

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285

April 17, 2017

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 285 (the "District") met in regular session, open to the public, on the 17th day of April, 2017, 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
Walter A. Knowles, Jr.	Vice President/Investment Officer
Tom Nguyen	Secretary
Trina Francis	Assistant Vice President
Rosario Garza	Assistant Secretary

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

Also present at the meeting were Ray Arce of Wheeler & Associates, Inc. ("Wheeler & Associates"); Dana Davis of Myrtle Cruz, Inc.; William "Bill" Ehler, P.E. of LJA Engineering, Inc. ("LJA"); Calvin Browne of Municipal District Services L.L.C. ("MDS"); Arthur K. Marshall of the North Channel Water Authority ("NCWA"); Josh Fort of Champions Hydro-Lawn, Inc. ("Champions"); Craig Rathmann of Rathmann & Associates, L.P.; Mary DuBois of Acclaim Energy Advisors ("Acclaim"); and Robert A. Seale and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("AHBR").

MINUTES

The Board considered approving the minutes of the March 20, 2017, regular meeting and the March 21, 2017, special meeting. After review and discussion, Director Nguyen moved to approve the minutes of the March 20, 2017, regular meeting and the March 21, 2017, special meeting as presented. Director Francis seconded the motion, which carried unanimously.

STATEMENTS AND QUESTIONS FROM THE PUBLIC

There were no statements or questions received from the public.

ACCLAIM ENERGY ADVISORS' REPORT ON ELECTRICITY MATTERS

Ms. Dubois stated current energy rates are very low, and she requested that the Board consider authorizing execution of another electricity contract to lock in today's low rates after the District's current contract ends. She reviewed a Pricing Report with the Board, a copy of which is attached, and noted that the District's current contract

with Cavallo Energy Texas LLC through the Texas General Land Office (the "GLO") expires on October 1, 2020. Following review and discussion, Director Nguyen moved to authorize Director Knowles to execute a contract with the GLO for electricity service for the period following expiration of the current contract through April 30, 2024, subject to ABHR review of the new contract, and direct that the contract be filed appropriately and retained in the District's official records. Director Allen seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Davis presented and reviewed the bookkeeper's report, budget comparison, schedule of investments, and the District's bills for payment. A copy of the bookkeeper's report is attached. After review and discussion, Director Nguyen moved to approve the bookkeeper's report, the investment report, and payment of the bills. Director Garza seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Arce reviewed the monthly tax report and delinquent tax roll, copies of which are attached, and noted that 98.39% of the District's 2016 taxes have been collected through March 31, 2017. The Board then reviewed the delinquent tax report prepared by Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached. After review and discussion, Director Nguyen moved to (1) approve the tax report and payment of the tax bills; (2) approve the delinquent tax report. Director Knowles seconded the motion, which passed by unanimous vote.

#### WEBSITE MATTERS

There was no discussion on the District website.

#### SECURITY SERVICES REPORT

The Board reviewed the security report from the Harris County Sheriff's Office, a copy of which is attached.

#### DEVELOPMENT IN THE DISTRICT

There was no discussion on development in the District.

#### NCWA REPORT

Mr. Marshall reviewed a report on NCWA matters, a copy of which is attached.

## DETENTION FACILITIES REPORT

Mr. Fort reviewed the Detention and Drainage Facilities Report from Champions, a copy of which is attached. He reviewed a proposal from Champions, a copy of which is attached, for a one-time clearing of the waterline site, including the ditch located north of the Plantation of Woodforest neighborhood, in the amount of \$825.00. Following review and discussion, Director Knowles moved to approve the proposal from Champions in the amount of \$825.00. Director Allen seconded the motion, which passed unanimously. The Board requested Champions present a proposal for ongoing maintenance of the waterline site next month.

## GARBAGE COLLECTION AND RECYCLING SERVICES MATTERS

The Board reviewed and discussed a report on garbage collection and recycling services from Best Trash, LLC, a copy of which is attached.

## ENGINEER'S REPORT

Mr. Ehler presented the engineer's report, a copy of which is attached, including the projects specifically addressed as follows:

### NEW FOREST WATER AND SANITARY SEWER EXTENSIONS

Mr. Ehler updated the Board on the plans and specifications for the New Forest Town Center water and sanitary sewer extensions. He stated he anticipates plans will be submitted to the agencies for review and comments by the end of this week.

