

MINUTES HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285

July 28, 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 28th day of July, 2008, at the Stone Park Apartments II, 6160 East Sam Houston Parkway North, Houston, Texas, inside 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"); Michael Wilson of Ley Wilson Development, LLC ("Ley Wilson"); Brent Broadway of SWWC Services, Inc.; Deputies D.B. Diaz, J. Garza, and Elias Rivera of the Harris County Sheriff's Department; Mickey Berguin, a resident of the District and President of the Woodforest North II Homeowners Association; Nancy Rocha, Brooke Steidl, Kim Buckalew, and Sonya Breland; Kerri J. Dorman of Allen Boone Humphries Robinson LLP ("ABHR"); and Susan Prospere, Recording Secretary.

MINUTES

The Board considered approving the minutes of the June 23, 2008, meeting. After review, Director Khan moved to approve the minutes as submitted. The motion was seconded by Director Connerly and carried by unanimous vote.

SECURITY SERVICES

Deputy Garza reported on the security services provided to the District by the Harris County Sheriff's Department. He stated that the deputies assigned to the District have been called on a number of occasions to respond to occurrences at the Legend Oaks nursing home, located outside the District, but miscoded as inside the District. Director Allen stated that he will contact the Harris County Sheriff's Department regarding the error, and Ms. Dorman stated that ABHR can also send a letter on the

District's behalf requesting that the error be corrected. General discussion ensued regarding incidents in the District, including efforts to stop graffiti problems.

STATEMENTS FROM THE PUBLIC

Mr. Berguin reported that the resident located behind Bubbles Car Wash has experienced problems with noise. Director Allen noted that Bill DeArman of Bubbles Car Wash had expressed to the Board that noise should not be a problem.

DEVELOPER'S REPORT

Mr. Wilson reported on the status of the commercial and residential development in the District of the property previously or currently owned by Ley Wilson entities. He informed the Board that Harris County has approved the drainage channel realignment, which should be complete within 60 to 90 days. He stated that Ley Wilson is prepared to move forward with the New Forest West, Section 4, development, with lots to be purchased by Brighton Homes and Meritage Homes. He informed the Board that a portion of the property on Uvalde will be designated for commercial development. He reported that the streets in New Forest West, Section 3, have been accepted by Harris County for maintenance.

Ms. Breland informed the Board that 18-wheelers have been parking on the Stone Park Apartments private property. Mr. Wilson and Deputy Garza agreed to pursue efforts to stop the problem.

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 97.28% and that 77.51% of the water usage was surface water. Ms. Prospere distributed copies of the minutes of the May 12 and June 9, 2008, North Channel Board meetings.

OPERATIONS REPORT

Ms. Prospere distributed the monthly operations report, indicating that there were no violations of the permitted parameters at wastewater treatment plants nos. 1 and 2 during the month of June. A copy of the operations report is attached.

HEARING REGARDING TERMINATION OF SERVICE

The Board conducted a hearing regarding water and sewer service terminations. The Board noted that Mr. Broadway had reported that the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification in accordance with the District's Rate Order prior to the meeting of the

opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of non-payment. After discussion, Director Knowles moved that, because the residents on the termination list were either not present at the meeting or had not requested to speak regarding their delinquency nor had they presented any written statement on the matter to the Board, utility service for such residents should be terminated in accordance with the District's Rate Order. The motion was seconded by Director Khan and carried by unanimous vote.

WATER SMART PROGRAM

Ms. Prospere reported that Calvin Browne of SWWC Services, Inc., has indicated that the District did not meet the Water Smart Program application deadline for 2008, but an application for membership will be submitted to the Association of Water Board Directors for 2009.

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. He reported that the District's water usage has reached the trigger point for additional payments by the District to Harris County Fresh Water Supply District No. 51. A copy of the engineer's report is attached.

BID REVIEW AND CONTRACT AWARD FOR WATER PLANT, PHASE 1

The Board reviewed a bid tabulation for construction of the water plant, Phase 1. Mr. Martinec recommended that the Board accept the low bid in the amount of \$4,000,000, including Alternate Bid Item No. 1 for an additional hydropneumatic tank, submitted by W.W. Payton Construction. The Board concurred that W.W. Payton Construction is a responsible bidder and that award of a contract to W.W. Payton Construction 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 Knowles moved to accept the low bid in the amount of \$4,000,000, including Alternate Bid Item No. 1 for an additional hydropneumatic tank, submitted by W.W. Payton Construction for construction of the water plant, Phase 1, and to award a contract to said contractor, subject to review of the payment and performance bonds by ABHR. Director Connerly seconded the motion, which 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 stated that no Pay Estimates or Change Orders were submitted by Crostex Construction, Inc., for the Board's approval.

NEW FOREST WEST, SECTION 4, DETENTION POND

The Board deferred the review of bids and award of a contract for the detention pond to serve New Forest West, Section 4, pending the receipt of bids.

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

Mr. Martinec reported that R.M. Atkinson, Jr., Engineers, Inc. ("Atkinson"), is revising the plans and specifications for the 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 may need to revise the plans and specifications for the New Forest West, Section 4, lift station to accommodate Atkinson's revisions to the plans and specifications for the New Forest West, Section 4, water, sewer, and drainage facilities.

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 stated that no Pay Estimates or Change Orders were submitted by C.E. Barker, Ltd., for the Board's approval.

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 Partners, Ltd. ("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 recommended approval of Change Order No. 3 submitted by Cravens for additional work related to the force main connection and replacement of a portion of the concrete driveway at wastewater treatment plant no. 2, resulting in a net increase of \$30,075.74 in the contract amount. Upon a motion made by Director Knowles and seconded by Director Connerly, the Board voted unanimously to approve Change Order No. 3 as recommended.

CARPENTER'S LANDING DETENTION POND, PHASE 3

The Board deferred approval of the plans and specifications for the Carpenter's Landing detention pond, Phase 3, pending receipt and deferred authorizing advertisement for bids for the project pending approval of the plans and specifications.

N500 DETENTION POND EXPANSION TO SERVE FVNA

Mr. Martinec reported on the status of the N500 detention pond expansion to serve FVNA. He stated that no Pay Estimates or Change Orders were submitted by Spaw Glass Civil Construction, Inc., for the Board's approval.

PALE SAGE DRIVE WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Martinec reminded the Board 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 APPLICATIONS NOS. 8 AND 9

Mr. Martinec reported that the Texas Commission on Environmental Quality has indicated that review of the District's bond application no. 8 will be delayed because of credit-rating issues on bond applications under review.

The Board deferred authorizing preparation of bond application no. 9.

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 deferred discussion of J&C's analysis of the District's wastewater treatment plant capacity pending receipt.

ECONOMIC DEVELOPMENT AGREEMENT ("AGREEMENT")

The Board deferred authorizing execution of the Agreement with Ley-Lane Partnership No. 9 pending receipt and review.

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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