

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors December 15, 2011

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met in regular session at the Board's regular meeting place on December 15, 2011, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Norman C. Adamek, President  
Willie Hodge, Vice President  
Daniel Stage, Secretary  
Ralph V. Palermo, Assistant Secretary  
Charles Albright, Director

and all of said persons were present, except Director Adamek, thus constituting a quorum.

Also present were Caryn Adams of Municipal Accounts & Consulting, L.P. ("MA&C"); Stacey Wagner of Wheeler & Associates, Inc. ("Wheeler"); Eric Thiry and Damon Brown of Environmental Development Partners L.L.C. ("EDP"); John Davis of Langford Engineering Inc. ("Langford"); Cindy Adamek and Roxanne Stage, residents of the District; and Christopher T. Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, the Vice President called the meeting to order and declared it open for such business as might regularly come before the Board.

#### **MINUTES**

The Board reviewed the draft minutes of its meeting held on November 17, 2011. After discussion of the minutes presented, Director Stage moved that the November 17, 2011, minutes be approved, as written. Director Palermo seconded said motion, which carried unanimously.

#### **COMMENTS FROM THE PUBLIC**

The Board deferred comments from the public, as none were presented.

#### **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Wagner presented to and reviewed with the Board the tax assessor-collector's report dated as of November 30, 2011, including the checks presented for payment from the tax account, as listed therein, historical valuation and collection data, and the Delinquent Collections Listing as of November 30, 2011, copies of which are attached hereto as **Exhibit A**. Ms. Wagner noted that Wheeler has credited the District for a billing error and discussed same in detail with the Board. After discussion, Director Hodge moved that the tax assessor-collector

report be approved, and that the checks identified therein be approved for payment from the District's tax account. Director Stage seconded said motion, which carried unanimously.

Ms. Wagner next advised the Board that Wheeler is in the process of performing an internal audit for the last twenty-four (24) months of billing and noted that a written report regarding same will be presented to the Board at its meeting next month.

### **DELINQUENT TAX COLLECTION ATTORNEYS' REPORT**

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys' Report, dated December 15, 2011, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collection attorneys; a copy of the Report is attached hereto as **Exhibit B**. Mr. Skinner noted that no Board action was required at this time with respect to the accounts listed in the Report.

### **BOOKKEEPER'S REPORT**

Ms. Adams presented to and reviewed with the Board the bookkeeper's report dated December 15, 2011, including (i) the checks presented for payment from the General Operating Fund, Capital Projects Fund and the Sewage Treatment Plant ("STP") Account, (ii) a Fund Balance Report, (iii) a Pledged Securities Report, (iv) an Actual versus Budget Comparison for November 2011 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit C**. There then ensued a discussion regarding the District's Association of Water Board Directors ("AWBD") membership and check no. 5013 in the amount of \$550 for the 2012 AWBD annual membership dues. After discussion, it was moved by Director Palermo that (i) bookkeeper's report be approved and that the various checks identified therein be approved for payment, except for check nos. 5008 and 5013, which were voided, and (ii) MA&C be authorized to cancel the District's AWBD membership. Director Albright seconded the motion, which carried unanimously.

### **OPERATING BUDGET**

Ms. Adams next reviewed with the Board draft budgets for the District's General Operating Fund and the Sewage Treatment Plant Operations Account for the fiscal year ending December 31, 2012, copies of which are included with **Exhibit C**. After discussion on the matter, Director Hodge moved that the Board approve the District's General Operating Fund and Sewage Treatment Plant Operations Account budgets for the fiscal year ending December 31, 2012, as presented. Director Stage seconded said motion, which carried unanimously.

### **ORDER ADOPTING WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS**

Mr. Skinner next presented to and reviewed with the Board an Order Adopting Written Procedures Relating to Continuing Compliance with Federal Tax Covenants, a copy of which Order is attached hereto as **Exhibit D**. Mr. Skinner advised that the Internal Revenue Service is now requiring that bond issuers adopt written procedures relating to continuing compliance with

federal tax covenants and designate a responsible party with respect to the investment and expenditure of bond proceeds. He then recommended the Board adopt said Order and designate the President of the Board to be the responsible party for the District. After discussion, Director Stage moved that the Board approve said Order and that the President of the Board be designated as the responsible party for the District. Director Hodge seconded the motion, which carried unanimously.

### **ENGINEERING REPORT**

Mr. Davis presented and reviewed with the Board a written engineering report dated December 15, 2011, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Ms. Davis advised the Board that the interconnect meter with Harris County Water Control and Improvement District No. 110 is registering at approximately 90% accuracy and is in need of repair. He noted that the estimated cost for said repair is \$1,700. After discussion, the Board concurred that Langford and/or EDP be authorized to repair said meter at a cost not to exceed \$1,700.

