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

July 23, 2007

The Board of Directors of Harris County Municipal Utility District No. 285 met in special session, open to the public, on the 23rd day of July, 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"); Michael Wilson of Ley Wilson Development, LLC; Jason Atkinson of R.M. Atkinson, Jr., Engineers, Inc. ("Atkinson"); Brian Canepa; Susan Edwards of Allen Boone Humphries Robinson LLP ("ABHR"); and Susan Prospere, Recording Secretary.

MINUTES

The Board considered approving the minutes of the June 25, 2007, meeting. After discussion, Director Chick moved that the Board approve the minutes as presented. The motion was seconded by Director Allen and carried by unanimous vote.

SECURITY SERVICES

Director Chick reported that the Woodforest North II Homeowners Association ("HOA") has hired security patrol for the residents within its area. He suggested that the District obtain further information regarding the security services in view of the fact that a portion of the District will be receiving the security services provided through the HOA as well as the security services provided to the District by the Harris County Sheriff's Department. Director Allen volunteered to investigate the matter further to determine what effect, if any, the HOA security services will have on the security services provided by the District.

DEVELOPERS' REPORTS

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

ACCEPTANCE OF EASEMENTS

The Board considered accepting a Water Main Easement and Sanitary Sewer Easement ("Easements") conveyed to the District for facilities to serve New Forest West, Section 4. Upon a motion made by Director Allen and seconded by Director Adame, the Board voted unanimously to accept the Easements. Copies of the easements are attached as exhibits to these minutes.

SPECIAL WARRANTY DEEDS/DETENTION PONDS

The Board considered accepting Special Warranty Deeds from New Forest Properties, L.P., and New Forest West, Ltd., for the sites of the detention ponds serving New Forest, Section 2, and New Forest West, Section 4 (collectively, the "Deeds"), and considered authorizing payment to the respective entities from the proceeds of the Series 2007 Bonds, pursuant to the developer reimbursement report previously approved by the Board of Directors. After discussion, Director Chick moved that the Board accept the Deeds, subject to receipt of the Phase I environmental assessments and title commitments reflecting no incurable conditions, and authorize payment to New Forest Properties, L.P., and New Forest West, Ltd., pursuant to the developer reimbursement report. The motion was seconded by Director Adame and carried by unanimous vote. Copies of the Deeds are attached as exhibits to these minutes.

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 103.30% accountability for the month and 77.58% of the water used was surface water. He informed the Board that Alan Petrov attended the meeting to discuss organizing a group and hiring a consultant to challenge the City of Houston's wholesale water rate increases. A copy of the letter regarding the water rate increase 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. He presented a report analyzing the need for a bypass line from the interim wastewater treatment plant to the wastewater treatment plant no. 2. He stated that the installation of a bypass line is no longer required because electrical service should be available soon and the lift station control panel has been delivered; however, he stated that the bypass line installation will facilitate the commencement of operations and the connection of the FVNA/Ley trunk line facilities. He also informed the Board that the lease agreement for the interim wastewater treatment plant requires a 60-day termination notice, and he recommended that the notice be issued after wastewater treatment plant no. 2 is operational in order to ensure that service will be available if any startup problems are experienced. After discussion, the Board concurred that the approximately \$10,000 cost to install a temporary bypass line is not warranted. A copy of the report regarding the wastewater treatment plant bypass line is attached as an exhibit to these minutes.

WATER PLANT, PHASE 1

The Board deferred approval of the plans and specifications for the District's water plant, Phase 1, and deferred authorizing advertisement for bids for the project pending approval of the plans and specifications.

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 no Pay Estimates or Change Orders were submitted by Cravens Partners, Ltd. ("Cravens"), for the Board's approval.

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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 AND DETENTION FACILITIES TO SERVE NEW FOREST WEST, SECTION 4

The Board considered approving the plans and specifications for construction of the water, sewer, and drainage and detention facilities to serve New Forest West, Section 4, and authorizing advertisement for bids. Mr. Maxian presented a proposed letter to Harris County stating that the District will maintain the detention facility until or if Harris County accepts the facilities for maintenance. After discussion, Director Chick moved that the Board approve the plans and specifications and authorize advertisement for bids for the project, subject to approval of the plans and specifications by J&C and the regulatory agencies, and that the Board authorize execution of the letter to Harris County regarding the District's agreement to maintain the detention facility as stated. Director Khan seconded the motion, which carried unanimously.

