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## MINUTES HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285

August 25, 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 25th day of August, 2008, at 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"); Calvin Browne of SWWC Services, Inc.; Cindy Carden of Terra Renewal; Chad Ferguson of BPI Realty Services, Inc. ("BPI"); Susan M. Edwards of Allen Boone Humphries Robinson LLP ("ABHR"); and Susan Prospere, Recording Secretary.

### MINUTES

The Board considered approving the minutes of the July 28, 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.

### TERRA RENEWAL PRESENTATION

Ms. Carden discussed the services provided by Terra Renewal, particularly the sludge hauling services. After discussion, the Board agreed that SWWC will continue to make customary decisions regarding the District's sludge hauling services.

### STATEMENTS FROM THE PUBLIC

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

# DRAFT

## DEVELOPER'S REPORT

Mr. Ferguson reported on the status of development in the District of the property previously or currently owned by BPI.

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

Ms. Prospere distributed copies of the minutes of the July 14, 2008, North Channel Board meeting.

## ENGINEER'S REPORT

Mr. Plumley 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. Plumley reported on the status of the construction of the water plant, Phase 1. He stated that the construction contracts have been routed for execution.

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

Mr. Plumley 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. Mr. Plumley stated that bids for the project will be opened on September 2, 2008.

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

Mr. Plumley 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. Plumley reminded the Board that J&C may need to revise the plans and specifications for the New Forest West, Section 4, lift station to accommodate Atkinson's

# DRAFT

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. Plumley 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. 3 and Final in the amount of \$13,018.92 submitted by C.E. Barker, Ltd., and acceptance of the project. After discussion, Director Adame moved to approve Pay Estimate No. 3 and Final and acceptance of the project as recommended. The motion was seconded by Director Connerly 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. Plumley 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. He stated that the Harris County punch list items have been addressed.

## WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE CARPENTER'S LANDING, SECTION 3

The Board reviewed a bid tabulation for the water, sewer, and drainage facilities to serve Carpenter's Landing, Section 3. Mr. Plumley recommended that the Board accept the low bid in the amount of \$215,343.10 submitted by Jaho, Inc. The Board concurred that award of a contract to Jaho, Inc. 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 Adame moved to accept the low bid submitted by Jaho, Inc. for the water, sewer, and drainage facilities to serve Carpenter's Landing, Section 3 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 AND SEWER TRUNK LINES TO SERVE FVNA AND LEY TRACTS

Mr. Plumley 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 Pay

# DRAFT

Estimate No. 4 and Final submitted by Cravens and acceptance of the project. After discussion, Director Adame moved to approve Pay Estimate No. 4 and Final in the amount of \$116,700.55 and acceptance of the project as recommended. The motion was seconded by Director Connerly 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 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. Plumley reported that Atkinson is addressing comments provided by J&C 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. Plumley 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 until its regular meeting.

## 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 NO. 2, PHASE II EXPANSION

Mr. Martinec presented three Preliminary Construction Cost Estimates for the wastewater treatment plant no. 2, Phase II expansion, copies of which are attached. He explained that the cost estimate totaling \$2,690,000 provides for a 0.75 million gallon per day ("mgd") expansion, which would serve the ultimate development of all land within the District as well as land not currently within the boundaries of the District. He stated that the difference in the two cost estimates for a 0.4 mgd expansion in the amounts of \$2,267,000 and \$2,156,000 is primarily due to the sizing of the clarifier. He pointed out that the District must also consider financing options for the project. No action was taken at this time.

## OPERATIONS REPORT

Mr. Browne 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 July. A copy of the operations report is attached.

The Board discussed the time frame for restoring water service after disconnection and expressed concern regarding the delays in the process. Mr. Browne agreed to investigate the matter further to determine if changes can be made to the process, including the possibility of restoring service after hours at an additional cost to the customer. The Board agreed to discuss the matter further when more information is available.

## HEARING REGARDING TERMINATION OF SERVICE

The Board conducted a hearing regarding water and sewer service terminations. The Board noted that Mr. Browne 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 a vote of 4 for to 0 against, with Director Connerly abstaining.

## OUT-OF-DISTRICT SERVICE AGREEMENT

Mr. Martinec reported that Harris County may be using the District's water for irrigation to the Beltway 8 park, which is outside the scope of its agreement with the District for out-of-district service. He stated that he will check further regarding this matter.

## SECURITY SERVICES

The Board discussed recent criminal activity within the District. The Board also reviewed budget information provided by Mary Jarmon of Myrtle Cruz, Inc., a copy of which is attached, regarding options for financing the cost of a third Harris County Sheriff's Department deputy. No action was taken at this time.

# DRAFT

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)

# DRAFT

## LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
engineer's report .....	2
Preliminary Construction Cost Estimates for wastewater treatment plant no. 2, Phase II expansion .....	4
operations report.....	5
budget information.....	5