

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

Minutes of Board of Directors Meeting  
February 2, 2015

**ACTIONS TAKEN**

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1. The Board of Directors (“Board”) approved the minutes of the January 5, 2015, meeting.
  2. The Board approved the Interlocal Agreement for Law Enforcement Services with Harris County.
  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 and adopted a Resolution Concerning Exemptions from Taxation granting an exemption from ad valorem taxation on residential homesteads for persons under a disability or sixty-five years of age or older and a 20% residential homestead exemption for the year 2015.
  5. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners (“EDP”).
  6. The Board approved the Engineering Report presented by Eby Engineers, Inc.
  7. The Board authorized Eby Engineers, Inc. to purchase and install a park bench with a plaque commemorating former Director Nicosia’s service to the District.
  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 Resolution Adopting List of Qualified Brokers.
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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 February 2, 2015, 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, therefore constituting a quorum.

Also present were Deputy Joseph Martino, Corporal Melvin Curry, Corporal Wallace, and Deputy Futch 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 Sr. of Utility Tax Service, L.L.C. ("UTS"); Paul Vangrieken and Kevin Drewes of Genesis Capital Advisors, L.L.C. ("Genesis"); 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**

As the first order of business, the Board considered approval of the minutes of the Board of Directors meeting held on January 5, 2015. After discussion, Director Rhodes moved to approve the minutes of the January 5, 2015, Board of Directors meeting, as written. Director Theriot seconded the motion, which carried unanimously.

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

The Board next considered the Security Patrol Report (**Exhibit A**). Deputy Martino reported that they caught a young man discharging a firearm in the bayou and they arrested him. He noted that there was an assault on the HP campus that was handled internally and that there has been an increase in graffiti in the area. Corporal Curry recommended adding information to the District's website instructing residents to call the constable to report crimes as soon as the crime occurs and preferably from the location of the crime. Corporal Curry reported that Tasers and body video cameras will soon be issued to all constables in the area.

The Board next considered the approval of the Interlocal Agreement for Law Enforcement Services with Harris County. Ms. Richardson reviewed the same with the Board and noted that the cost increased approximately \$3,000 from last year, and that the contract term will begin March 1<sup>st</sup>. After discussion, Director Rhodes made a motion to approve the Agreement and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Garner seconded the motion, which unanimously carried.

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

## **DEVELOPERS' REPORTS**

### **HP**

The Board next considered the status of development in the District by HP. Mr. Eby stated that he has not yet received plans from HP for the backflow prevention project. He stated that he will try to contact them again. Ms. Richardson stated that she will send a follow-up letter to HP giving them 90 days to complete the project.

### **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 B**) and stated that \$49,000 is still owed.

A discussion followed regarding reimbursement to Genesis for detention. Ms. Richardson stated that she will get with the District's Tax Assessor determine if there is sufficient value to support reimbursement.

A discussion followed regarding the deposit for the future lift station upgrades. Mr. Vangrieken stated that Genesis will put up the deposit if the District refunds the deposit put up by Springhill Suites.

### **CENTRE AT CYPRESS CREEK**

The Board next considered the status of development in the District by the Centre at Cypress Creek. Mr. Eby stated that he had a discussion with Centre's representative to discuss money owed to Eby for his review of plans. MR. Eby stated that the representative inquired about a piece of land owned by Centre for which Centre did not receive a tax bill. Mr. Arterburn stated that he will look into the matter.

### **LONE STAR**

The Board next considered the development in the District by Lone Star. Director Garner stated that he had nothing new to report.

### **SPRINGHILL SUITES**

The Board next considered the development in the District by Springhill Suites. Mr. Vangrieken stated that the hotel is planning to open April 15<sup>th</sup>.

## **TCH NORTHWEST ASSOCIATES (“TCH”)**

The Board next deferred consideration of the development in the District by TCH 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 C**) dated February 2, 2015. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. He noted that collections for 2014 are at 42.65%. 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.

## **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

The Board next considered granting exemptions from taxation for 2015. Ms. Richardson outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Sections 11.13 and 11.184 of the Property Tax Code. After discussion, Director Rhodes made a motion 1) to grant an exemption from ad valorem taxation on residential homesteads for persons under a disability or sixty-five years of age or older for the year 2015, 2) to grant that a 20% residential homestead exemption for the year 2015, and 3) to approve and adopt the Resolution relative to the granted exemptions (**Exhibit D**). Director Theriot 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 E**) dated February 2, 2015.

A discussion followed regarding the installation of a new motor and gear box at the wastewater plant. Director Geaslen noted that EDP marked up the cost of the materials and questioned whether the contract between the District and EDP provides for such markup. Ms. Richardson and Mr. Thiry agreed to review the contract and report back to the Board.

Mr. Thiry next stated that EDP has not had any additional discussions with the YMCA since the last meeting. He next noted that EDP will schedule the yearly hydro-tank inspections soon.

Mr. Thiry next reported that water service to Noble Energy was interrupted last week because an interconnecting district, HC MUD 468, inadvertently turned off the wrong valve while investigating a potential leak.

Mr. Eby next stated that he cancelled Comcast's monthly charge for the line installed to serve the autodialer at Water Plant #2. He noted that the line still needs to be hooked up. He recommended that Mr. Thiry have an electrician come out to connect the line to the autodialer.

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

## ENGINEERING REPORT

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

A discussion followed regarding a leaky fountain at the park. Mr. Eby stated that Vista fixed the fountain and placed a blanket around it before the freeze.

Mr. Eby next presented an invoice from Brian Gardens for cleaning the trail around the bridges. He also presented an estimate for the addition of mulch to the landscaping beds at the park. After discussion, the Board concurred to authorize Brian Gardens to proceed with the mulch work.