### NEW FOREST TOWN CENTER DETENTION FACILITIES

Mr. Ehler updated the Board on the plans and specifications for the New Forest Town Center detention facilities. He stated Atkinson Engineers provided LJA with updated constructions plans and drainage study on March 7, 2017, and that LJA has issued comment letters on both.

### WASTEWATER TREATMENT PLANT ("WWTP") NO. 2 FINE SCREEN REPLACEMENT

Mr. Ehler gave an update on the WWTP No. 2 fine screen replacement. He recommended approval of Pay Estimate No. 1 to C4 Partners, LLC in the amount of \$150,653.43.

### WWTP NO. 2 EXPANSION, INCLUDING TRIFURCATION

Mr. Ehler updated the Board on the WWTP No. 2 expansion. He recommended approval of Pay Estimate Nos. 1 and 2 to N&S Construction Co., LP in the amounts of \$185,232.60 and \$246,132.90.

### CARPENTERS LANDING, SECTION 8 WATER, SANITARY SEWER, AND DRAINAGE FACILITIES

Mr. Ehler updated the Board on construction of the water, sanitary sewer, and drainage facilities to serve Carpenters Landing, Section 8. He recommended approval of Pay Estimate No. 2 and Final to Crostex Construction, Inc. in the amount of \$7,878.85 and acceptance of the project for maintenance.

### LIFT STATION NO. 2 EXPANSION

Mr. Ehler updated the Board on construction of the lift station no. 2 expansion. He stated construction of the project has not yet commenced and the final completion date is August 24, 2017.

### WATER PLANT STORMWATER PUMP STATION AND FORCE MAIN

Mr. Ehler gave an update on the plans and specifications for the Water Plant stormwater pump station and forcemain to address drainage issues within the Water Plant site for the District's joint water supply system with Harris County Fresh Water Supply District No. 51 and stated construction will be delayed until LJA determines if the necessary access and utility easements from the Water Plant site to the subdivision south of the site exist or can be obtained.

### UTILITY COMMITMENT REQUESTS

Mr. Ehler discussed with the Board the status of the Hampton Inn & Suites, the Checkers restaurant, the redevelopment of the Wallisville Road church site, and a new building addition within the existing Galena Park Independent School District High School site.

After review and discussion, Director Nguyen moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 in the amount of \$150,653.43 for the WWTP No. 2 fine screen replacement; (2) approve Pay Estimate Nos. 1 and 2 in the amounts of \$185,232.60 and \$246,132.90 for the WWTP No. 2 expansion; and (3) approve Pay Estimate No. 2 and Final in the amount of \$7,878.85 for construction of the water, sanitary sewer, and drainage facilities to serve Carpenters Landing, Section 8 and accept the project for maintenance. Director Francis seconded the motion, which passed by unanimous vote.

## OPERATIONS REPORT

Mr. Browne distributed and reviewed the monthly operations report, a copy of which is attached, and reviewed the maintenance and repair items included in the report.

Discussion ensued regarding a survey of sanitary sewer manholes in the District, and Mr. Browne stated the cost to conduct the survey and prepare a report of recommended repairs is estimated to be between \$7,000-\$8,000.

Mr. Browne stated the automatic bar screen at WWTP No. 1 has reached the end of its useful life, and he requested that the Board authorize LJA to prepare a proposal for the replacement of the automatic bar screen.

Mr. Browne reviewed the District's annual Consumer Confidence Report, a copy of which is attached.

After review and discussion, Director Knowles moved to (1) approve the operations report; (2) authorize MDS to conduct a survey and prepare a report on the sanitary sewer manholes in the District; (3) authorize LJA to prepare a proposal for the replacement of the automatic bar screen at WWTP No. 1; and (4) approve the Consumer Confidence Report and authorize MDS to mail the Consumer Confidence Report and file a certificate of mailing with the Texas Commission on Environmental Quality (the "TCEQ"). Director Garza seconded the motion, which passed by unanimous vote.

## CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT

Mr. Browne reviewed a report on the Identity Theft Prevention Program (the "Program"), a copy of which is attached to the operations report. He stated that the report indicates no significant incidents of identity theft detection and recommends no changes to the Program. The Board concurred that it was not necessary to adopt a Program amendment. After review and discussion, Director Knowles moved to approve the annual report on the Program and direct that the report be filed appropriately and retained in the District's official records. Director Garza seconded the motion, which passed by unanimous vote.

## APPROVE AND AUTHORIZE OPERATOR TO FILE ANNUAL WATER LOSS AUDIT

The Board concurred to defer approving the 2016 water loss audit report to next month.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN  
AND AUTHORIZE SUBMITTAL TO THE TWDB

The Board concurred to defer reviewing the District's annual report on implementation of the Water Conservation Plan to next month.

HEARING REGARDING TERMINATION OF SERVICE

Mr. Browne presented a list of delinquent customers and reported 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 services should not be terminated for reason of non-payment. Following review and discussion, Director Knowles moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Garza and passed by unanimous vote.

SERIES 2017 UNLIMITED TAX BONDS

Mr. Rathmann discussed the District's \$3,560,000 Unlimited Tax Bonds, Series 2017 ("Series 2017 Bonds"). Mr. Rathmann discussed disclosures pursuant to the Municipal Securities Rulemaking board requirements and stated he will provide written disclosures to the Board related to the Series 2017 Bonds next month.

Mr. Rathmann discussed engaging Moody's Investors Services to perform a credit rating analysis for the Series 2017 Bonds. After discussion, Director Knowles moved to approve the engagement of Moody's Investors Services to perform a credit rating analysis for the Series 2017 Bonds. Director Nguyen seconded the motion, which passed unanimously.

The Board considered appointing The Bank of New York Mellon Trust Company, N.A. ("BONY") as the Paying Agent/Registrar and BBVA Compass Bank as Escrow Agent for the Series 2017 Bonds. Following discussion, Director Knowles moved to appoint BONY as the Paying Agent/Registrar and BBVA Compass Bank as Escrow Agent for the Series 2017 Bonds. Director Nguyen seconded the motion, which passed by unanimous vote.

Mr. Rathmann reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2017 Bonds. Following review and discussion, Director Knowles moved to approve the Preliminary Official Statement and Official Notice of Sale. Director Nguyen seconded the motion, which carried unanimously.

The Board considered authorizing the District's financial advisor to advertise and schedule the sale of the Series 2017 Bonds. Following discussion, Director Knowles moved to authorize the District's financial advisor to advertise and schedule the sale of the Series 2017 Bonds for Monday, May 15, 2017, at 6:30 p.m. The motion was seconded by Director Nguyen and carried unanimously.

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare the developer reimbursement report for the District's Series 2017 Bonds. After review, Director Knowles moved to authorize McCall to prepare the developer reimbursement report. Director Nguyen seconded the motion, which carried unanimously.

Mr. Ehler confirmed that the TCEQ has inspected and issued an approval of all facilities relevant to issuance of the Series 2017 Bonds.

SERIES 2017 UNLIMITED TAX REFUNDING BONDS ("SERIES 2017 REFUNDING BONDS")

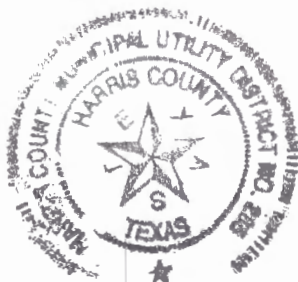
Mr. Rathmann distributed a list of results of the District's prior refunding bonds and reviewed information on the possible refunding of certain maturities of the District's Series 1999, 2009, and 2010 Bonds, copies of which are attached. Mr. Rathmann discussed the process for the purchase of bond insurance and application for rating of the Series 2017 Refunding Bonds. After discussion, Director Knowles moved to (1) approve proceeding with the issuance of the Series 2017 Refunding Bonds; (2) authorize preparation of the Preliminary Official Statement; and (3) authorize the financial advisor to purchase insurance and submit an application for a rating in connection with the Series 2017 Refunding Bonds. Director Nguyen seconded the motion, which passed unanimously.


DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on Monday, May 15, 2017, at 6:30 p.m. at ABHR.

There being no further business to come before the Board, the meeting was adjourned by agreement.

(SEAL)



  
Secretary, Board of Directors

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