

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286**

Minutes of Board of Directors Meeting  
November 3, 2014

**ACTIONS TAKEN**

---

1. The Board of Directors ("Board") approved the minutes of the October 6, 2014, and October 7, 2014, meetings.
  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 EDP to contract NTS Pumps, Motors and Controls to install an auto dialer at Water Plant #2.
  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.
  7. The Board approved a Resolution adopting Order Establishing Policy for Investment of District Funds and Appointing Investment Officer.
  8. The Board authorized the purchase of a \$500 plaque at the Fallen Veteran's Memorial to honor the late Director Nicosia.
-

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 3, 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, Vice President  
Steve Garner, Secretary  
Rosalind Theriot, Assistant Secretary  
Becky Campbell, Assistant Secretary

All of said persons were present, except Director Garner, 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"); Eric Thiry and Gregory Camp of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Ed Jones of Hewlett Packard ("HP"); Paul Vangrieken and Kevin Drewes of Genesis Capital Advisors, L.L.C. ("Genesis"); 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 October 6, 2014. After discussion, Director Geaslen made a motion to approve the minutes of the October 6, 2014, Board of Directors meeting, as written. Director Rhodes seconded the motion, which carried unanimously.

The Board next considered approval of the minutes of the Board of Directors meeting held on October 7, 2014. After discussion, Director Geaslen made a motion to approve the minutes of the October 7, 2014 Board of Directors meeting, as written. Director Rhodes seconded the motion, which carried unanimously.

#### **COMMUNITY OUTREACH PRESENTATION**

The Board next deferred considering a presentation by the Community Outreach Director for Precinct 4 as no representative was present.

#### **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 A**) dated November 3, 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 99.90% and that the collections

for 2014 are at 0.19%. 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 Rhodes seconded the motion, which carried unanimously.

## **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report. Mr. Thiry presented and reviewed the attached Operations and Maintenance Report (**Exhibit B**) dated November 3, 2014.

Mr. Thiry reported that EDP worked on various significant repairs during the month. He stated that EDP rebuilt the non-potable piping at the Wastewater Plant and had Foster Fence repair the fence at Water Plant #2.

Mr. Thiry next reported that Water Plant #2 is in need of an auto dialer to serve as a notification system in case of emergency and presented proposals from NTS Pumps, Motors and Controls ("NTS") and EMS Electrical Mechanical Service, Inc. for the job. He stated that NTS would install the auto dialer, which would dial the operator if something happens, such as a chlorine leak or a power failure, and that such dialer would tie into the generator, the transfer switch, the chlorine leak detector, and into any existing district alarms. Director Geaslen next asked if there was a battery backup to the phone line at Water Plant 2 in case that line failed or lost power; Mr. Thiry said he would find out. . Mr. Thiry recommended that the Board authorize EDP to contract with NTS for the job at a cost of \$3,950. After discussion, Director Rhodes made a motion to authorize EDP to contract with NTS to install an auto dialer, as outlined above. Director Rhodes seconded the motion, which carried unanimously.

Mr. Thiry next reported that the District received a Notice of Violation from the TCEQ regarding Chlorine Monitoring and that many of the districts that Mr. Thiry represents got a similar violation likely due to a mailing error. He stated that he timely sent the monitoring reports to the TCEQ, but they had not received them for the District and for a significant number of other districts. He stated that he has attempted to contact the TCEQ to get the violation waived but that this violation requires that the District notify its customers by public notice mailed to each customer. A discussion was had regarding how to prevent a repeat of this sort of violation, and Mr. Thiry reported that beginning January, 2015, the TCEQ is to begin allowing electronic filing of notices.

Mr. Thiry next reported on commercial consumption in the District. He stated that some of the irrigation meters do not appear to be registering, including one meter at HP. As discussed in October's meeting, Mr. Thiry reported that he plans to inspect the commercial meters in January. Mr. Thiry reported that the total commercial consumption is at the highest point it has been in a year, and that commercial consumption at Two Chasewood has increased.

Mr. Jones next stated that there has been a general complaint of the smell in the area and inquired if it was coming from the Wastewater Treatment Plant on Jones Road, near HP. He also stated that HP has reported low water pressure. Mr. Thiry reported that it could have been from churning or sulfide gas, but that he had not noticed anything unusual.

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

### **SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE**

The Board next considered the Security Patrol Report (**Exhibit C**). Deputy Martino presented and reviewed the report and stated that there were a few suspicious vehicles during the month but that generally there is not much activity in the District.

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

### **DEVELOPERS' REPORTS**

#### **HP**

The Board next considered the status of development in the District by HP. Mr. Jones reported that HP is working on the backflow prevention. He next informed the Board about HP's potential interest in purchasing the land adjacent to the Wastewater Treatment Plant from the District to use for additional parking. Mr. Thiry noted that the WWTP's discharge pipe runs under the Property, and that the Property is within the floodplain. Mr. Jones indicated he would see if his office has a plat of the site. The Board deferred further discussion on this issue.

