

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors July 18, 2013

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 18, 2013, 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, Assistant Secretary

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

Also present were John Davis of Langford Engineering Inc. ("Langford"), who later entered the meeting after it had been called to order, as noted herein; Eric Thiry of Environmental Development Partners, LLC ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Michael Murr of Murr Incorporated ("MI"); Brenda McLaughlin of Bob Leared Interests, Inc. ("BLI"); Blake Kridel of Stormwater Solutions, LP ("SWS"); Christine Crotwell of First Southwest Company ("FSW"); Ted Ritts of The Pool Man Inc. ("PMI"); Sargent Scholwinski and Deputy Herman Hoffschneider of the Harris County Sheriff's Office ("HCSO"); Cindy Adamek, James Fagan and Mary Fagan, residents of the District; and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SP&H").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

### **MINUTES**

The Board first reviewed the draft minutes of its meeting held on June 20, 2013. After discussion of the minutes presented, Director Adamek moved that the June 20, 2013, minutes be approved, as written. Director Palermo seconded said motion, which carried unanimously.

### **COMMENTS FROM THE PUBLIC**

Sargent Scholwinski addressed the Board regarding the current criminal activity in the District and the increased security patrol in the area. Sargent Scholwinski informed the Board that the HCSO has utilized additional resources to increase police presence in the District in response to the recent increase in criminal activity. He then discussed the HCSO pilot camera surveillance program with the Board. There then ensued a discussion regarding the possibility of the District entering into a short term contract with the HCSO for an additional deputy to patrol

the District and/or the possibility of unmarked vehicles being utilized. A lengthy discussion then ensued regarding same. No action was taken by the Board at this time.

Mr. Davis entered the meeting at this time.

Mr. Fagan next addressed the Board regarding the recent damage to Lemm Gully caused by his swimming pool contractor, PMI. Mr. Fagan explained the rationale for deciding to access Lemm Gully during the pool construction. The Board then discussed the current state of the damage and the restoration of same as a result of recent rain helping to restore the grass cover. After a lengthy discussion on the matter, the Board concurred that the lasting damage to the area is minimal and that the Board would not request any monetary recompense from the Fagan's or PMI.

### **LANDSCAPING ALONG LEXINGTON ROAD**

There next ensued a discussion regarding the Lexington Road landscaping project ("Project"). In connection therewith, Mr. Murr informed the Board that Harris County has approved the plans and specifications for Phase II of the Project. He then informed the Board that bids for the Project are expected to be received in approximately sixty (60) days. Mr. Murr additionally informed the Board that one tree is in need of replacement from the Phase I Lexington Road landscaping project. Mr. Murr exited the meeting at this time. The Board then continued discussion regarding the Phase I and Phase II Lexington Road landscaping projects, including adding a post and chain-link fence and not trespassing signs. The Board requested that SWS provide an estimate for gate options and that EDP provide an estimate for signage options for the Board's consideration at the August meeting.

### **PROPOSED SERIES 2013 UNLIMITED TAX REFUNDING BONDS AND CASH DEFEASANCE OF A PORTION OF SERIES 2006 UNLIMITED TAX BONDS**

The Board discussed the possible issuance of the District's Series 2013 Unlimited Tax Refunding Bonds. Ms. Crotwell addressed the Board and presented to and reviewed with the Board a Refunding and Cash Defeasance Analysis in connection with the District's proposed Refunding Bonds; a copy of the Refunding and Cash Defeasance Analysis is attached hereto as **Exhibit A**. There then ensued a discussion regarding various refunding and cash defeasance options. After discussion on the matter, the Board concurred that SP&H and FSW be authorized to move forward the Series 2013 Unlimited Tax Refunding Bond Issue and with the cash defeasance of approximately \$1,000,000 of the District's Series 2006 Unlimited Tax Bonds, as applicable.

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

Ms. McLaughlin presented to and reviewed with the Board the tax assessor-collector's report for the month of June 2013, which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Stage moved that the tax assessor-collector's report be approved and that the disbursements identified in said report be approved for payment from the District's tax account. Director Palermo seconded said motion, which unanimously carried.

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

Mr. Skinner presented to and reviewed with the Board a delinquent tax collection attorneys' report, dated July 18, 2013, 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 C**. Mr. Skinner noted that no Board action was required at this time with respect to any of the accounts listed in such report.

## **BOOKKEEPER'S REPORT**

Mr. Burton presented to and reviewed with the Board the bookkeeper's report dated July 18, 2013, including (i) the disbursements 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 2013 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit D**. After discussion, it was moved by Director Adamek that the bookkeeper's report be approved and that the various disbursements identified therein be authorized for payment, except check no. 5589 issued to Director Albright, which was voided. Director Stage seconded the motion, which carried unanimously.

## **ENGINEERING REPORT**

Mr. Langford presented to and reviewed with the Board a written engineering report, dated July 18, 2013, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Mr. Davis next requested that the Board consider authorizing Langford to advertise for bids for Phase II of the Lexington Road landscaping project. After discussion, the Board deferred taking any action until next month's meeting in order to discuss the scope of the project with Mr. Murr.

