

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors December 20, 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 December 20, 2012, 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 Palermo, thus constituting a quorum.

Also present were Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); John Davis of Langford Engineering Inc. ("Langford"), who entered the meeting after it had been called to order, as noted herein; Eric Thiry of Environmental Development Partners, LLC ("EDP"), who entered the meeting after it had been called to order, as noted herein; Brenda McLaughlin of Bob Leared Interests, Inc. ("BLI"); Blake Kridel of Storm Water Solutions, Inc. ("SWS"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, a resident of the District; and Christopher 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 first reviewed the draft minutes of its meeting held on November 15, 2012. Several revisions were noted to page nos. 3 and 4 of said draft minutes. After discussion of the minutes presented, Director Adamek moved that the November 15, 2012, minutes be approved, as revised. Director Albright seconded said motion, which carried unanimously.

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

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

#### **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. Mr. Murr informed the Board that, since the

last Board meeting, MI obtained three (3) bids to address (i) sidewalk erosion, and (ii) lake edge erosion, and presented and reviewed a bid tabulation with the Board, a copy of which bid tabulation is attached hereto as **Exhibit A**. Mr. Murr noted that the low bidder for both projects was submitted by Houston Landscape Services ("HLS") in the total amount of \$31,159.00. After discussion on the matter, Director Adamek moved that both projects be awarded to HLS in an amount not to exceed \$35,000, subject to preparation and execution of an acceptable form of contract for the projects. Director Albright seconded the motion, which carried 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 status of communications with Harris County regarding installation of street lighting. Mr. Skinner reminded the Board of the meeting he, Ms. Cole of SPH and Mr. Davis attended with Commissioner Cagle and his staff to discuss the addition of landscaping improvements and street light along and in the median of Lexington Road between East Louetta Road and East Cypresswood Drive. Mr. Skinner further reminded the Board that Commissioner Cagle's office indicated that a warrant study would first have to be conducted to determine if the County could install a traffic light at the intersection of Lexington Road and E. Cypresswood Drive. Mr. Skinner then informed the Board that SPH prepared and forwarded correspondence to Harris County requesting the consideration of a warrant study for the installation of street lighting and a traffic signal at the intersection. Mr. Skinner then presented to and reviewed with the Board a memorandum received from Harris County Precinct 4 in response to the request, a copy of which memorandum is attached hereto as **Exhibit B**. Mr. Skinner noted that said memorandum states that the District's request has been submitted to Harris County Public Infrastructure Department –Traffic and Transportation for further handling. Mr. Murr then informed the Board that MI is in the process of finalizing the plans for the Lexington Road, Phase 1 Improvements at this time.

Mr. Thiry entered the meeting 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 November 2012, a copy of which summary is attached hereto as **Exhibit C**. Mr. Skinner then informed the Board that e-mail correspondence was recently received from the Harris County Sheriff's Office requesting confirmation of the District's interest in the addition of second deputy to the current contract and noted that SPH confirmed that the District still desires to add another contract deputy. The Board then requested that SPH prepare and forward correspondence to the HCSO's requesting that an additional deputy be added to the contract as soon as possible.

**REVIEW OF PRELIMINARY PLAN OF FINANCING FOR DISTRICT'S UNLIMITED TAX REFUNDING BONDS SERIES 2013, AND ESTABLISH PARAMETERS FOR SALE OF SAME**

Mr. Skinner addressed the Board regarding the issuance of refunding bonds for the District and, in that regard, Mr. Skinner informed the Board that he was advised by the District's financial advisor that the savings for the proposed refunding currently do not meet the savings requirements of the City of Houston relative to the issuance of refunding bonds, and, therefore, no action is required from the Board at this time.

**AGENDA ITEMS FOUR (4) THROUGH SIXTEEN (16) IN CONNECTION WITH PROPOSED REFUNDING**

The Board deferred taking any action on agenda items 4 through 16 in connection with the proposed refunding until the transaction satisfies the minimum savings requirements of the City of Houston relative to the issuance of refunding bonds.

**TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. McLaughlin presented to and reviewed with the Board the tax assessor-collector's report for the month of November 2012, attached hereto as **Exhibit D**. There then ensued a discussion regarding an updated aerial survey of the District. After discussion on the report presented, Director Hodge moved that (i) the tax assessor-collector's report be approved and that the checks identified in said report be approved for payment from the District's tax account, and (ii) BLI be authorized to produce an updated aerial survey of the District at a cost not to exceed \$600. Director Albright seconded said motion, which unanimously carried.

