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

August 27, 2007

The Board of Directors of Harris County Municipal Utility District No. 285 met in special session, open to the public, on the 27th day of August, 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 Daniel Maxian of Jones & Carter, Inc. ("J&C"); David Ley of Ley Wilson Development, LLC; Angie Domingues of KB Homes; 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 July 23, 2007, meeting. After discussion, Director Chick moved that the Board approve the minutes as presented. The motion was seconded by Director Adame and carried by unanimous vote.

### DEVELOPERS' REPORTS

Mr. Ley first reported on commercial development in the District, including the tenants at Black Rock Commons and The Shops at Stone Park. He reported that D.R. Horton has bought a second set of lots in Carpenter's Landing. He informed the Board that the Living Centers of Texas facility in the District has been purchased. He reported that a number of break ins and tire thefts have occurred at Stone Park Apartments.

Ms. Domingues presented a written report of development by KB Home, a copy of which is attached to these minutes.

Mr. Ferguson reported that FVNA Properties, Ltd. ("FVNA"), will market its remaining property in the District when the District is able to provide a water and sewer capacity reservation letter for the property.

## SECURITY SERVICES

Director Allen distributed copies of a written security services report for the District, a copy of which is attached as an exhibit to these minutes. He reported that he has met with the Harris County Sheriff's Department regarding the problems at Stone Park Apartments. He reported that the Sheriff's Department has agreed to increase its patrol during the period from 11:00 p.m. to 7:00 a.m. when no contract deputies are on duty. The Board discussed the possibility of rescheduling the contract deputies in an effort to deter crime at Stone Park Apartments. After discussion, Director Allen moved that the Board authorize a change in the contract deputy schedule from the hours of 7:00 a.m. to 3:00 p.m. to the hours of 11:00 p.m. to 7:00 a.m., with the 3:00 p.m. to 11:00 p.m. schedule to remain intact. Director Knowles seconded the motion, which carried unanimously.

## NORTH CHANNEL WATER AUTHORITY ("NORTH CHANNEL") REPORT

The Board acknowledged receipt of a written report on the status of the North Channel surface water system activities, including the construction of the Phase II expansion facilities from Arthur Marshall, the District's representative on the North Channel Board of Directors. The Board noted that Billy C. Allen, Jr., reported water accountability for the month of 93.34% and 83.57% of the water usage was surface water. Ms. Prospere distributed copies of the draft minutes of the July 9, 2007, North Channel Board meeting.

## 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 reported that the contractor is addressing the punch list items.

## 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.

## 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 deferred the review of bids and award of a contract for the water, sewer, and drainage facilities to serve New Forest West, Section 4, pending receipt of the bids.

## 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 has received the revised construction drawings from Atkinson and is finalizing the plans accordingly.

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

The Board reviewed a bid tabulation for the water, sewer, and drainage facilities to serve New Forest West, Section 3. Mr. Maxian recommended that the Board accept the low bid in the amount of \$257,248.40 submitted by C.E. Barker, Ltd. The Board

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concurred that award of a contract to C.E. Barker, Ltd., 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 low bid in the amount of \$257,248.40 submitted by C.E. Barker, Ltd., for the water, sewer, and drainage facilities to serve New Forest West, Section 3, 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.

## **NEW FOREST LIFT STATION AND FORCE MAIN UPGRADE**

The Board deferred the review of bids and award of a contract for the New Forest lift station and force main upgrade pending the receipt of bids.

## **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 no Pay Estimates or Change Orders were submitted by Cravens for the Board's approval.

## **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 reported on the status of the construction of the water and sewer trunk lines to serve the FVNA and Ley tracts. He stated that no Pay Estimates or Change Orders were submitted by Cravens for the Board's approval.

## **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 has distributed a draft of bond application no. 8 for the consultants' review.

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

Mr. Maxian reported that J&C is working with Aqua Services, L.P., on the repair of erosion on the southwest side of Carpenter's Landing detention pond and along Carpenter's Bayou.

