

# DRAFT

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

September 11, 2007

The Board of Directors of Harris County Municipal Utility District No. 285 met in regular session, open to the public, on the 11th day of September, 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 Mary Jarmon of Myrtle Cruz, Inc.; Daniel Maxian of Jones & Carter, Inc. ("J&C"); Rene Anandel of Wheeler & Associates, Inc. ("Wheeler"); Susan Edwards of Allen Boone Humphries Robinson LLP ("ABHR"); and Susan Prospere, Recording Secretary.

### MINUTES

The Board considered approving the minutes of the August 14, 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.

### STATEMENTS AND QUESTIONS FROM THE PUBLIC

The Board noted that no members of the public were present to make statements or ask questions.

### BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report and considered payment of the bills. Ms. Jarmon also reviewed the District's investments, including the monthly investment report, and a year-to-date budget comparison. After discussion, Director Chick moved that the Board approve the bookkeeper's report, including the checks presented for payment, and the monthly investment report. The motion was seconded by Director Adame and carried by unanimous vote. A copy of the bookkeeper's report is attached as an exhibit to these minutes.

## ANNUAL FUND REVIEW

Ms. Edwards discussed the District's Annual Fund Review memorandum prepared by ABHR, a copy of which is attached as an exhibit to these minutes. The Board requested that the bookkeeper follow recommendations in the memorandum.

## RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board considered adopting a Resolution Regarding Annual Review of District's Investment Policy ("Resolution"), which provides that the Board conducted its annual review of the District's Investment Policy and confirms that the January 14, 2003, Investment Policy remains in effect. After discussion, Director Adame moved that the Board adopt the Resolution. Director Chick seconded the motion, which carried unanimously. The Resolution, thus adopted, is attached to and shall be considered part of these minutes.

## RESOLUTION ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting a Resolution Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions ("Resolution"). Upon a motion made by Director Adame and seconded by Director Chick, the Board voted unanimously to adopt the Resolution. The Resolution, thus adopted, is attached to and shall be considered part of these minutes.

## FILING OF DISCLOSURE STATEMENTS REQUIRED BY PUBLIC FUNDS INVESTMENT ACT

The Board considered accepting the Disclosure Statements from the District's bookkeeper and Investment Officers for filing with the Texas Ethics Commission as required by the Public Funds Investment Act. Upon a motion made by Director Adame and seconded by Director Chick, the Board voted unanimously to accept the Disclosure Statements from the District's bookkeeper and Investment Officer and to authorize filing with the Texas Ethics Commission.

## ANNUAL REPORT

The Board considered approving the Annual Report updating the District's annual financial and operating data in accordance with the continuing disclosure agreement contained in the resolutions authorizing issuance of the District's bonds. Upon a motion made by Director Adame and seconded by Director Chick, the Board voted unanimously to approve the Annual Report and to authorize filing with the state information depositories in accordance with the District's agreement in the resolutions authorizing issuance of the District's bonds.

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## WASTEWATER TREATMENT PLANT NO. 2, PHASE 1

Mr. Maxian reported on the status of the construction of permanent wastewater treatment plant no. 2, Phase 1. He noted that the start-up inspection of the plant is scheduled for tomorrow morning. He stated that J&C recommends approval of Pay Estimate No. 13 in the amount of \$81,800 submitted by R.P. Constructors, Inc., of which the District's share totals \$42,241.52. After discussion, Director Adame moved that the Board approve Pay Estimate No. 13 as recommended. The motion was seconded by Director Allen and carried by unanimous vote.

Mr. Maxian informed the Board of an upcoming Change Order to the contract providing for adjustments to storm and sanitary sewer manholes, at a cost not yet determined, the installation of additional brackets and supports on the blower building doors at a cost of \$1,464, and the installation of an additional ball valve on a return line to the headworks to facilitate operations at a cost of \$4,717. After discussion, Director Adame moved to authorize the bracket and support installation and the ball valve installation at the specified costs and to defer approval of the manhole adjustments pending receipt of cost information. Director Allen seconded the motion, which carried unanimously.

## CONSENT TO ENCROACHMENTS

The Board considered approving the District's Consent to Encroachments on certain easements conveyed to the District by FVNA Properties, Ltd., subject to the Board's approval of the encroachments. Upon a motion made by Director Chick and seconded by Director Adame, the Board voted unanimously to approve the Consent to Encroachments. A copy of the Consent to Encroachments is attached as an exhibit to these minutes.

## BOND APPLICATION NO. 8

Mr. Maxian stated that J&C is waiting for feasibility information related to the District's proposed bond application no. 8 from the District's financial advisor.

## RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECTS AND BONDS

The Board deferred adoption of a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds pending finalization of bond application no. 8.

## APPROVAL OF COMMERCIAL AREAS PROPOSED FOR LIMITED PURPOSE ANNEXATION

The Board considered approving the commercial areas in the District to be included in a limited purpose annexation by the City of Houston pursuant to a

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proposed Strategic Partnership Agreement. After discussion, Director Adame moved that the Board approve submitting all the existing and proposed commercial developments in the District to the City for inclusion in the limited purpose annexation by the City of Houston subject to execution of a satisfactory Strategic Partnership Agreement. The motion was seconded by Director Khan and carried by unanimous vote.

## INSURANCE RENEWAL

The Board considered accepting proposals from Anco-McDonald Waterworks Insurance Services, L.L.C., for renewal of the District's insurance. After discussion, Director Allen moved that the Board accept the proposals from Anco-McDonald Waterworks Insurance Services, L.L.C., for renewal of the District's property, boiler and machinery, general liability/auto, directors and officers liability, and business accident travel insurance and the consultants and tax assessor bonds. Director Khan seconded the motion, which carried unanimously. A copy of the proposals is attached as an exhibit to these minutes.

## TAX REPORT

Ms. Anzel reviewed the monthly tax report, which reflects that 96.02% of the District's 2006 taxes have been collected to date. After review, Director Knowles moved that the Board approve the tax report and payment of the checks drawn on the District's tax account. The motion was seconded by Director Allen and carried unanimously. A copy of the tax report is attached as an exhibit to these minutes.

## DELINQUENT TAX REPORT

Ms. Anzel presented the delinquent tax report prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. The Board requested that Ms. Anzel obtain information on the status of the delinquent 2005 taxes owed to the District by Margaret Ley. A copy of the delinquent tax report is attached as an exhibit to these minutes.

## 2007 TAX RATE

The Board deferred discussion of the District's 2007 tax rate pending the receipt of certified values from the Harris County Appraisal District.

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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