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 December 20, 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 E**. 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 December 20, 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 November 2012 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit F**. After discussion, it was moved by Director Hodge that the bookkeeper's report be approved and that the various disbursements

identified therein be approved for payment, except for check no. 5383 payable to Director Palermo, which was voided. Director Stage seconded the motion, which carried unanimously.

Mr. Burton next informed the Board that AT&T has bundled the rate for all four (4) of the phone lines at the District's facilities and is now charging \$35.00 per line in lieu of \$60.00 to \$80.00 per line.

### **OPERATING BUDGET**

Mr. Burton 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, 2013, copies of which are included with **Exhibit F**. A few changes to said draft budgets were noted. After discussion on the matter, Director Adamek 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, 2013, as amended. Director Albright seconded said motion, which carried unanimously.

### **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board a written engineering report, dated December 20, 2012, a copy of which report is attached hereto as **Exhibit G**, relative to the status of various projects within the District.

There next ensued a discussion regarding the 13-acre tract owned by Churchill-Louetta Properties, Ltd. and the construction of recreational trails. Mr. Davis informed the Board that, since the last meeting, Langford has conducted a survey of the property along the creek. There then ensued a discussion regarding the ownership of the property and easement interests in connection therewith. After further discussion on the matter, the Board requested that SPH conduct further research regarding the matter. No action was taken by the Board at this time.

Mr. Davis next informed the Board that correspondence was received from Quadvest Water and Sewer Utility ("Quadvest") advising that Quadvest is in the process of preparing a wastewater discharge permit application for submittal to the Texas Commission on Environmental Quality ("TCEQ") for an amendment to an existing wastewater treatment plant in Harris County. Mr. Davis then informed the Board that, as required by the TCEQ, Quadvest is inquiring whether any neighboring municipal utility districts, which includes the District, has approximately 0.520 million gallons per day of sewer capacity available. A lengthy discussion ensued regarding same and the Board indicated its interest in selling said capacity to Quadvest, if said capacity is available in the District's joint wastewater treatment plant with Harris County Water Control and Improvement District No. 110. After further discussion, the Board requested that additional research be conducted to determine the District's capacity availability. No action was taken by the Board at this time.

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

The Board next considered the status of the District's application to the TCEQ for the renewal of the District's Waste Discharge Permit due to expire February 1, 2013. Mr. Davis

advised the Board that said application has been reviewed by the TCEQ and noted that the final notice publication occurred on November 30, 2012. Mr. Davis noted that Langford expects to receive the new Permit from the TCEQ in the near future.

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

There next ensued a discussion regarding the status of submission of 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 final application is being reviewed at this time and that Langford plans to submit the application to the TCEQ in the near future.

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

Mr. Kridel presented to and reviewed with the Board a Detention and Drainage Facilities Report for December 2012 prepared by Storm Water Solutions, Inc. a copy of which report is attached hereto as **Exhibit H**. Mr. Kridel informed the Board that there is standing water in the Spring Lakes Haven Drive area and noted that the standing water may be a result of a waterline leak. After further discussion on the matter, the Board requested that SWS and EDP determine the source of the standing water and make any necessary repairs.

### **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 19, 2012; a copy of the Report is attached hereto as **Exhibit I**. Director Adamek then presented to and reviewed with the Board a photograph of a sink hole located at 1014 Buffalo Springs, a copy of which photograph is included with **Exhibit I**. Mr. Thiry noted that there is possibly another sink hole located at the corner of Alp Springs and Buffalo Springs. After discussion on the matter, the Board requested that EDP conduct further research and report back at the next meeting. No action was taken by the Board 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.

### **ATTORNEY'S REPORT**

Mr. Skinner next presented to and reviewed with the Board correspondence received from Classic Messaging requesting an opportunity to attend a future Board meeting to deliver a presentation regarding their Emergency Mass Messaging services offered, a copy of which

correspondence is attached hereto as Exhibit J. After discussion on the matter, the Board concurred that it is not interested in said services at this time.

**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.

  
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Asst. Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A– Bid Summary

Exhibit B– Memorandum from Harris County Precinct 4

Exhibit C – District Security Report

Exhibit D– Tax Assessor-Collector's Report

Exhibit E – Delinquent Tax Report

Exhibit F– Bookkeeper's Report

Exhibit G– Engineer's Report

Exhibit H– Detention and Drainage Facilities Report

Exhibit I – Operations and Maintenance Report

Exhibit J – Correspondence from Classic Messaging