

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors July 17, 2014

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 17, 2014, 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:

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

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

Also present were John Davis of Langford Engineering Inc. ("Langford"); Eric Thiry and Damon Brown of Environmental Development Partners, LLC ("EDP"); Michael Murr of Murr Incorporated ("MI"), who entered the meeting after it had been called to order, as noted herein; Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Deputy Herman Hoffschneider of the Harris County Sheriff's Office ("HCSO"); Blake Kridel of Storm Water Solutions, LP ("SWS"); Cindy Adamek, a resident of the District; Mr. and Mrs. Nguyen, residents of Harris County Water Control and Improvement District No. 110, who each entered the meeting after it had been called to order, as noted herein; 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 it.

#### **MINUTES**

The Board first reviewed the draft minutes of its meeting held on June 18, 2014. After discussion of the minutes presented, Director Hodge moved that the June 18, 2014, minutes be approved, as written. Director Stage seconded said motion, which carried unanimously.

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

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

#### **DISTRICT SECURITY ISSUES**

The Board considered the report regarding District security issues. Mr. Skinner distributed the HCSO call sheet summary for June 2014, a copy of which summary is attached hereto as **Exhibit A**.

Deputy Hoffschneider next addressed the Board regarding the current status of criminal activity in and around the District.

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

Mr. Skinner next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of June 2014, which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Hodge 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 Albright seconded said motion, which unanimously carried.

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

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated July 17, 2014, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys; a copy of such report is attached hereto as **Exhibit C**. Mr. Skinner noted that no Board action was required with respect to any of the accounts listed in the report.

### **BOOKKEEPER'S REPORT**

Mr. Burton presented to and reviewed with the Board the Bookkeeper's Report dated July 17, 2014, including (i) the disbursements presented for payment from the District's 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 May 2014 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 Palermo that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment. Director Albright seconded the motion, which carried unanimously.

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

Mr. Kridel presented to and reviewed with the Board the Detention and Drainage Facilities Report for July 2014 prepared by SWS, a copy of which report is attached hereto as **Exhibit E**. Mr. Kridel noted that no repairs were necessary at this time.

### **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated July 17, 2014, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

## **NORTHLAND SHOPPING CENTER ANNEXATION**

Relative to the inquiry from Mr. David Mafrige regarding the planned annexation of the Northland Shopping Center at IH-45 and Spring Cypress Road, Mr. Davis discussed the current status of the planned annexation with the Board. Mr. Davis reminded the Board that the District will need to construct water and sanitary sewer lines to serve the tract and that it previously authorized Langford to move forward with the acquisition of the water and sanitary sewer easements from the various property owners. Messrs. Davis and Skinner then updated the Board on the status of the project. In connection therewith, Mr. Davis reminded the Board that it previously authorized Langford to prepare an annexation feasibility study to determine if said annexation is feasible for the District. Mr. Davis then advised the Board that Langford has prepared said feasibility study and presented and reviewed same with the Board, a copy of which is attached hereto as with **Exhibit G**. Mr. Davis stated that said study indicates that the annexation is feasible for the District. A discussion then ensued regarding same. No Board action was taken at this time with respect to said annexation.

Mr. Murr entered the meeting at this time.

## **ANNEXATION REQUEST FROM AXIS TEXAS DEVELOPMENT GROUP, LLC**

Mr. Davis reminded the Board that correspondence was previously received from Axis Texas Development Group, LLC ("Axis") regarding the possible annexation of an approximately 23.2679 acre tract of land into the boundaries of the District and that the development plans include the construction of multiple industrial warehouses. Mr. Davis also reminded the Board that, should said property be annexed into the District, the construction of a force main and on-site lift station would be required. In connection therewith, Mr. Davis informed the Board that, as previously authorized, Langford has prepared a feasibility study for said tract and presented and reviewed same with the Board. Mr. Davis noted that said study indicates that the annexation is feasible for the District. After discussion, the Board requested that SPH review said feasibility study and that such study be presented to Axis for its review.

Mr. Davis next informed the Board that there are two different groups interested in purchasing the property in the District currently owned by Home of Hope-Texas, Inc. and that the proposed development plans for the property consists of low rise commercial/warehouse/industrial buildings. A discussion then ensued regarding same. No Board action was taken at this time.

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

With respect to the Bayer Park wastewater conveyance and treatment project, Mr. Skinner reminded the Board that it previously approved an Interlocal Agreement between the District and Harris County, Texas and noted that SPH has forwarded said Agreement to Harris County for approval and execution. Mr. Davis noted that Langford is in the process of working on the design for the project at this time.