## EASEMENTS AND DEEDS

The Board considered accepting permanent and temporary easements conveyed to the District by FVNA and Ley-Lane Partnership No. 8, L.P., for the trunk line facilities to serve Ley and FVNA tracts of land and Sanitary Control Easements conveyed by Kinder Morgan Texas Pipeline, L.P., and Equistar Chemicals, L.P. (collectively, the "Easements"). After discussion, Director Chick moved that the Board accept the Easements. Director Allen seconded the motion, which carried unanimously.

The Board deferred acceptance of a Special Warranty Deed for the Stone Park Apartments II lift station site pending receipt.

## RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board of Directors considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value. After discussion, Director Chick moved that the Board adopt the Resolution. The motion was seconded by Director Allen and carried unanimously. The Resolution, thus adopted, is attached to and shall be considered part of these minutes.

## STRATEGIC PARTNERSHIP AGREEMENT ("SPA")

The Board deferred approval of the commercial areas proposed for limited purpose annexation by the City of Houston in conjunction with a Strategic Partnership Agreement between the City of Houston and the District pending receipt of further information.

## DIRECTOR MEETING ATTENDANCE

Director Knowles informed the Board that he has accepted a job in California but will continue to own his house in the District and will return for the special meetings on the fourth Mondays of the month.

## ENERGY EFFICIENCY PROGRAM

Ms. Edwards reviewed an ABHR memorandum regarding new legislation requiring the implementation of energy efficiency measures by governmental entities

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with total annual electrical expenses of \$200,000 or greater in the previous fiscal year. The Board agreed with the recommendation that the District's operator and engineer discuss options for meeting electric consumption reductions of 5% per year for six years. A copy of the memorandum regarding energy efficiency programs is attached as an exhibit to these minutes.

## ORDER ADDING LAND ("ORDER")

The Board considered adopting an Order providing for the Board's approval of the annexation of tracts of land totaling 14.32 and 5.40 acres of land to the District. Upon a motion made by Director Chick and seconded by Director Adame, the Board voted unanimously to adopt the Order. The Order, thus adopted, is attached to and shall be considered part of these minutes.

## AMENDMENT TO INFORMATION FORM ("AMENDMENT")

The Board considered authorizing execution of an Amendment reflecting the revised District boundaries. After review, Director Chick moved that the Board authorize execution of the Amendment to Information Form to be filed with Harris County Deed Records and the Texas Commission on Environmental Quality. Director Adame seconded the motion, which carried unanimously. A copy of the Amendment to Information Form is attached as an exhibit to these minutes.

## VOTING RIGHTS ACT SUBMISSIONS LETTER ("SUBMISSIONS LETTER")

The Board considered authorizing execution of a Submissions Letter to the U.S. Department of Justice requesting clearance to hold future elections in light of the annexation of land to the District. Upon a motion made by Director Chick and seconded by Director Adame, the Board voted unanimously to authorize execution of the Submissions Letter. A copy of the Submissions Letter is attached as an exhibit to these minutes.

## CONSULTANT CONTRACTS

The Board discussed the possibility of approving an increase in the ABHR hourly rates charged by Ms. Edwards and Ms. Prospere. Ms. Edwards reminded the Board that the District has paid artificially low rates since 1995 because of an agreement to hold the legal fees at a lower level in view of the District's financial condition at the time. Director Allen moved that the Board approve the proposed rate increases. Directors Chick and Adame indicated that they would not vote for the increases at this time. Director Chick expressed concern regarding the effect of the increases on the current budget, the percentage of the proposed increases, and the fact that ABHR had not initiated the request for an increase. Director Khan was not present for the discussion and vote. The Board suggested that the rate increase request be considered

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at the first of 2008 in conjunction with review of the proposed budget for the fiscal year ending March 31, 2009.

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

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Secretary, Board of Directors

(SEAL)

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