

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
November 4, 2013

ACTIONS TAKEN

1. The Board of Directors (“Board”) voted to approve the minutes of the October 7, 2013, meeting, as revised.
 2. The Board authorized the District’s consultants to do whatever necessary to carry out the redemption of the District’s outstanding Unlimited Tax Bonds, Series 1995.
 3. 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.
 4. The Board approved the contract with Advantage Security Integration and invoices in connection with same.
 5. The Board approved the installation of a water line at a cost of \$15,000.00.
 6. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners, L.L.C.
 7. The Board authorized Brian Gardens to perform landscaping maintenance at Water Plant No. 1 and at the Lift Station on Jones Road, as well as the removal of dead trees from the trail.
 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 an alternate employee of Claudia Redden & Associates, LLC to transfer funds in and out of TexPool and Texas Class on behalf of the District.
 11. The Board approved the Consent to Encroachment Agreement between the District and Compaq Center Drive West Owners Association, Inc. contingent upon receipt of an acceptable property description to serve as Exhibit “A” from the landowner.
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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 November 4, 2013, 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 Sergeant James Rouse and Deputy Joseph Martino 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"); Michael Murr of Park Rangers, LLC ("Park Rangers"); and Kara Richardson of Marks Richardson PC ("MRPC").

President Geaslen called the meeting to order at 6:00 p.m. and declared same open for such business as might properly come before it.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board of Directors meeting held on October 7, 2013. After discussion, Director Nicosia moved that the minutes of the October 7, 2013, Board of Directors meeting be approved, as revised. 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**). In connection therewith, Deputy Martino presented the report and stated that there was not much activity to report this month, other than the items listed in the report.

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

REDEMPTION OF SERIES 1995 BONDS

The Board next considered the status of the redemption of the District's outstanding Unlimited Tax Bonds, Series 1995 (the "Bonds"). In connection therewith, Ms. Richardson presented a closing memorandum from Mr. Shepherd of RBC Dain Rauscher, Inc. relative to same (**Exhibit B**). After discussion on the matter, Director Garner made a motion to authorize the District's consultants to do whatever necessary to carry out the redemption of the Bonds. Director Theriot seconded said motion, which unanimously carried.

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 C**) dated October 31, 2013. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Rhodes moved that the Tax Assessor-Collector Report be approved as presented, and that the checks identified in said report be approved for payment. Director Theriot seconded said motion, which carried unanimously.

Mr. Arterburn next presented and reviewed with the Board the Disaster Recovery Plan for UTS (**Exhibit D**). In connection therewith, Director Geaslen requested that Mr. Arterburn update same to include contact phone numbers, provide Ms. Richardson with a copy for the District's file, and bring copies for the Board next month.

PROPOSAL FOR PARK MAINTENANCE

The Board next considered a proposal for park maintenance from Park Rangers, LLC. In connection therewith, Mr. Murr presented and reviewed his proposed services with the Board (**Exhibit E**). A discussion next followed regarding the specific duties that Park Rangers would provide. Mr. Murr stated that he will forward a copy of the proposal to Ms. Richardson for distribution to the Board via email for further review.

Mr. Murr exited the meeting at this time.

ADVANTAGE SECURITY INTEGRATION

The Board next considered the status of the installation of a security system at District facilities by Advantage Security Integration ("Advantage") and the approval of a contract relative to same. In connection therewith, Ms. Richardson presented the contract along with various invoices to the Board for approval and authorization. She stated she has reviewed same and that all issues with the proposed contract have been successfully addressed with Advantage. After discussion on the matter, Director Nicosia made a motion to approve the contract and invoices with Advantage and to authorize the President to execute same on behalf of the Board. Director Rhodes 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 F**) dated October 31, 2013.

Mr. Thiry reported that EDP completed various significant repairs during the month. He stated that EDP replaced the batteries for the generators serving Water Plant #1 and Water Plant #2. He further reported that EDP replaced a leaking air release valve at Lift Station #2 and that EDP performed landscape repairs on Jones Road following a water main leak.

Mr. Thiry next reported that online payment options for customers in the District have been implemented and that he will bring a usage report for the Board next month.

Mr. Thiry next reported that EDP estimates that the cost to install two valves and a 6 inch water line from the water plant to the nearest cul-de-sac would be \$15,000.00 and recommended that the Board authorize same. After discussion on the matter, Director Garner made a motion to authorize EDP to install said water line with funds from the Construction Account, as set out above. Director Theriot seconded said motion, which unanimously carried.

Mr. Thiry next reported that EDP received an invoice from R&C Joy Lab ("R&C") dated June 2012 for the amount of \$1,112.00 for normal monthly sample testing. He stated that R&C realized they had failed to send the invoice and that are asking the Board to consider payment of the late invoice. After discussion on the matter, the Board concurred to decline the request for payment since said invoice is for work performed in the last fiscal year.

A discussion next followed regarding the Waste Water Treatment Plant capacity and the potential need to expand the plant in the future if capacity needs require expansion.