### **STATUS OF SUBMISSION OF CRITICAL LOAD FACILITIES INFORMATION**

Mr. Thiry next advised the Board that, as required by Senate Bill No. 361, EDP has submitted the District's critical load facilities and contact information to the appropriate authorities.

### **OPTIONS FOR EROSION REPAIRS OF AMENITY PONDS**

There next ensued a discussion regarding the various options available to remedy the District's amenity pond erosion issues. Mr. Davis advised the Board that, as previously requested, Langford is in the process of conducting additional research regarding the option to repair the erosion problems by utilizing a specialty product based on rubber material from recycled tires as well as other possible solutions.

### **DETENTION AND DRAINAGE FACILITIES REPORT**

The Board deferred the review of a Drainage Facilities Report after noting that no representative of Champions Hydro-Lawn, Inc. was present at the meeting.

### **PROPOSED ANNEXATION OF TRACT FOR HOME-OF-HOPE, TEXAS**

The Board considered the status of the annexation of a tract of land for Home-of-Hope, Texas ("HOH"). Mr. Skinner reminded the Board that it previously approved a Development, Financing and Annexation Agreement ("Agreement") and that HOH has executed said Agreement. Mr. Skinner then advised the Board that a petition to the City of Houston for consent to annex 19.810 acres into the boundaries of the District had been prepared by SPH. He then presented the Petition for Consent to Include Additional Land in the District (the "Petition")

and reviewed same with the Board. After discussion on the matter, Director Hodge moved that (i) the Board approve said Petition, (ii) the Vice President and Secretary be authorized to execute same on behalf of the Board and District, and (iii) that SPH be authorized to submit said Petition to the City of Houston, subject to the execution of same by all owners of the land to be annexed. Director Palermo seconded the motion, which carried unanimously.

### **PROPOSED ANNEXATION OF SPLASHTOWN PROPERTY**

There next ensued a discussion regarding the proposed annexation of SplashTown Waterpark ("SplashTown") into the boundaries of the District. Mr. Skinner reminded the Board that Langford has prepared an annexation feasibility study. He noted that he has contacted a representative of SplashTown to determine if SplashTown remains interested in receiving wastewater treatment services from the District and being annexed into the District and has not yet received a response. The Board then requested that said annexation be removed from the agenda and that the balance of SplashTown's deposit be returned accordingly.

### **OPERATIONS AND MAINTENANCE REPORT**

The Board considered the Operations and Maintenance Report. Mr. Thiry presented and reviewed in detail with the Board a written Operations Report prepared by EDP dated as of December 14, 2011, a copy of which is attached hereto as **Exhibit F**.

Mr. Thiry next requested that the Board consider authorizing EDP to (i) paint the District's fire hydrants at an estimated cost of \$30 per fire hydrant and (ii) perform a test on each of the District's fire hydrants at an estimated cost of \$7.00 per fire hydrant. He noted that there are approximately 100 fire hydrants within the District. After discussion, the Board concurred that EDP be authorized to (i) paint the fire hydrants within the District at a cost of \$30 each and (ii) perform a test on each of the fire hydrants at a cost of \$7.00 each.

Mr. Thiry next requested that the Board consider authorizing EDP to perform a valve survey at a cost of approximately \$1,500 to \$2,000. After discussion, the Board concurred that EDP be authorized to perform said survey at a cost not to exceed \$2,000.

Relative to the chloramine disinfection conversion project at the Water Plant, there ensued a discussion regarding the distribution of an informational flyer to District residents regarding the upcoming chloramine conversion now and distributing the mandatory flyer closer to the conversion date in February or March of 2012.

### **ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred the issuance of utility commitments, as no requests for same had been received.

**WEBSITE PROVIDER**

There next ensued a discussion regarding the District's website provider and working with said provider to improve the District's website. No changes or updates were requested by the Board at this time.

**DISTRICT SECURITY ISSUES**

The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff Office's call sheet summary for November 2011, a copy of which summary is attached hereto as **Exhibit G**.

**ATTORNEY'S REPORT**

Mr. Skinner advised the Board that he had nothing more of a legal nature to report at this time.

**CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071**

The Board convened in Closed Session at 7:55 p.m., as authorized pursuant to Texas Government Code Section 551.071. Those in attendance, with the exception of the Board, and Mr. Skinner, exited at this time.

At 8:15 p.m., the Board reconvened in public session.

**ADJOURN**

There being no further business to come before the meeting, upon motion made by Director Hodge, seconded by Director Stage and carried unanimously, the meeting was adjourned.

  
Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Tax Assessor-Collector's Report
- Exhibit B – Delinquent Tax Report
- Exhibit C– Bookkeeper's Report
- Exhibit D – Order Adopting Written Procedures Relating to Continuing Compliance  
with Federal Tax Covenants
- Exhibit E – Engineer's Report
- Exhibit F– Operator's Report
- Exhibit G – District Security Report