

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Special Meeting of Board of Directors  
July 24, 2012

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met at the Board's regular meeting place on July 24, 2012, in accordance with the duly posted Notice of Special 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 Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Wheeler and Ryan Fortner, of Wheeler & Associates, Inc. ("Wheeler"); John Davis of Langford Engineering Inc. ("Langford"); Michael Murr of Murr Incorporated ("MI"); and Christopher 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 June 21, 2012. After discussion of the minutes presented, Director Stage moved that the June 21, 2012, 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.

**APPROVAL OF PREPARATION, EXECUTION AND FILING OF REQUIRED DOCUMENTATION OF EMINENT DOMAIN AUTHORITY**

Mr. Skinner advised the Board that, as a result of certain revisions to Chapter 2206 of the Texas Government Code enacted in 2011, the District must file a letter with the State Comptroller's office by December 31, 2012, stating that it is authorized by law to exercise the power of eminent domain and identifying each provision of law that grants such authority. He further advised that the District's eminent domain authority will expire on September 1, 2013, if the required letter is not timely filed. Following discussion on the matter, Director Albright moved that SPH be authorized to prepare the required documentation of eminent domain

authority, that the Vice President be authorized to execute same on behalf of the District, and that SPH be authorized to file the required documentation with the State Comptroller in the manner specified in the statute. Director Stage seconded the motion, which passed unanimously.

### **LANDSCAPING AND STREET LIGHTING ALONG LEXINGTON ROAD**

There next ensued a discussion regarding the design and installation of landscaping along Lexington Road and the possibility of contacting Harris County regarding an improved maintenance program for the area and adding street lighting. There then ensued a discussion regarding the landscaping and installation of trees and an irrigation system along Lexington and the quantity and types of trees to be planted. In connection therewith, Mr. Skinner introduced Mr. Murr to the Board. Mr. Murr then presented to and reviewed with the Board a Proposal for landscape design along Lexington Road. The Board asked various questions to which Mr. Murr responded. After further discussion, Director Palermo moved that the Board accept MI's proposal for landscape design along Lexington Road and that the Vice President be authorized to execute same on behalf of the Board and the District. Director Stage seconded the motion, which carried unanimously.

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

Ms. Wheeler presented to and reviewed with the Board the tax assessor-collector's report, dated as of June 30, 2012, including the checks presented for payment from the District's tax account, as listed therein, historical valuation and collection data, and the Delinquent Collections Listing as of June 30, 2012, copies of which are attached hereto as **Exhibit A**. After discussion, Director Palermo 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 Albright seconded said motion, which carried unanimously.

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

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys' Report, dated July 24, 2012, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys; a copy of the Report is attached hereto as **Exhibit B**. Mr. Skinner noted that no specific Board action was required at this time with respect to any of the accounts listed in such report.

### **AMENDMENT TO AGREEMENT BETWEEN DISTRICT AND SALES TAX AND REVENUE TRACKING ("START")**

Mr. Skinner next discussed with the Board the District's current agreement with START, a division of Wheeler, and noted that there currently is not a provision regarding the transfer of the District's records in the event of termination of services. Mr. Skinner then informed the Board that, as requested at last month's meeting, SPH has prepared an amendment to the District's agreement with START to add such a provision and presented and reviewed same with the Board. After discussion on the matter, Director Hodge moved that said amendment be

approved and that the Vice President be authorized to execute same on behalf of the Board and the District. Director stage seconded the motion, which carried unanimously.

### **BOOKKEEPER'S REPORT**

Mr. Burton presented to and reviewed with the Board the bookkeeper's report dated July 24, 2012, 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 2012 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 Albright the bookkeeper's report be approved and that the various disbursements identified therein be approved for payment, except for check no. 5227, which was voided. Director Stage seconded the motion, which carried unanimously.

### **AMENDMENT TO AGREEMENT FOR BOOKKEEPING SERVICES**

Mr. Burton next presented and reviewed with the Board a Second Amendment to Agreement for Bookkeeping Services with MA&C reflecting a fee increase. After discussion on the matter, Director Hodge moved that the Board accept the fee adjustment requested by MA&C and that the Vice President be authorized to execute the First Amendment to Agreement for Bookkeeping Services on behalf of the Board and District. Director Stage seconded the motion, which carried unanimously.

### **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board a written engineering report, dated July 24, 2012, 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 Langford has prepared a short form contract between the District and Neil Technical Services Corp. relative to the force main and piping adjustment project at the District's wastewater treatment plant and requested that the Board consider approving said contract and authorizing the Vice President to execute same on behalf of the Board and the District. After discussion, Director Stage moved that said contracts be approved and that the Vice President be authorized to execute same on behalf of the Board and the District. Director Albright seconded the motion, which carried unanimously.

