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MINUTES OF SPECIAL MEETING OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285

June 25, 2007

The Board of Directors of Harris County Municipal Utility District No. 285 met in special session, open to the public, on the 25th day of June, 2007, at a regular meeting place outside the boundaries of the District, and the roll was called of the duly constituted members of the Board, to-wit:

Walter A. Knowles, Jr.	President/Investment Officer
Roy Adame, Jr.	Vice President
James W. Chick	Secretary/Investment Officer
Jerry L. Allen	Asst. Vice President
Chand Khan	Assistant Secretary/Investment Officer

and all of said persons were present.

Also present were Kenneth Martinec and Daniel Maxian of Jones & Carter, Inc. ("J&C"); Arthur Marshall of the Board of Directors of the North Channel Water Authority ("North Channel"); Marsha Jan of McCall, Gibson & Company, PLLC; Michael Wilson of Ley Wilson Development, LLC; Chad Ferguson of BPI Realty Services; Susan Edwards of Allen Boone Humphries Robinson LLP ("ABHR"); and Susan Prospere, Recording Secretary.

MINUTES

The Board considered approving the minutes of the May 21, 2007, meeting. After discussion, Director Adame moved that the Board approve the minutes as presented. The motion was seconded by Director Khan and carried by unanimous vote.

DEVELOPERS' REPORTS

Mr. Ferguson reported on the status of efforts by FVNA Properties, Ltd., to market its property in the District.

Mr. Wilson reported on the status of development in the District by Ley Wilson Development, LLC.

DEVELOPER REIMBURSEMENT REPORT

Ms. Jan reviewed a draft of the developer reimbursement report setting forth amounts due to KB Home Lone Star LP, New Forest West, Ltd., New Forest Properties, L.P., Carpenter's Landing Partners, LP, and the East Belt 8/90 Partners, L.P., from the

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proceeds of the District's \$10,150,000 Unlimited Tax Bonds, Series 2007 ("Bonds"). She informed the Board that the Bond proceeds were not sufficient to reimburse all developer interest due on the projects to be reimbursed. She stated that the interest has been reduced by approximately 30% for each of the developers, with the amounts to be reimbursable from future bond proceeds or other funds as may be available. Ms. Edwards pointed out that the sites for the detention ponds serving New Forest West and New Forest, Section 2, have not yet been conveyed to the District. Mr. Maxian indicated that he will provide the property descriptions to ABHR for purposes of obtaining title work and preparing the deeds for conveyance of the sites. After discussion, Director Khan moved that the Board approve the developer reimbursement report, subject to final review and revision, and that the Board authorize reimbursement to the developers as appropriate, subject to closing of the Bond sale, approval of the facilities by the Texas Commission on Environmental Quality, and conveyance of the sites, as appropriate. The motion was seconded by Director Chick and carried by unanimous vote. A copy of the draft report is attached as an exhibit to these minutes.

AUDIT REPORT

The Board deferred approval of the District's audit report for the fiscal year ending March 31, 2007, pending receipt.

NORTH CHANNEL REPORT

Mr. Marshall reported on the status of the North Channel surface water system activities, including the construction of the Phase II expansion facilities. He stated that Billy C. Allen, Jr., reported 100.16% accountability for the month and 84.98% of the water used was surface water. A copy of the letter regarding the water rate increase is attached as an exhibit to these minutes.

SECURITY SERVICES

Director Allen presented a written report on the security services provided in the District, a copy of which is attached as an exhibit to these minutes.

ENGINEER'S REPORT

Mr. Maxian presented a written report regarding engineering activities performed in the District, including the projects specifically addressed as follows in these minutes. A copy of the engineer's report is attached as an exhibit to these minutes.

WASTEWATER TREATMENT PLANT NO. 2, PHASE 1

Mr. Maxian reported on the status of the construction of wastewater treatment plant no. 2, Phase 1. He stated that no Pay Estimates or Change Orders were submitted by R.P. Constructors, Inc., for the Board's approval.

WATER PLANT, PHASE 1

The Board considered approving the plans and specifications and authorizing advertisement for bids for the District's water plant, Phase 1. After discussion, Director Khan moved that the Board approve the plans and specifications and authorize J&C to advertise for bids for the project as stated. Director Allen seconded the motion, which carried unanimously.

ELEVATED WATER STORAGE TANK WAIVER

Mr. Maxian informed the Board that J&C is collecting data for inclusion in the application to the Texas Commission on Environmental Quality for a waiver from the elevated water storage tank requirement.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE LIBERTY LAKES, SECTION 2

Mr. Maxian reported on the status of the construction of the water, sewer, and drainage facilities to serve Liberty Lakes, Section 2. He stated that there was no update regarding completion of the project.

WATER, SEWER, AND DRAINAGE FACILITIES AND OFF-SITE WATER LINE TO SERVE LIBERTY LAKES, SECTION 9

Mr. Maxian reported on the status of the construction of the water, sewer and drainage facilities and off-site water line to serve Liberty Lakes, Section 9. He stated that J&C recommends approval of Change Order No. 1 submitted by Cravens Partners, Ltd., for quantity adjustments and the installation of off-site drainage swales for the adjacent property, resulting in a net increase of \$33,699 in the contract amount. He stated that \$21,000 of the cost for the drainage swales is a developer item and not eligible for reimbursement by the District. After discussion, Director Khan moved that the Board approve Change Order No. 1 as recommended. The motion was seconded by Director Allen and carried by unanimous vote.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE LIBERTY LAKES, SECTION 10

Mr. Maxian reported on the status of the water, sewer, and drainage facilities to serve Liberty Lakes, Section 10. He stated that no Pay Estimates or Change Orders were submitted by Crostex Construction, Inc., for the Board's approval.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE NEW FOREST, SECTION 2

Mr. Maxian reported on the status of the construction of the water, sewer, and drainage facilities to serve New Forest, Section 2. He recommended approval of Pay

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Estimate No. 7 and Final in the amount of \$15,935.06 submitted by Harris Construction Company, Ltd., and acceptance of the project. After discussion, Director Khan moved that the Board approve Pay Estimate No. 7 and Final for the water, sewer, and drainage facilities to serve Liberty Lakes, Section 10, and that the Board accept the project as recommended. The motion was seconded by Director Allen and carried by unanimous vote.