Mr. Eby next stated that he inspected the park in January. He presented photos of various playground equipment needing repair or replacement. He noted that he will contact the manufacturer to address the repairs.

Mr. Eby next reported that the sign located in the wooded area of the park is down. After discussion, the Board concurred to defer replacing the sign but to leave the pole in place in the event that the Board decided to replace the sign in the future.

The Board next discussed the placement of cameras in the parking lot at the park. Mr. Eby stated that the existing cameras should pick up the activity in the parking lot, but noted that a faulty digital analyzer is preventing the camera from capturing this activity. He stated that Advantage is in the process of repairing the analyzer. He stated that he will notify Director Geaslen once it is repaired so that he can test it out. Mr. Eby further stated that Advantage monitors three areas of the park: the Skate Park, pavilion, and parking lot. After discussion, the Board concurred to wait until next month to see if the repair solves the issue before adding any additional cameras.

A discussion followed regarding the installation of a new park bench to commemorate former Director Nicosia's service to the District. Mr. Eby stated that he and Director Rhodes discussed the matter earlier in the month and reported that they found a bench with a plaque costing \$845 with an installation cost of \$500. He recommended that the bench be placed between the pavilion and the skate park. Director Rhodes stated that the plaque could read "In Memory of Paul Nicosia; MUD 286 Board of Directors" followed by his years of service. Mr. Eby stated that this particular bench may not come in brown, and if that is the case, he will get with Director Rhodes to pick an alternate color. After discussion, Director Garner made a motion to authorize Eby to purchase and install the bench with the plaque commemorating former Director Nicosia's service, as set out above. Director Rhodes seconded the motion, which carried unanimously.

Director Geaslen next suggested that Mr. Eby investigate the feasibility of widening the sidewalk on Cypresswood Drive near the bridges. He stated that there are 2 feet on either side of the sidewalk that may allow for possible expansion. Mr. Eby stated that he will investigate the feasibility and report back to the Board.

Director Campbell next discussed an email received from Bill Collier, a director of the Greater Houston Off-Road Mountain Biking Association (the "Association") (**Exhibit G**) which discussed complaints received from residents regarding the bikers' trail riding activities. Director Campbell stated that Mr. Collier would like to come talk to the Board next month about the Association's activities. Director Rhodes asked Mr. Eby to overlay the properties on the west side of Cypress Creek onto the maps from Mr. Collier. After discussion, the Board concurred to add an item to the March agenda to hear from the Association.

Director Theriot next stated that she spoke with Garret Berg from Precinct 4 about constables possibly patrolling the District's trails. She stated that he informed her that the Constables only patrol larger trails but that eventually they will likely patrol the District's trails once they link to the larger trail system along Cypress Creek.

After discussion, Director Theriot made a motion to approve the Engineering Report and the invoices set forth therein. Director Rhodes seconded the motion, which unanimously carried.

#### **RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE**

The Board next deferred consideration of the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects.

#### **BOOKKEEPING REPORT**

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit H**), including the checks presented for payment. She noted the checks written to the Bookkeeper are a reimbursement for regulatory assessments that she paid on behalf of the District so that they would not be late. After discussion, Director Theriot made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Rhodes seconded the motion, which carried unanimously.

Mr. Eby next instructed Ms. Redden to refund the deposit from Springhill Suites for the lift station upgrades and to invoice Genesis for the required deposit. Ms. Richardson stated that she will verify the correct entity name for Genesis relative to the reimbursement agreement.

#### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

Ms. Richardson next advised the Board that requirements in the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers

attached thereto as Exhibit "A", (Exhibit I). Ms. Richardson noted that the list of brokers was provided by the District bookkeeper, and recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the list that could create a conflict of interest, then that institution(s) should be deleted from the list that the Board adopts. After discussion, Director Theriot made a motion to approve the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. Director Rhodes seconded the motion, which unanimously carried.

### RENEWAL OF INSURANCE

The Board next considered the renewal of the District's insurance coverage for the term scheduled to expire on March 31, 2015. Ms. Richardson distributed renewal proposals received from AquaSurance, LLC relative to property, comprehensive boiler and machinery, commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, and business travel coverage scheduled to expire on March 31, 2016 (Exhibit J). After discussion, Director Theriot made a motion to approve the renewal proposal from AquaSurance, LLC for all coverages set out above, and to authorize the President to execute the proposal on behalf of the Board and District. Director Rhodes seconded the motion, which unanimously carried

### DISTRICT WEBSITE

The Board next considered the status of the District's website. Director Theriot noted that all items on the website are up to date.

### COMMEMORATION FOR FORMER DIRECTOR NICOSIA

The Board next deferred consideration of the commemoration for Former Director Nicosia as the topic was covered earlier in the meeting.


### ITEMS FOR FUTURE AGENDAS

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

A discussion next followed regarding the AWBD summer conference. After discussion, the Board requested that Director Theriot arrange the hotel reservations for the Board in connection with the conference.

### ADJOURNMENT OF BOARD MEETING

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

  
Secretary, Board of Directors

**LIST OF EXHIBITS**

February 2, 2015

- Exhibit A. Patrol Report
- Exhibit B. Chasewood Loan Schedule
- Exhibit C. Tax Assessor-Collector's Report
- Exhibit D. Resolution Concerning Exemption from Taxation
- Exhibit E. Operations and Maintenance Report
- Exhibit F. Engineering Report
- Exhibit G. Email from Mr. Collier
- Exhibit H. Bookkeeping Report
- Exhibit I. Black-lined List of Authorized Brokers
- Exhibit J. Proposal from AquaSurance, LLC