### **RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT**

The Board next considered the status of the District's application to the Texas Commission on Environmental Quality ("TCEQ") for the renewal of the District's Waste Discharge Permit due to expire February 1, 2013. Mr. Davis advised the Board said application is scheduled to be submitted to the TCEQ prior to next month's meeting.

## **APPLICATION FOR TYPE I RECLAIMED WATER PERMIT**

There next ensued a discussion regarding the possibility of submitting an application to the TCEQ to obtain a permit for use of reclaimed water from the wastewater treatment plant for irrigational purposes. Mr. Davis informed the Board that the estimated engineering fees for the preparation of said application is approximately \$2,500 to \$7,500. He noted that Langford is still waiting to receive information from the TCEQ to determine the scope of the permit application. No action was taken by the Board on the matter at this time.

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

There next ensued a discussion regarding the various options available to remedy the District's amenity/detention ponds erosion issues. No action was taken by the Board on the matter at this time.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

The Board deferred consideration of a Detention and Drainage Facilities after noting that no representative from Champions Hydro-Lawn, Inc. ("Champions") was present at the meeting.

## **PROPOSAL FROM ENVIRONMENTAL ALLIES FOR DETENTION AND DRAINAGE FACILITIES MAINTENANCE SERVICES**

The Board next considered a proposal from Environmental Allies for maintenance services for the District's detention and drainage facilities. Mr. Davis presented and reviewed with the Board a bid form prepared by Langford reflecting the specifications for the District's detention and drainage facilities for transmittal to both Environmental Allies and Champions, a copy of which bid form is included with **Exhibit D**. The Board requested that a line item regarding the annual trash removal be added to the bid form.

## **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 advised the Board that a fully executed Petition for said annexation has been submitted to the City of Houston for approval and noted that said application is still pending with the City at this time.

## **OPERATIONS AND MAINTENANCE REPORT**

The Board deferred the Operations and Maintenance Report after noting that no Environmental Development Partners ("EDP") representative was present at the meeting. Mr. Skinner noted that Mr. Eric Thiry of EDP informed him that he would e-mail out the written Operations and Maintenance Report for June to the Board.

**CONVEYANCE OF CERTAIN PROPERTY ALONG LEXINGTON ROAD FROM SPRING LAKES HOMEOWNERS ASSOCIATION TO DISTRICT**

There next ensued a discussion regarding the possibility of the District assuming title to certain property along Lexington from the Spring Lakes Homeowners Association. After discussion, the Board deferred taking any action on the matter at this time.

**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 ("HCSO") call sheet summary for June 2012, a copy of which summary is attached hereto as **Exhibit E**.

**ATTORNEY'S REPORT**

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

**SOLICITATION OF PROPOSALS FOR TAX ASSESSOR-COLLECTOR SERVICES**

The Board next considered authorizing solicitation of proposals for tax assessor-collector services. In connection therewith, Ms. Wheeler addressed the Board regarding the recent billing matters. She additionally discussed with the Board her individual qualifications and Wheeler's qualifications as a tax assessor-collector. She noted that Wheeler would be willing to match or exceed any competitive pricing that may be received by the District. After discussion on the matter, Director Stage moved that SPH be authorized to solicit proposals for tax assessor-collectors services from (i) Wheeler, (ii) Bob Leared Interests, (iii) Assessments of the Southwest and (iv) Utility Tax Services for its consideration at the next Board meeting. Director Albright seconded the motion, which carried unanimously.

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


The Board deferred convening in closed session at this time.

**APPROVAL OF SETTLEMENT AGREEMENT AND MUTUAL RELEASE WITH WHEELER**

With regard to the recent billing dispute between Wheeler and the District, Mr. Skinner reminded the Board that it previously accepted Wheeler's settlement offer to reimburse the District for (i) amounts erroneously charged to the District by Wheeler for the period comprising the District's 2009-2011 fiscal years in the amount of approximately \$4,703.22, and (ii) legal and auditing fees incurred by the District in connection with the investigation of the matter estimated in the amount of approximately \$1,900. In that regard, Mr. Skinner advised the Board that Wheeler has prepared a Compromise, Settlement and Mutual Release Agreement (the "Agreement") related to the settlement and stated that SPH has reviewed and approved the form of the Agreement. He then presented to and reviewed with the Board a copy of the agreement and discussed various provisions of same with the Board. After discussion on the matter, Director Stage moved that the Agreement be approved and that the Vice President be authorized to execute same on behalf of the Board and the District. Director Albright seconded said motion which unanimously carried.

**ADJOURN**

There being no further business to come before the Board, upon motion duly made by Director Hodge, seconded by Director Albright 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 – District Security Report