WATER, SEWER, AND DRAINAGE AND DETENTION FACILITIES TO SERVE NEW FOREST WEST, SECTION 4

The Board deferred approval of the plans and specifications for construction of the water, sewer, and drainage and detention facilities to serve New Forest West, Section 4, pending receipt and deferred authorizing advertisement for bids pending approval of the plans and specifications. Mr. Maxian reported that J&C is working with R.M. Atkinson, Jr., Engineers, Inc. ("Atkinson"), to finalize the design of the on-site facilities and the off-site detention facility.

NEW FOREST WEST, SECTION 4, LIFT STATION

Mr. Maxian reported that preparation of the plans and specifications for the New Forest West, Section 4, lift station is underway. He stated that J&C is waiting for revised construction drawings from Atkinson prior to finalizing the plans.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE NEW FOREST WEST, SECTION 3

The Board considered approving the plans and specifications for the water, sewer, and drainage facilities to serve New Forest West, Section 3, and authorizing advertisement for bids for the project. Mr. Maxian stated that J&C will review the plans and specifications when received from Atkinson. After discussion, Director Khan moved that the Board approve the plans and specifications and authorize J&C to advertise for bids for the project, subject to approval of Atkinson's plans and specifications by J&C and appropriate governmental agencies. The motion was seconded by Director Allen and carried by unanimous vote.

NEW FOREST LIFT STATION AND FORCE MAIN UPGRADE

The Board deferred approval of the plans and specifications of the New Forest lift station and force main upgrade pending receipt and deferred authorizing J&C to advertise for bids for the project pending approval of the plans and specifications.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE CARPENTER'S LANDING, SECTION 2

Mr. Maxian reported on the status of the construction of the water, sewer, and drainage facilities to serve Carpenter's Landing, Section 2. He stated that J&C

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recommends approval of Pay Estimate No. 4 in the amount of \$12,150 submitted by Cravens Partners, Ltd., and Change Order No. 1 for the installation of the storm water quality feature and an additional drainage structure on Wallisville Road to improve site drainage, resulting in a net increase of \$17,482.22 in the contract amount. After discussion, Director Khan moved that the Board approve Pay Estimate No. 4 and Change Order No. 1 as recommended. The motion was seconded by Director Allen and carried by unanimous vote.

CARPENTER'S LANDING LIFT STATION

Mr. Maxian reported on the status of the construction of the Carpenter's Landing lift station. He stated that J&C recommends approval of Pay Estimate No. 3 and Final in the amount of \$11,325.87 submitted by Liftwater Construction, Inc., and acceptance of the project. After discussion, Director Khan moved that the Board approve Pay Estimate No. 3 and Final for the construction of the Carpenter's Landing lift station and that the Board accept the project as recommended. The motion was seconded by Director Allen and carried by unanimous vote.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE CARPENTER'S LANDING, SECTION 3

The Board deferred approval of the plans and specifications for the water, sewer, and drainage facilities to serve Carpenter's Landing, Section 3, pending receipt, and deferred authorizing advertisement for bids for the project pending approval of the plans and specifications.

WATER AND SEWER TRUNK LINES TO SERVE FVNA AND LEY TRACTS

The Board reviewed a bid tabulation for the water and sewer trunk lines to serve the FVNA and Ley tracts. Mr. Maxian recommended that the Board accept the low bid in the amount of \$534,827.50 submitted by Statewide Services. The Board concurred that award of a contract to Statewide Services will be most advantageous to the District and will result in the best and most economical completion of the District's facilities. After discussion, Director Khan moved that the Board accept the low bid in the amount of \$534,827.50 submitted by Statewide Services for the water and sewer trunk lines to serve the FVNA and Ley tracts and that the Board award a contract to said contractor, subject to review of the payment and performance bonds by ABHR. Director Allen seconded the motion, which carried by unanimous vote.

OFF-SITE FACILITIES TO SERVE BLACK ROCK COMMONS

Mr. Maxian reported on the status of the construction of the off-site facilities to serve Black Rock Commons. He stated that J&C recommends approval of Pay Estimate No. 1 in the amount of \$57,789 submitted by Statewide Services. Upon a motion made by Director Khan and seconded by Director Allen, the Board voted unanimously to approve Pay Estimate No. 1 as recommended.

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BOND APPLICATION NO. 8

Mr. Maxian reported that work on bond application no. 8 is underway.

CONVEYANCE AND/OR ACCEPTANCE OF DEEDS AND/OR EASEMENTS

Mr. Maxian reported that there were no deeds and/or easements for the Board's approval and/or acceptance.

EROSION ON SOUTHWEST SIDE OF CARPENTER'S LANDING DETENTION POND AND ALONG CARPENTER'S BAYOU

Mr. Maxian reported that J&C is preparing an exhibit, specifications, and an itemized bid form for the repair of erosion on the southwest side of Carpenter's Landing detention pond and along Carpenter's Bayou.

UPDATE ON ANNEXATION

Ms. Edwards reported that the application for the annexation of the Black Rock Land Company, LLC, and Ley-Lane Partnership No. 8, L.P., tracts of land has been submitted to the City of Houston for approval.

ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed its attendance of the Association of Water Board Directors summer conference.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)

Secretary, Board of Directors

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