

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors July 21, 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 July 21, 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, thus constituting a quorum.

Also present were Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MA&C"); Ryan Fortner of Wheeler & Associates, Inc. ("Wheeler"); Eric Thiry of Environmental Development Partners L.L.C. ("EDP"); John Davis of Langford Engineering ("Langford"), who later entered the meeting; Cindy Adamek, a resident of the District; and Christopher T. Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

The 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 June 16, 2011. After discussion of the minutes presented, Director Adamek moved that the June 16, 2011, minutes be approved, as written. Director Palermo seconded said motion, which carried unanimously.

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

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

#### **RATIFICATION OF PRIOR ACTION**

The Board next considered ratification of its prior action relative to the approval of the District's continuing disclosure report. After discussion, Director Adamek moved that the Board's prior action be ratified in all respects. Director Hodge seconded the motion, which carried unanimously.

**POSSIBLE CASH DEFEASANCE OF A PORTION OF DISTRICT'S OUTSTANDING BONDS**

Mr. Skinner discussed the possible cash defeasance of the District's \$2,375,000 Unlimited Tax Bonds, Series 2001. He noted that said Bonds are callable on September 1, 2011. Mr. Skinner then reminded the Board that, as previously discussed, the District's Financial Advisor has recommended that the Board defer review of a cash defeasance analysis until August 2011, at which time the District's funds available for such defeasance will be quantifiable with more certainty. The Board deferred taking any action at this time.

**TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Fortner presented to and reviewed with the Board the tax assessor-collector's report dated as of June 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 June 30, 2011, copies of which are attached hereto as **Exhibit A**. Mr. Fortner also requested the Board's authorization to move one account, from 2006, to the uncollectible roll. After discussion, Director Adamek moved that the tax assessor-collector report be approved, and that the one account discussed be moved to the uncollectible roll, that the checks identified therein be approved for payment from the District's tax account. Director Albright seconded said motion, which carried unanimously.

Mr. Davis entered the meeting at this time.

**DELINQUENT TAX COLLECTION ATTORNEYS' REPORT**

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys' Report, dated July 21, 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 here to 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. Hernandez presented to and reviewed with the Board the bookkeeper's report dated July 21, 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 June 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**. After discussion, it was moved by Director Adamek that the bookkeeper's report be approved and that the various checks identified therein be approved for payment, which was voided. Director Hodge seconded the motion, which carried unanimously.

Ms. Hernandez also presented and reviewed with the Board a Quarterly Investment Inventory Report, prepared by MA&C, relative to the District's various funds and accounts for

the reporting period ending June 30, 2011, a copy of which Report is included with **Exhibit C**. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Adamek, seconded by Director Hodge and carried unanimously, said Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

### **ENGINEERING REPORT**

Mr. Davis presented and reviewed with the Board a written engineering report dated July 21, 2011, a copy of which report is attached hereto as **Exhibit D**, relative to the status of various projects within the District.

Mr. Davis next advised the Board that he was contacted by a representative of the owner of the approximately 13 acre tract located east of Wal-Mart relative to the District possibly providing water and sanitary sewer service to the tract. There then ensued a discussion regarding the District's detention channel located adjacent to said tract and the maintenance of same and whether or not the approximately 13 acre tract is maintained by Champions Hydro-Lawn, Inc. Mr. Davis advised the Board that he would contact Champions regarding same and report back at next month's meeting. No action was taken by the Board at this time.

### **DROUGHT CONTINGENCY PLAN**

Mr. Skinner next advised the Board that the Texas Commission on Environmental Quality ("TCEQ") is requesting that all public water systems consider implementing their drought contingency plans in order to conserve water due to the current drought conditions. Mr. Skinner then presented and reviewed correspondence received from the TCEQ regarding said request, a copy of which is attached hereto as **Exhibit E**. After discussion, the Board concurred not to implement the District's drought contingency plan at this time.

### **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 informed the Board that he had nothing new to report at this time.

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

The Board deferred consideration of a Detention and Drainage Facilities Report as no Report was presented.

### **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"). In connection therewith, Mr. Skinner reminded the Board that the District had received a tap fee installment payment from HOH, as previously agreed in writing by HOH. Mr. Skinner then presented to and reviewed with the Board a draft Development, Financing and

Annexation Agreement ("Agreement") between the District and HOH. After discussion on the matter, Director Stage moved that said Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District, subject to SPH's final review. Director Albright 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 is continuing to work on an annexation feasibility study.

### **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 July 19, 2011, a copy of which is attached hereto as **Exhibit F**.

The Board requested that EDP contact the contractor that installed the new brush assembly on the fine screen located at the Wastewater Treatment Plant to determine the cause of the equipment failure in order to avoid future repairs.

Relative to the chloramination disinfection conversion project, the Board requested that EDP prepare for review by SPH and the Board the required notice to District customers advising of the change in disinfection systems, as required by the TCEQ.

### **COMMUNICATIONS REGARDING SURFACE WATER CONVERSION POLICIES AND PRICING STRUCTURE**

The Board next considered the status of communications with the North Harris County Regional Water Authority, Harris-Galveston Subsidence District and the Texas State Legislature relative to surface water conversion policies and pricing structure. In connection therewith, Director Adamek informed the Board that he had nothing new to report at this time.

### **ISSUANCE OF UTILITY COMMITMENTS**

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

### **ATTORNEY'S REPORT**

Mr. Skinner next presented and reviewed with the Board information received from the Bacteria Implementation Group ("BIG") regarding a proposed Implementation Plan ("Plan") for total maximum daily loads for bacteria in the Houston-Galveston Region for submission to the TCEQ on behalf of all stakeholder Districts. In connection therewith, Mr. Skinner presented a Resolution in Support of Proposed Implementation Plan for Total Maximum Daily Loads for Bacteria in the Houston-Galveston Region Developed by the BIG ("Resolution"), and explained

that, if the Board is in support of the proposed Plan, said Resolution will be provided to the TCEQ by the BIG as a supporting document with the proposed Plan. After discussion, the Board deferred taking any action on the matter at this time.

Mr. Skinner presented to and reviewed with the Board an 82<sup>nd</sup> Texas Legislative Session summary prepared by SPH, a copy of which is attached hereto as **Exhibit G**.

### **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 corrections to the website were noted.

### **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 June 2011, a copy of which is attached hereto as **Exhibit H**. A discussion then ensued regarding the current patrolling hours. After further discussion, Director Stage moved that SPH be authorized to contact HCSO on behalf of the Board and the District and request that the patrolling hours be changed as discussed. Director Albright seconded the motion, which carried unanimously.

### **ADJOURN**

There being no further business to come before the meeting, upon motion made by Director Stage seconded by Director Hodge 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 – Engineer's Report

Exhibit E – TCEQ correspondence

Exhibit F– Operator's Report

Exhibit G– Legislative Summary

Exhibit H – District Security Report