

MINUTES HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285

June 23, 2008

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 285 (the "District") met in special session, open to the public, on the 23rd day of June, 2008, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Jerry L. Allen	President
Roy Adame, Jr.	Vice President
Chand Khan	Secretary/Investment Officer
Walter A. Knowles, Jr.	Asst. Vice President/Investment Officer
Ephraim Q. Connerly III	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Kenneth Martinec and Dane Plumley of Jones & Carter, Inc. ("J&C"); Arthur Marshall, Board member of the North Channel Water Authority ("North Channel"); David Ley of Ley Wilson Development, LLC; H. Dean Lane, Jr., and Katherine Greene of NewQuest Properties; Terry R. Woodson of Waste Management of Texas, Inc. ("Waste Management"); Michael C. Reily of the Harris County Public Infrastructure Department; Chad Ferguson of BPI Realty Services, Inc.; Millard Williams, Deputy Chief of Sheldon Community Fire and Rescue ("Sheldon"); Teri League and Todd Casselman of Allied Waste Services ("Allied"); Susan M. Edwards of Allen Boone Humphries Robinson LLP ("ABHR"); and Susan Prospere, Recording Secretary.

MINUTES

The Board considered approving the minutes of the May 19, 2008, meeting. After review, Director Khan moved to approve the minutes as submitted. The motion was seconded by Director Adame and carried by unanimous vote.

STATEMENTS FROM THE PUBLIC

Mr. Reily addressed the Board regarding out-of-district service to the Gene Green Beltway 8 Park ("Park"). He requested that the Board authorize the installation of a tap for the Park prior to actual receipt of payment by Harris County. Mr. Reily reported that Harris County Commissioners Court had approved the payment. After discussion, Director Knowles moved to authorize the tap to the Park prior to the receipt

of payment as requested. The motion was seconded by Director Connerly and carried by unanimous vote.

ALLOCATION OF VOLUNTARY DONATION

The Board discussed Deputy Williams' request that a portion of the voluntary donation on the District's water and sewer bills be allocated to Sheldon. After discussion, Director Knowles moved to authorize a pro rata allocation of the voluntary donation revenue between Sheldon and Cloverleaf Volunteer Fire Department based on the platted lots within the District within their respective service areas, to be determined by J&C. Director Allen seconded the motion, which carried unanimously.

Deputy Williams requested a map showing the fire hydrant locations in the District. Upon a motion made by Director Allen and seconded by Director Connerly, the Board voted unanimously to authorize J&C to update the District map with fire hydrant locations and to provide the map to Deputy Williams.

DEVELOPERS' REPORTS

Mr. Ferguson reported on the status of the development in the District of the property previously or currently owned by FVNA Properties, Ltd., including Alta Crossing Apartments and Liberty Plaza.

Mr. Ley reported on the status of the commercial and residential development in the District of the property previously or currently owned by Ley Wilson Development, Inc., entities.

UPDATE ON STRATEGIC PARTNERSHIP AGREEMENT ("SPA")

Ms. Edwards reported that the City of Houston City Council has approved the revised exhibit to the SPA.

PRESENTATION REGARDING THE STOPS AT STONE PARK

Mr. Ley and Mr. Lane discussed the development and leasing of The Shops at Stone Park by Ley-Lane Partnership No. 9 ("Ley-Lane"). Mr. Lane reviewed information regarding the development, a copy of which is attached, and certain development items adding significant costs totaling \$4,600,000 to the project. Mr. Ley and Mr. Lane asked the Board's consideration of reimbursement to Ley-Lane for the increased costs plus interest from a portion of the sales tax proceeds to be received by the District from the City pursuant to the SPA. Ms. Edwards reviewed the terms of a proposed economic development agreement to accomplish the reimbursement. After discussion, Director Connerly moved to approve the developer reimbursement as requested, subject to review and execution of a written agreement. The motion was seconded by Director Allen and carried by unanimous vote.

