

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
June 2, 2014

ACTIONS TAKEN

1. The Board of Directors ("Board") voted to approve the minutes of the May 5, 2014, meeting, as revised.
 2. The Board accepted the Oaths, Statements and Election for Directors Garner and Theriot and declared them re-elected for a four year term.
 3. The Board declared that all officers of the Board be re-elected to the positions that they currently hold.
 4. 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.
 5. The Board authorized the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2013 and prior years.
 6. The Board authorized Environmental Development Partners, L.L.C to modify the slab under the pumps at the Wastewater Treatment Plant to raise them higher off of the ground.
 7. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners, L.L.C.
 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 completion, execution and filing of the Voting System Annual Filing Form.
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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 June 2, 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"); Paul Vangrieken of Genesis Capital Advisors, L.L.C. ("Genesis"); Tom Kirkland of Chasewood Park Hotel ("Hotel"); Ed Jones of Hewlett Packard ("HP");; 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

The Board first considered approval of the minutes of the Board of Directors meeting held on May 5, 2014. After discussion, Director Theriot moved that the minutes of the May 5, 2014, Board of Directors meeting be approved, as revised. Director Rhodes 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.

Director Garner entered the meeting at this time.

A discussion next followed regarding the Constable's protocol for handling solicitors in the District and the issuance of tickets for failure to park on the correct side of the street. Director Theriot suggested that information be included in the Lakewood Crossing, Section 1 Subdivision Newsletter regarding both issues.

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

ACCEPTANCE OF OATHS OF RE-ELECTED DIRECTORS

The Board next considered the acceptance of the Oaths of Office ("Oaths"), Statements of Elected Officer ("Statements") and Election Not to Disclose Certain Information ("Election") for Directors Garner and Theriot. Directors Garner and Theriot took their respective Oaths and executed their respective Statements and Election. Ms. Richardson advised that MRPC will file Oaths of Directors Garner and Theriot with the Secretary of State in a timely manner. After discussion on the matter, Director Garner moved to accept said Oaths, Statements and Election for Directors Garner and Theriot and declare them re-elected for a four year term. Director Theriot seconded said motion, which carried unanimously.

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 that all officers of the Board be re-elected to the positions that they currently hold. Director Garner seconded said motion, which unanimously carried.

DEVELOPERS' REPORTS

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 Mr. Eby to resolve the backflow preventer issues.

GENESIS CAPITAL PARTNER, L.L.C.

The Board next considered development in the District by Genesis. In connection therewith, Mr. Vangrieken reported that Genesis is evaluating the possibility of developing its remaining property into a multi-family development. He stated that he contacted Mr. Eby regarding the remaining available capacity in the lift station and wastewater treatment plant. Mr. Eby stated that he will provide Genesis a breakdown of capacity allocation and remaining capacity.

A discussion next followed regarding the deposit from Chasewood Park Hotel for the lift station upgrades. In connection therewith, Mr. Vangrieken presented a letter to the Board from Chasewood Water Supply Corp. ("CWSC") (**Exhibit B**) requesting a partial reimbursement to CWSC. After discussion, the Board concurred to reduce the amount of required deposit to \$5,000.00 and to address the request for reimbursement after the lift station upgrade project is completed.

The Board next considered the status of the Hotel development in Chasewood. In connection therewith, Mr. Kirkland stated he expects the Hotel to be completed in February 2015. A discussion next followed regarding refunding a portion of the tap fee paid by the Hotel since the tap did not require as much water line piping as initially anticipated. Mr. Thiry presented a revised tap fee letter showing the revised cost, and the Board concurred to refund \$16,500.00 to the Hotel,

with such amount reflecting the difference in cost of materials and labor attributable to 120 feet of unneeded water line.

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. Thiry presented the activity report for the month of May (**Exhibit C**). Director Geaslen stated that he has scheduled a meeting with Daniel Forest and Danny Forest of Advantage tomorrow to try and work out the issues with reporting and monitoring. Director Theriot noted that she will also attend the meeting.

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 D**) dated June 2, 2014. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He stated that he received the District’s preliminary value for 2014 from the Harris County Appraisal District and reported that such value totals \$674,673,937. He further noted that this amount only reflects the value of real property in the District and that the number would go up substantially after personal property values are added and property valuation protests are resolved. 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 Rhodes seconded said motion, which carried unanimously.

Ms. Richardson next presented for the Board’s review and information the attached list of delinquent accounts, dated June 2, 2014, as prepared by the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (“Perdue”) (**Exhibit E**).

