director Nicosia seconded said motion, which carried unanimously.

BOOKKEEPING REPORT

The Board considered the Bookkeeper's Report. In connection therewith, Ms. Redden reviewed the attached Bookkeeping Report (**Exhibit F**), including the checks presented for payment. After discussion, Director Nicosia moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded said motion, which carried unanimously.

Ms. Richardson next presented correspondence from the City of Houston ("COH") Finance Department (**Exhibit G**) regarding a computer programming issue that resulted in overpayment to the District for March and April 2014 under the District's Strategic Partnership Agreement ("SPA") with the COH. She noted that the COH overpaid the District a total of \$10,073.02 and that the COH is requesting a refund from the District which can be paid by check or by the COH deducting

said amount from future SPA payments to the District. After discussion, the Board concurred to have the City automatically deduct the overpayment amount from the District's future SPA disbursements.

RECORDS DESTRUCTION REQUEST

The Board next considered the approval of destruction of notes of Board of Directors meetings from January 9, 2013, to January 6, 2014, in accordance with the Records Retention Schedule for General Records. Ms. Richardson presented the attached request of the Records Management Officer with attached list of records (**Exhibit H**) and advised that the time limitations for retention had passed for all records listed, that, to the best of her knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Nicosia moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program and said Schedule. Director Garner seconded said motion, which unanimously carried.

DISTRICT WEBSITE

In connection with the District's website, Director Theriot stated that she added an item to the website from Waste Management of Texas, Inc. regarding hurricane preparedness.


ITEMS FOR FUTURE AGENDAS

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

A discussion next followed regarding District shirts and the ordering of same. After discussion the Board concurred to authorize Mr. Thiry to coordinate and order same for the Board members.

ADJOURNMENT OF BOARD MEETING

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


Secretary

LIST OF EXHIBITS

July 7, 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. Frist Amendment to Municipal Solid Waste Collection
- Exhibit F. Bookkeeping Report
- Exhibit G. City of Houston correspondence
- Exhibit H. Records Retention Schedule