Mr. Davis next advised the Board that the concrete fence located at the District's lift station was damaged and is in need of repair. He then presented to and reviewed with the Board a cost estimate from Fencecrete America, Inc. in the amount of \$1,103.41 for the fence repair, a copy of which cost estimate is included with **Exhibit E**. After discussion on the matter, the Board concurred that said cost estimate be accepted and that Langford be authorized to have the fence repaired at an estimated cost of \$1,103.41.

## **DROUGHT CONTINGENCY PLAN**

Mr. Skinner advised the Board that the North Harris County Regional Water Authority ("NHCRWA") recently amended its Drought Contingency Plan ("DCP") to require any of the NHCRWA's customers, including entities whose wells are included in the Authority's groundwater reduction plan or receive surface water from the NHCRWA to be subject to the conditions and restrictions of the DCP. Mr. Skinner then presented to and reviewed a copy of

the NHCRWA's amended DCP. A discussion then ensued a regarding same. Mr. Skinner advised the Board that SPH is in the process of preparing an amendment to the District's current Drought Contingency Plan to conform the requirements therein to the requirements of the NHCRWA's DCP for approval in the near future. No action was taken by the Board at this time.

### **BAYER PARK WASTEWATER CONVEYANCE AND TREATMENT PROJECT**

Mr. Skinner reminded the Board that it previously approved correspondence prepared by SP&H summarizing the terms upon which the District would provide wastewater collection and treatment service to Bayer Park based on SP&H's recent conversations with Harris County Precinct 4. Mr. Skinner then informed the Board that, since the last meeting, SP&H finalized and forwarded said correspondence to Harris County Precinct 4. Mr. Skinner also informed the Board that, as previously authorized, SP&H prepared a draft agreement for Phase I in connection with the proposed project(s) and presented and reviewed same with the Board. A discussion ensued regarding same. No action was taken by the Board at this time.

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

There next ensued a discussion regarding the status of submission of an application to the Texas Commission on Environmental Quality ("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 final application has been prepared and requested that the Board consider authorizing Langford to submit the application. After discussion on the matter, the Board concurred that Langford be authorized to submit said application to the TCEQ on behalf of the District.

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

Mr. Kridel presented to and reviewed with the Board a Detention and Drainage Facilities Report for July 2013 prepared by SWS a copy of which report is attached hereto as **Exhibit F**.

### **OPERATIONS AND MAINTENANCE REPORT**

The Board considered the Operations and Maintenance Report. Mr. Thiry presented to and reviewed in detail with the Board a written Operations Report prepared by EDP, dated as of July 17, 2013; a copy of the Report is attached hereto as **Exhibit G**.

Mr. Thiry presented to and reviewed with the Board a Flushing Valve Report relative to the recent fire hydrant testing conducted and the recommended repair costs, a copy of which Flushing Valve Report is included with **Exhibit G**. Mr. Thiry noted that all of the recommended repair costs total \$9,250. After discussion, the Board concurred that EDP be authorized to move forward with all of the recommended repairs at a cost of \$9,250.

Mr. Thiry next advised the Board that the return sludge pump nos. 1 and 2 at the District's wastewater treatment plant are in need of repair. He then informed the Board that the estimated cost for said repairs is \$2,677.00 and \$800, respectively. After discussion the Board concurred

that EDP be authorized to repair both return sludge pumps nos. 1 and 2 at an estimated cost of \$2,677.00 and \$800, respectively.

There next ensued a discussion regarding graffiti located in the District. The Board requested that EDP paint over the graffiti currently located within the District. Mr. Thiry concurred with the request.

### **LEMM GULLY DRAINAGE CHANNEL REPAIR PROJECT**

Mr. Skinner noted that this item on the agenda had previously been discussed in the meeting and that no further action was required at this time.

### **ISSUANCE OF UTILITY COMMITMENTS**

Mr. Skinner reminded the Board that SP&H was in receipt of a request from Alchemy Holdings Venture, Ltd. ("Alchemy") for a utility commitment letter ("UCL") for water and wastewater treatment capacity to serve a planned retail/commercial shopping center. Mr. Skinner also reminded the Board that Alchemy has not yet determined what amount of sewer capacity will be required to serve the property. After discussion, the Board deferred taking any action on the matter at this time.

### **WEBSITE PROVIDER**

There next ensued a discussion regarding the District's website provider and working with said provider to improve the District's website. Mr. Skinner noted an update to be made to the website.

### **DISTRICT SECURITY ISSUES**

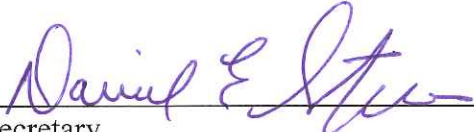
The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff Office's call sheet summary for June 2013, a copy of which summary is attached hereto as **Exhibit H**.

### **ATTORNEY'S REPORT**

Mr. Skinner presented to and reviewed with the Board an 83rd Texas Legislative Session summary prepared by SPH, a copy of which is attached hereto as **Exhibit I**.

**ADJOURN**

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

  
Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Refunding and Cash Defeasance Analysis

Exhibit B – Tax Assessor-Collector's Report

Exhibit C – Delinquent Tax Report

Exhibit D – Bookkeeper's Report

Exhibit E – Engineer's Report

Exhibit F – Detention and Drainage Facilities Report

Exhibit G – Operations and Maintenance Report

Exhibit H – District Security Report

Exhibit I – Legislative Summary