NORTH CHANNEL

Mr. Marshall reported on the North Channel surface water supply activities, including the construction projects underway. He stated that Billy C. Allen, Jr., has reported water accountability for the month was 104.84% and that 79.12% of the water usage was surface water.

RATE ORDER

The Board deferred discussion regarding amending the District's Rate Order.

ENGINEER'S REPORT

Mr. Martinec 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.

WATER PLANT, PHASE 1

Mr. Martinec updated the Board regarding the District's proposed water plant, Phase 1. The Board considered approving the plans and specifications and authorizing advertisement for bids for the project. Upon a motion made by Director Khan and seconded by Director Knowles, the Board voted unanimously to approve the plans and specifications and to authorize advertisement for bids for the project.

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

Mr. Martinec reported on the status of the construction of the water, sewer, and drainage facilities to serve Liberty Lakes, Section 2. He recommended approval of Pay Estimate No. 10 and Final in the amount of \$11,304.80 submitted by Abyss Construction, LLC ("Abyss"), and acceptance of the project. Ms. Edwards recommended that final payment be made to the bonding company because Abyss has gone out of business, subject to the bonding company's submittal of appropriate documentation to support its receipt of the final payment. After discussion, Director Khan moved to approve Pay Estimate No. 10 and Final and acceptance of the project as recommended. The motion was seconded by Director Knowles and carried by unanimous vote.

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

Mr. Martinec 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 recommended approval of Pay Estimate No. 7 and Final in the amount of \$18,209.19

submitted by Cravens Partners, Ltd. ("Cravens") and acceptance of the project. After discussion, Director Khan moved to approve Pay Estimate No. 7 and Final and acceptance of the project as recommended. The motion was seconded by Director Knowles and carried by unanimous vote.

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

Mr. Martinec reported on the status of the water, sewer, and drainage facilities to serve Liberty Lakes, Section 10. He recommended approval of Pay Estimate No. 3 in the amount of \$17,731.70 submitted by Crostex Construction, Inc. After discussion, Director Khan moved to approve Pay Estimate No. 3 as recommended. The motion was seconded by Director Knowles and carried by unanimous vote.

NEW FOREST WEST, SECTION 4, DETENTION POND

The Board considered approving the plans and specifications prepared by R.M. Atkinson, Jr., Engineers, Inc. ("Atkinson"), for the detention pond to serve New Forest West, Section 4, and authorizing J&C to advertise for bids for the project. Upon a motion made by Director Khan and seconded by Director Knowles, the Board voted unanimously to approve the plans and specifications and to authorize advertisement for bids for the project.

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

Mr. Martinec reported no update on the construction of water, sewer, and drainage facilities to serve New Forest West, Section 4.

NEW FOREST WEST, SECTION 4, LIFT STATION

Mr. Martinec reported that J&C is addressing comments on the plans and specifications for the New Forest West, Section 4, lift station from the City of Houston and Harris County.

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

Mr. Martinec reported on the status of the construction of the water, sewer, and drainage facilities to serve New Forest West, Section 3. He recommended approval of Pay Estimate No. 2 in the amount of \$27,605.14 submitted by C.E. Barker, Ltd. After discussion, Director Khan moved to approve Pay Estimate No. 2 as recommended. The motion was seconded by Director Knowles and 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. Martinec 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 the review of bids and award of a contract for the water, sewer, and drainage facilities to serve Carpenter's Landing, Section 3, pending the receipt of bids.

WATER AND SEWER TRUNK LINES TO SERVE FVNA AND LEY TRACTS

Mr. Martinec 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. Martinec reported on the status of the construction of the off-site facilities to serve Black Rock Commons. He recommended approval of Pay Estimate No. 5 and Final in the amount of \$10,074.51 submitted by Statewide Services and acceptance of the project. After discussion, Director Khan moved to approve Pay Estimate No. 5 and Final and acceptance of the project as recommended. The motion was seconded by Director Knowles and carried by unanimous vote.