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 deferred the review of bids and award of a contract for the water, sewer, and drainage facilities to serve New Forest West, Section 3, pending the receipt of bids. Mr. Maxian presented a proposed letter to Harris County stating that the District will maintain the storm sewer facilities within the gated community. The Board discussed the potential problems if the District does not maintain the storm sewer facilities and the higher maintenance tax revenues possible because of the house values within a gated community, which may offset any maintenance costs in maintaining the storm sewer facilities. After discussion, Director Chick moved that the Board approve execution of the letter to Harris County regarding the New Forest West, Section 3, storm sewer maintenance by the District as stated. Director Allen seconded the motion, which carried unanimously.

NEW FOREST LIFT STATION AND FORCE MAIN UPGRADE

The Board considered approving the plans and specifications and authorizing advertisement for bids for the New Forest lift station and force main upgrade. After

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discussion, Director Chick moved that the Board approve the plans and specifications and authorize bid advertisement for the project as stated. The motion was seconded by Director Allen and carried by unanimous vote.

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 recommends approval of Pay Estimate No. 5 in the amount of \$32,045.52 submitted by Cravens. After discussion, Director Chick moved that the Board approve Pay Estimate No. 5 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

Mr. Maxian informed the Board that Statewide Services has withdrawn its bid for the water and sewer trunk lines to serve the FVNA and Ley tracts because of its inability to obtain acceptable payment and performance bonds for the project. He reported that the District will retain the \$11,000 bid security check from Statewide Services to cover costs incurred by the District due to Statewide Services' inability to enter into a contract with the District. He also stated that J&C recommends that the Board accept the second low bid in the amount of \$690,360.80 submitted by Cravens. The Board concurred that award of a contract to Cravens 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 Chick moved that the Board accept the second low bid in the amount of \$690,360.80 submitted by Cravens 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 no Pay Estimates or Change Orders were submitted by Statewide Services for the Board's approval.

BOND APPLICATION NO. 8

Mr. Maxian reported that J&C is finalizing bond application no. 8 for the consultants' review.

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 approval by the City of Houston of the application for the annexation of the Black Rock Land Company, LLC, and Ley-Lane Partnership No. 8, L.P., tracts of land is expected in the near future.

STRATEGIC PARTNERSHIP AGREEMENT ("SPA")

Ms. Edwards discussed the possibility of the District's entering into an SPA with the City of Houston ("City"), which will provide that the commercial, non-residential areas of the District will be annexed by the City for limited purposes and the District will receive one-half of the \$0.01 sales tax revenue that will be collected on commercial sales in the area of the District annexed by the City. After discussion, Director Khan moved that the Board authorize a request to the City for the District to be considered for an SPA. Director Adame seconded the motion, which carried by a vote of 4 for and 0 against, with Director Chick abstaining.

FIRST SUPPLEMENTAL JOINT WATER SUPPLY CONTRACT ("CONTRACT")

The Board considered approving the Contract with Harris County Fresh Water Supply District No. 51 ("District 51") for the addition of the District's proposed water plant no. 1 to the joint water system and the District's lease of interim water supply capacity, if necessary, from District 51. Ms. Edwards reviewed the Contract terms and pointed out that the District will pay District 51 only if interim water is actually used by the District. Upon a motion made by Director Chick and seconded by Director Knowles, the Board voted unanimously to approve the Contract. A copy of the Contract is attached as an exhibit to these minutes.

ATTENDANCE AT PUBLIC FUNDS INVESTMENT ACT TRAINING SEMINAR ("SEMINAR")

The Board considered reapproving its authorization for Director Knowles to attend the Seminar in Lubbock, Texas. After discussion, Director Allen moved that the

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Board authorize Director Knowles' attendance at the Seminar. The motion was seconded by Director Khan and carried by a vote of 4 for and 1 against, with Director Adame voting "no."

2007 LEGISLATIVE UPDATE

Ms. Edwards reviewed the 2007 Legislative Update prepared by ABHR, particularly matters related to changes in the public bidding requirements, the acceptance of bid bonds for contract amounts in excess of \$250,000, the ability of three or more Board members to attend ceremonial functions without constituting a quorum, park grants, and the requirement for adoption of a water conservation plan by districts. A copy of the 2007 Legislative Update is attached as an exhibit to these minutes.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE

The Board considered authorizing the attendance of its members at the AWBD winter conference. Upon a motion made by Director Adame and seconded by Director Knowles, the Board voted unanimously to authorize the attendance of its members at the AWBD conference as stated.

GARBAGE COLLECTION SERVICES

Director Adame stated that he has been in contact with Allied Waste Services of Texas ("Allied") regarding ongoing problems related to the failure of Allied to collect garbage from all residences in the District. He stated that Allied has agreed to have a supervisor check the District to ensure that all garbage is collected.

CONSULTANT CONTRACTS

Director Allen recommended that the Board review the rates charged by its consultants to ensure that the rates are in line with industry standards. The Board agreed to discuss the matter further at its next regular meeting.

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

Secretary, Board of Directors

(SEAL)

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