

MINUTES OF MEETING OF BOARD OF DIRECTORS  
November 17, 2009

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 186

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 186 (the "District") met in regular session, open to the public, at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas, at 12:00 p.m. on November 17, 2009; whereupon the roll was called of the members of the Board, to wit:

Gary Henderson, President  
Mark Day, Vice President  
Carol Barnes, Secretary  
Leonard Fojt, Treasurer  
Charles Bumpass, Assistant Secretary

All members of the Board were present except Director Fojt. Also attending all or parts of the meeting were Ms. Michelle Guerrero of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Tony Sarman of AECOM, Inc., engineers for the District; Mr. Terry Holland of Myrtle Cruz, Inc., bookkeeper for the District; and Ms. Nancy Green of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of Certificates of Posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Minutes.** Consideration was given to the approval of the minutes of the meeting of October 20, 2009, previously distributed to the Board. Upon motion by Director Bumpass, seconded by Director Barnes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of October 20, 2009, as presented.

2. **Tax Assessor and Collector's Report.** Ms. Guerrero presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as Exhibit "B." Ms. Guerrero reported that 98.25% of the District's 2008 taxes have been collected.

In response to a question from Director Henderson, Ms. Guerrero reported that she would contact the delinquent tax attorney regarding the lawsuit filed against Cottage School Systems, Inc. Upon motion by Director Bumpass, seconded by Director Barnes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1090 through 1094 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Operations Report.** There was no report.

4. **Bookkeeper's and Investment Report.** The President recognized Mr. Holland, who presented to and reviewed with the Board the Bookkeeper's Report, the budget for the fiscal year ending February 28, 2010, and the Investment Report, copies of which are attached hereto as Exhibit "C." Upon motion by Director Barnes, seconded by Director Day, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of check nos. 6402 through 6423 from the Operating Account, each in the amounts, to the persons, and for the purposes described in the Bookkeeper's Report and to approve the Investment Report.

5. **Engineer's Report.** Mr. Sarman reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "D."

Mr. Sarman reported that AECOM is scheduled to meet with H2O Consulting, Inc. (H2O) on November 23, 2009 to determine the height of the equipment within the control room and the generator.

Mr. Sarman reported that AECOM received construction plans from Harris County to perform traffic signal improvements at Logenbaugh and Highway 6. Mr. Sarman stated that a left-hand turn lane would be added on both sides of the street and the median will be reduced. Mr. Sarman reported that AECOM reviewed the plans to confirm that the water and sanitary sewer lines are identified. Mr. Sarman stated that the Home Owner's Association has a water meter in the median that will need to be relocated. Mr. Sarman reported that Harris County would like to know when the meter relocation will be scheduled. Mr. Sarman stated that the brick signs would have to be removed for the construction phase. In response to a question from Director Henderson, Mr. Sarman stated that he would coordinate the meter relocation with H2O. Mr. Sarman stated estimated the construction would last approximately 45 days.

Mr. Sarman reported that AECOM has prepared a proposal for preparation of the plans for the installation of a new control panel (MCC) and generator wiring. Mr. Sarman stated that AECOM's cost estimate to prepare the plans for the installation of the control panel and generator wiring is \$42,773. Mr. Sarman stated that the estimate to prepare only the design of the control panel is \$24,620. Discussion ensued. It was the consensus of the Board to authorize AECOM to prepare plans for the installation of the control panel and the generator wiring at an estimated cost of \$42,773.

Mr. Sarman stated that AECOM has not yet identified any additional used natural gas generators of the appropriate size for the District. Mr. Sarman suggested that the Board consider holding a special meeting if NTS locates a generator so that the Board can move quickly on the purchase of a used generator.

6. **Approve cost estimates for the waterline quality loop.** Mr. Sarman reported that AECOM made some additional changes to the waterline quality loop plans during the final review. Mr. Sarman stated that the plans were submitted to Harris County and the City of Houston on November 17, 2009. Mr. Sarman reported that a set of the plans was also submitted to H2O for review. Mr. Sarman noted that the current plans will be discussed with

vendors to receive estimates for the project. Discussion ensued on the time frame of the project. In response to a question from Director Bumpass, Mr. Sarman stated that he would obtain a cost estimate to remove the concrete slab in the construction area. Director Bumpass noted that the slab was formerly the foundation for a grouping of mailboxes that have been relocated to another area. Mr. Sarman recommended that the Board hold a special session following Harris County's approval of the plans to accelerate the project. It was the consensus of the Board to meet in special session following Harris County's approval of the plans to expedite the waterline quality loop project and to review the Operations Report.

Mr. Sarman reported that Tide-Flex met with H2O regarding the installation of the backflow preventer at the outfall and determined that their cost estimate was provided for the incorrect outfall. Mr. Sarman stated that the backflow preventer will be installed on the correct outfall in approximately two weeks.

7. **Discuss new generators for the lift station and water plant.** This item was discussed in the Engineer's Report.

8. **Review website.** Directors Barnes and Day reported that they reviewed the website and made suggested changes for F&J to provide to the website manager. Ms. Green stated that she has not yet completed the updates to the website, but would complete the updates before the next meeting.

9. **Review issues relating to Copperfield Joint Operations Board ("CJOB") meeting.** This item was not discussed.

10. **Discuss West Harris Regional Water Authority ("WHCRWA") meeting.** Director Henderson reported that the WHCRWA water rates would increase to \$1.85 in 2010. Director Henderson suggested that the Board consider an incremental rate increase to offset the WHCRWA water rate increase.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

\* \* \*

The foregoing minutes were passed and approved by the Board of Directors on December 15, 2009.

---

President, Board of Directors

ATTEST:

---

Secretary, Board of Directors

(DISTRICT SEAL)