## **RELOCATION OF DISTRICT'S WATER LINE LOCATED AT THE INTERSECTION OF SPRING CYPRESS ROAD AND LEXINGTON BOULEVARD**

Mr. Davis next reminded the Board that the District's water line located at the intersection of Spring Cypress Road and Lexington Boulevard is located within the right-of-way of Spring Cypress Road and will need to be relocated. In connection therewith, Mr. Skinner reminded the Board that it previously approved an Interlocal Agreement between the District and Harris County and that SPH had forwarded said Agreement to Harris County for approval and execution. Mr. Skinner then informed the Board that Harris County made some revisions to said Agreement and noted that the cost for the project reflected in the revised Agreement has been reduced. After discussion, Director Albright moved that the President and Secretary be authorized to execute the revised Agreement on behalf of the Board and the District. Director Stage seconded the motion, which carried unanimously.

## **OPERATIONS AND MAINTENANCE REPORT**

The Board next 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, 2014; a copy of the Report is attached hereto as **Exhibit H**.

Mr. Thiry reminded the Board that he was in receipt of a request from Mr. and Mrs. Nguyen of 19702 Cypresswood Lake Dr. located within the boundaries of No. 110 for the removal of trees and brush from the fence line located between their residence and the District's Joint Wastewater Treatment Plant. Mr. Thiry then presented and reviewed a photograph of the fence line with the Board, a copy of which photograph is included with **Exhibit H**. A discussion ensued regarding same. Mr. Thiry noted that there is one dead pine tree in particular that Mr. and Mrs. Nguyen believe is a potential threat to their residence.

Mr. and Mrs. Nguyen entered the meeting during the discussion and the Board then recognized Mr. and Mrs. Nguyen. Mr. and Mrs. Nguyen then addressed their various concerns with the Board. After further discussion on the matter, the Board authorized EDP to remove any dead trees at the Joint Wastewater Treatment Plant.

## **LEXINGTON ROAD LANDSCAPING PROJECT**

There next ensued a discussion regarding the Lexington Road landscaping project (the "Project"). In connection therewith, the Board expressed to Mr. Murr its satisfaction with the Project.

## **ISSUANCE OF UTILITY COMMITMENTS**

The Board next deferred action regarding the issuance of utility commitments, as no requests for same had been received by the District.

**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 updates were requested to be made to the website at this time.

**ATTORNEY'S REPORT**

Mr. Skinner advised the Board that correspondence was received from the City of Houston ("City") advising that the City was informed by the State Comptroller's Office that a computer programming issue was detected resulting in overpayment or underpayment or payments made in connection with district's Strategic Partnership Agreement ("SPA") with the City, as applicable, of revenues during the months of March and April 2014, and that the District was overpaid by \$8,265.41 and noted that the City plans to deduct said amount from future SPA payments.

**STATUS OF ACQUISITION OF 6.867 TRACT ALONG CYPRESSWOOD DRIVE**

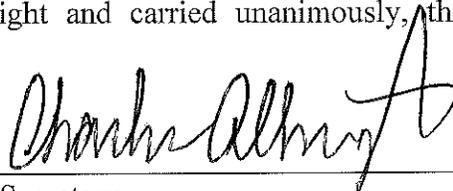
There next ensued a discussion regarding the status of the District's acquisition of approximately 6.867 acres of commercial property located along Cypresswood Drive (the "Property"). Mr. Skinner informed the Board that the closing for the purchase of said property occurred on June 26, 2014, and noted that the first installment payment is due on August 1, 2014. There next ensued a discussion regarding site and on-going maintenance of such commercial property. After further discussion, the Board requested that SWS prepare a proposal for maintenance of said commercial property for its consideration at the next Board meeting.

**ACQUISITION OF PROPERTY FROM FDC LOUETTA HOLDINGS I, LP**

There next ensued a discussion regarding the planned acquisition of recreational and drainage facilities property from FDC Louetta Holdings I, LP ("FDC"). Mr. Skinner reminded the Board that SPH has prepared a Purchase and Sale Agreement by and between the District and FDC and a Special Warranty Deed conveying the property from FDC to the District, and noted that said Purchase and Sale Agreement and Special Warranty Deed have been provided to FDC for execution.

**ADJOURN**

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



Asst. Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – District Security Report
- Exhibit B – Tax Assessor-Collector's Report
- Exhibit C – Delinquent Tax Report
- Exhibit D– Bookkeeper's Report
- Exhibit E – Detention and Drainage Facilities Report
- Exhibit F– Engineer's Report
- Exhibit G– Feasibility Study for Northland Shopping Center
- Exhibit H – Operations and Maintenance Report