N500 DETENTION POND EXPANSION TO SERVE FVNA

Mr. Martinec reported on the status of the N500 detention pond expansion to serve FVNA. He recommended approval of Pay Estimate No. 2 in the amount of \$232,745.31 submitted by Spaw Glass Civil Construction, Inc. Upon a motion made by Director Khan and seconded by Director Knowles, the Board voted unanimously to approve Pay Estimate No. 2 as recommended.

Mr. Martinec reported that Harris County has offered to purchase the excavated soil so that it will not need to be hauled away, which will decrease the cost of the project by \$9,000. He stated that a Change Order for the deduction will be prepared.

PALE SAGE DRIVE WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Martinec reported that J&C has provided comments to Atkinson on the plans and specifications for the Pale Sage Drive water, sewer, and drainage facilities. The Board deferred approval of the plans and specifications and authorizing advertisement for bids for the project pending J&C's recommendation.

BOND APPLICATION NO. 8

Mr. Martinec reminded the Board that bond application no. 8 has been declared administratively complete by the Texas Commission on Environmental Quality.

DEEDS AND EASEMENTS, INCLUDING SPECIAL WARRANTY DEED ("DEED") FOR STONE PARK APARTMENTS LIFT STATION SITE

The Board discussed acceptance and/or approval of any deeds or easements, including the Deed. The Board deferred acceptance of the Deed pending receipt.

WASTEWATER TREATMENT PLANT CAPACITY ANALYSIS

The Board considered authorizing J&C to prepare an analysis of the District's wastewater treatment plant capacity in order to determine future construction requirements. After discussion, Director Khan moved to authorize J&C to prepare the wastewater treatment plant capacity analysis. The motion was seconded by Director Knowles and carried by unanimous vote.

WEBSITE POLICIES

The Board discussed the District's website information retention policies. After discussion, the Board agreed that minutes for meetings of only the previous 12 months should be kept on the website at any one time.

RESOLUTION ESTABLISHING ADDITIONAL IN-DISTRICT MEETING PLACE OF THE BOARD OF DIRECTORS ("RESOLUTION")

The Board considered adopting the Resolution establishing the Stone Park Apartments II office as an additional in-district meeting place. Upon a motion made by Director Knowles and seconded by Director Allen, the Board voted unanimously to adopt the Resolution.

JULY SPECIAL MEETING

The Board agreed to hold a special meeting at 5:00 p.m. on July 28th to tour the District's facilities, to be convened at the Stone Park Apartments II office, and a special meeting at 6:30 p.m. at said location to conduct all other business.

SECURITY SERVICES

Director Allen reported on security services in the District during the month. He presented a written report from the Harris County Sheriff's Department, a copy of which is attached.

GARBAGE COLLECTION SERVICES

The Board discussed the provision of garbage collection services to the District. Mr. Casselman and Ms. Woodson spoke to the Board regarding the services provided by Allied and Waste Management, respectively. After discussion, Director Khan moved to terminate the garbage collection services provided by Allied as of July 31, 2008, and to hire Waste Management as of August 1, 2008, subject to execution of a written contract. Director Connerly seconded the motion, which carried by a vote of three for to zero against, with Director Knowles and Adame abstaining. Ms. Woodson stated that Waste Management will send mailers to the District's residents at no cost to the District regarding the change to the Wednesday - Saturday collection schedule and will send another mailing in the future at no cost to the District if and when Waste Management can convert the District residents back to a Tuesday - Friday collection schedule.

The Board next discussed payment to Allied from May 1, 2008, the date of the expiration of the contract extension, through July 31, 2008. Director Knowles moved to authorize payment at the rate of \$13.08 per residential unit during said period. Director Connerly seconded the motion, which carried unanimously.

CONSULTANT LIAISONS

The Board agreed that the following persons will serve as liaisons with the District consultants as follows:

	<u>Liaison</u>	<u>Assistant Liaison</u>
Security	Allen	Adame
Operator	Knowles	Adame
Tax Assessor/Collector	Allen	
Engineer	Khan	Knowles
Garbage	Khan	
Website	Adame	Allen
Legal	Allen	Knowles

Director Connerly agreed to assist with any of the consultants on an as-needed basis.

DRAFT

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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