COLLECTION OF DELINQUENT TAXES

The Board next considered authorizing Perdue to pursue the collection of delinquent taxes for 2013 and prior years, including the filing of lawsuits. After discussion on the matter, Director Rhodes moved to authorize Perdue to proceed with the collection of the District's 2013 and prior years delinquent tax accounts, as set out above. Director Garner seconded said motion, which unanimously carried.

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 F**) dated June 2, 2014.

Mr. Thiry reported that EDP completed various significant repairs during the month. He stated that EDP repaired the lighting at the Water Plant and performed various repairs in Chasewood relative to the water line modifications. Mr. Thiry also stated that EDP repaired a broken two inch water line during the month and that the cost of the repair will be back charged to the Hotel.

Mr. Thiry next reported that the fire hydrant flow testing was completed on May 9th. He stated that there are minimum repairs needed and that he will verify the need to install new reflectors, as reflected on the report.

Mr. Thiry next reported that the recent heavy rains and water run-off has damaged the non-potable pump motors at the Wastewater Plant since the equipment gets submerged during heavy rain events. He stated that EDP needs to replace the pump and motor and would like to raise the slab upon which the pumps are located to prevent such problem from reoccurring in the future. Mr. Eby stated that the runoff is likely coming from the HP property and that he will investigate options to address such issue. After discussion, the Board concurred to authorize EDP to repair the pump motors and perform the proposed modifications to the slab.

Director Geaslen next requested that EDP clear the concrete pile that has accumulated at Water Plant #1. Mr. Thiry stated that he will address same.

Mr. Thiry next reported that Lone Star has completed the work on the backflow preventer installations at the Central Plant.

Mr. Thiry next presented a revised Consumer Confidence Report (**Exhibit G**) to the Board. He presented a revised draft and noted that he included required language relative to a Lead/Copper Reporting Violation received by the District.

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 H**).

Mr. Eby reported that he plans to meet with Blastco to get an estimate for painting the lift station at HP and will bring the proposal to the Board next month.

Mr. Eby next presented to the Board an invoice from Brian Gardens for the removal of 5 trees at a cost of \$862.50 and recommended the Board approve payment of same.

Mr. Eby next presented to the Board an invoice from Vista Landscape Services for the repair of the fountain in the park at a cost of \$665.00 and recommended the Board approve payment of same. He stated that the fountain is in need of an additional repair due to a small leak and requested that the Board approve the proposal from Vista for same at a cost of \$200.00.

Mr. Eby next presented to the Board an invoice from Advantage relative to Comcast replacing a cable at the park at a cost of \$365.00. He stated that the site is back online and that Comcast will hook up the site at Water Plant #2 soon thereby allowing Advantage to monitor the facility.

Mr. Eby stated that he purchased the paint to repaint the Skate Park and that he will schedule Vista to re-paint the surface before the next meeting.

Director Theriot next requested that Mr. Eby instruct Brian Gardens check the mulch by the swing set and add additional mulch if necessary. She also noted that the asphalt trail in the park has hardened. Director Theriot inquired about repairing some of the exercise equipment at the park. Mr. Eby stated that he is meeting with a playground equipment supplier next week and will see if they have the ability and the party required to repair the equipment.

Mr. Eby next reported that he is looking for an alternate company to perform the annual park safety inspection and that he prefers that the inspector be certified to do same.

Mr. Eby next stated that he will add the valves located by EDP on the District's as-built drawings.

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. In connection therewith, Ms. Redden reviewed the attached Bookkeeping Report (**Exhibit I**), 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 Nicosia seconded said motion, which carried unanimously.

VOTING SYSTEM ANNUAL FILING FORM

Ms. Richardson next discussed for the Board's information and approval a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. She advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's Office. After discussion on the Form, Director Rhodes moved to approve the Form and authorize MRPC to file same with the Secretary of State's Office, as required by law. Director Theriot seconded said motion, which unanimously carried.

DISTRICT WEBSITE

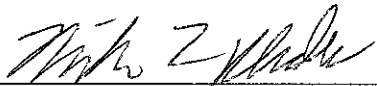
In connection with the District's website, Director Theriot stated that she will update same as soon as she receives last month's minutes that were approved but not executed.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. In connection therewith, Mr. Vangrieken requested that an item be added to address the potential reimbursement to CWSC.

ADJOURNMENT OF BOARD MEETING

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


Secretary

LIST OF EXHIBITS

June 2, 2014

- Exhibit A. Security Report by Harris County Constable
- Exhibit B. CWSC Letter
- Exhibit C. Security Report by Advantage
- Exhibit D. Tax Assessor-Collector's Report
- Exhibit E. Delinquent Tax Report
- Exhibit F. Operations and Maintenance Report
- Exhibit G. Consumer Confidence Report
- Exhibit H. Engineer's Report
- Exhibit I. Bookkeeping Report