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

Mr. Thiry next reviewed EDP's Disaster Recovery Plan with the Board (**Exhibit G**). In connection therewith, Director Geaslen requested that Mr. Thiry update same to include contact phone numbers, provide Ms. Richardson with a copy for the District's file, and bring copies for the Board next month.

ENGINEERING REPORT

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

Mr. Eby next presented 3 proposals from Brian Gardens relative to clean up projects in the District. He presented a proposal for landscaping maintenance at Water Plant #1 totaling \$795.00, a proposal for landscaping maintenance at the Jones Road Lift Station totaling \$450.00, and a proposal to remove 6 dead trees on the park trail totaling \$900.00. After discussion on the matter, Director Nicosia made a motion to authorize Brian Gardens to proceed with all three jobs, as set out above. Director Theriot seconded said motion, which carried unanimously.

A discussion next followed regarding the potential overlapping duties of Brian Gardens and Park Rangers, LLC.

Mr. Eby next reported that TCEQ approved the request for an exemption for the plan submittal for the fluoride injection system. Mr. Thiry stated that he will begin adding fluoride to the District's water supply once he receives a final go-ahead from Mr. Eby.

Mr. Eby next reported that he approved the plans for Chasewood Park.

Mr. Eby next reported that he will have an updated Capital Projects budget ready to present 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 Garner seconded said motion, which unanimously carried.

DROUGHT CONTINGENCY PLAN

The Board next considered the status of an amendment to the District's Drought Contingency Plan. After discussion on the matter, the Board concurred to remove the drought signs in the District and to defer amending the Drought Contingency Plan as this time.

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 Rhodes moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Garner seconded said motion, which carried unanimously.

A discussion next followed regarding including HP within the boundaries of the area covered under the District's Strategic Partnership Agreement with the City of Houston.

Ms. Redden next distributed and reviewed with the Board the Disaster Recovery Plan for Claudia Redden & Associates (**Exhibit J**). Ms. Redden stated that she will update same to include the phone numbers and emails for the contacts listed and bring to the Board next month.

Ms. Redden next requested that the Board authorize adding Ms. Sarah Redden to the list of authorized persons who can transfer funds in and out of TexPool and Texas Class. After discussion on the matter, Director Theriot moved that Ms. Redden be authorized to transfer funds on behalf of the District. Director Nicosia seconded said motion, which carried unanimously.

DEVELOPERS' REPORTS

HP

The Board next considered development in the District by HP. In connection therewith, Mr. Eby stated that HP wants to pave over a portion of the District's water meter easement located on property that has since been dedicated to the Compaq Center Drive West Owner's Association, Inc. ("Compaq"). Mr. Eby noted that the paving will not interfere with any District-owned facilities and recommended that the Board approve a Consent to Encroachment ("Consent") relative to same. Ms. Richardson presented the proposed Consent and noted that Compaq would need to execute the Consent since they own the dominate fee tract. Ms. Richardson noted that she has not yet received a property description for the Consent but recommended the Boards approval contingent upon

receipt of same from Compaq. After discussion on the matter, Director Theriot made a motion to approve the Consent to Encroachment Agreement and authorize the President to execute same on behalf of the Board. Director Rhodes seconded said motion, which carried unanimously.

GENESIS CAPITAL PARTNER, L.L.C.

The Board deferred consideration of development in the District by Genesis as no representative was present to discuss same.

CENTRE AT CYPRESS CREEK

The Board deferred consideration of the development in the District by the Centre at Cypress Creek as no representative was present to discuss same.

LONE STAR

The Board deferred consideration of the development in the District by Lone Star as Director Garner noted there was 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 to discuss same.

DISASTER RECOVERY PLANS

The Board next considered Disaster Recovery Plans for district consultants. In connection therewith, Mr. Eby discussed the plan for Eby and stated that he will bring copies for the Board next month. Ms. Richardson next presented and reviewed the Disaster Recovery Plan for MRPC (**Exhibit K**).

DISTRICT WEBSITE

In connection with the District's website, Director Theriot reported that the website averages 72 hits per day.

ADJOURNMENT OF BOARD MEETING

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

A discussion next followed regarding the Acclaim Energy program. Director Geaslen requested that Mr. Eby look into the program and the District's compatibility to enroll in same, prior to adding an item to the agenda to discuss same.

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

Mick Z Rhodes

Secretary

LIST OF EXHIBITS

November 4, 2013

- Exhibit A. Security Report
- Exhibit B. Letter regarding Cash Call of Series 1995 bonds
- Exhibit C. Tax Assessor-Collector's Report
- Exhibit D. UTS Disaster Recovery Plan
- Exhibit E. Proposal from Park Rangers, LLC
- Exhibit F. Operations and Maintenance Report
- Exhibit G. EDP Disaster Recovery Plan
- Exhibit H. Engineer's Report
- Exhibit I. Bookkeeping Report
- Exhibit J. Claudia Redden & Associates Disaster Recovery Plan
- Exhibit K. MRPC Disaster Recovery Plan