#### **GENESIS CAPITAL PARTNER, L.L.C.**

The Board next considered the status of development in the District by Genesis. Mr. Vangrieken presented the current Chasewood Water Supply Loan Computation (**Exhibit D**) and stated that the loans should be paid off in 4-5 months. Upon request by Director Geaslen, Mr. Vangrieken explained the conversion fee table to director Campbell.

Mr. Vangrieken next reported about the upgrade to the lift station and the status of payment by the Springhill Suites hotel. Mr. Eby and Mr. Vangrieken stated that the work on the lift station is not complete at this date.

Mr. Vangrieken next reported that Genesis has not created enough value yet to allow the District to reimburse Genesis for drainage expenses under its Utility Development Agreement with the District. Ms. Eubank confirmed that before such reimbursement would be allowed, the District would need to authorize and engage an auditor to conduct a developer reimbursement audit. Finally, Mr. Vangrieken reported that 5 Chasewood is still in need of a tenant.

#### **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 as Director Garner was not present.

## **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

## **ENGINEERING REPORT**

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

Mr. Eby first presented a sketch of the Noble Energy 2 Irrigation to Amenity Lake and Detention Pond. He reported that the water line is already in place near the edge of the amenity lake and detention pond to be served by the District, and that he has requested that Noble Energy pay the District \$1,000 to cover any costs incident to initiating service. Mr. Eby stated that Brian Attaway from Noble Energy was to finalize the matter with Noble Energy.

Mr. Eby next reported that Brian Gardens and Vista Landscape Services both performed various repairs during the month. Brian Gardens installed mulch in the park esplanade and invoiced the District \$411.00. Brian Gardens also removed a broken tree from the park and invoiced the District \$175.00. Vista Landscape Services repaired the leaking water fountain at the park and invoiced the District \$190.00. Vista also submitted an older invoice from July in the amount of \$284.99 for replacing a bucket swing at the park.

Mr. Eby next reported that he inspected the Park and the playground equipment, and that everything appears to be in good working order.

Mr. Eby next reported that there was nothing to report regarding the Security System in the District. Director Theriot stated that there was an incident at 9:30 pm as reported by the Constable that she does not see reflected on the report. Mr. Eby stated he would email Advantage Security to determine why this was not reflected on the report. Mr. Eby also noted that daylight savings time had recently ended, and as a result, it was getting darker earlier. After discussion, the board concurred to have Advantage begin monitoring the park at 6:00 p.m. each day.

Ms. Eubank next reported that the notices regarding the Wastewater Treatment Plant Permit Renewal have been published in the Spanish and English newspapers and that she is waiting on the TCEQ for further instruction.

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

### **REVIEW OF INVESTMENT POLICY**

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a Resolution relative thereto. Ms. Eubank advised that there are no proposed changes to the Order at this time and recommended that the current Order remain in effect. After discussion, Director Campbell made a motion to adopt the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (**Exhibit G**), and to authorize the President to sign and the Secretary to attest the Resolution on behalf of the Board and District. Director Rhodes seconded the motion, which unanimously carried.

### **WATER CONSERVATION MEETING**

The Board next deferred considering the status of the Water Conservation Meeting held on October 7, 2014.

### **DISTRICT WEBSITE**

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

### **COMMEMORATION FOR FORMER DIRECTOR NICOSIA**

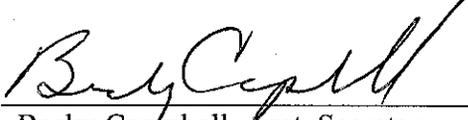
A discussion next followed regarding options to commemorate former Director Nicosia's service to the District. Directors Geaslen and Theriot stated that they first recommended purchasing a brick on the Fallen Warriors Memorial because of Director Nicosia's military service, but they noted that Director Nicosia's neighbors already purchased one. The board next discussed purchasing a plaque on the wall instead of a brick to be installed at the Fallen Warriors Memorial. After discussion, Director Campbell made a motion to authorize the purchase of a \$500 granite plaque to add to the Fallen Warriors Memorial wall. Director Rhodes seconded the motion, which carried unanimously.

**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.

  
Becky Campbell, Asst. Secretary

**LIST OF EXHIBITS**

November 3, 2014

- Exhibit A. Tax Assessor-Collector's Report
- Exhibit B. Operations and Maintenance Report
- Exhibit C. Security Report by Harris County Constable
- Exhibit D. Chasewood Loan Schedule
- Exhibit E. Engineering Report
- Exhibit F. Bookkeeping Report
- Exhibit G. Resolution Regarding Review of Investment Policy