

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
August 21, 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 August 21, 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 Palermo, thus constituting a quorum.

Also present were John Davis and Mick Helfrige of Langford Engineering Inc. ("Langford"); Eric Thiry of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Sergeant Raymond Schlowinski of the Harris County Sheriff's Office ("HCSO"); Blake Kridel of Storm Water Solutions, LP ("SWS"), who entered the meeting after it had been called to order, as noted herein; George Matters of Kowa Development ("Kowa"); Sydney Eifler, P.E. of Dannenbaum Engineering Corp.; Cindy Adamek, a resident 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 it.

**MINUTES**

The Board first reviewed the draft minutes of its meeting held on July 17, 2014. After discussion of the minutes presented, Director Hodge moved that the July 17, 2014, minutes be approved, as written. Director Albright 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 July 2014, a copy of which summary is attached hereto as **Exhibit A**.

Sergeant Schlowinski next addressed the Board regarding the current status of criminal activity in and around the District. There then ensued a discussion regarding speeding activity on Lexington Blvd. within the District.

Mr. Kridel entered the meeting during discussion of the security report.

### **POSSIBLE ANNEXATION OF APPROXIMATELY 23 ACRES**

Mr. Matters introduced himself to the Board and advised that Kowa has approximately 46 acres under contract for purchase, which consists of the Home-of-Hope ("HOH") property, the Axis Texas Development Group, LLC ("Axis") property and the Alchemy Holdings Venture, Ltd. ("Alchemy") property (collectively, the "Property"). Mr. Matters informed the Board that the HOH property and the Alchemy property are already located within the jurisdictional boundaries of the District, but that the Axis property will need to be annexed into the District's jurisdictional boundaries. Mr. Matters then advised the Board of Kowa's development plans for all of the Property and noted that Kowa is requesting that the District consider annexing the Alchemy property into its boundaries. A lengthy discussion then ensued regarding said annexation. After further discussion on the matter, the Board concurred that it is not amenable to moving forward with said annexation at this time.

### **RECEIVE FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION**

The Board deferred consideration of the financial advisor's 2014 tax rate recommendation until the next Board meeting pending receipt of the certified tax roll for the District from the Harris County Appraisal District ("HCAD").

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

Ms. McLaughlin next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of July 2014, 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 Adamek seconded said motion, which unanimously carried.

There next ensued a discussion regarding the loss of tax-exempt status of the HOH property. Ms. McLaughlin advised that she would follow-up with HCAD on the status of said account and report to the Board at its September meeting.

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

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated August 21, 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 August 21, 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 June 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 Adamek that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check no. 6014 issued to Director Palermo, which was voided. Director Albright seconded the motion, which carried unanimously.

## **AMENDED BUDGET**

The Board deferred the adoption of an amended operating budget at this time.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

Mr. Kridel presented to and reviewed with the Board the Detention and Drainage Facilities Report for August 2014 prepared by SWS, a copy of which report is attached hereto as **Exhibit E**. Mr. Kridel advised the Board that the 6.867 acre tract (the "Cypresswood Property") recently purchased by the District is in need of re-grading and clean-up in order to drain properly. He then presented a proposal from SWS in the amount of \$8,315 for said re-grading and clean-up, a copy of which is included with **Exhibit E**. Mr. Kridel additionally presented to and reviewed with the Board an annual maintenance budget for maintenance of said 6.867 acre tract, a copy of which is also included with **Exhibit E**. There then ensued a discussion regarding the planting of trees at the wastewater treatment plant site and the removal of dead pine trees. After a lengthy discussion, Director Stage moved that the Board accept SWS' proposal in the amount of \$8,315 for the re-grading and clean-up of the Cypresswood Property and that SWS be authorized to remove the dead pine trees. Director Albright seconded the motion, which carried unanimously. The Board deferred the approval of the maintenance budget at this time.

## **LEXINGTON ROAD LANDSCAPING PROJECT**

There next ensued a discussion regarding the Lexington Road landscaping project (the "Project"). No action was taken by the Board relative to said matter at this time.

## **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated August 21, 2014, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

**SECOND AMENDMENT TO AGREEMENT FOR OPERATING SERVICES**

The Board next considered the approval and execution of a Second Amendment to Agreement for Operating Services between the District and EDP. Mr. Thiry then presented to and reviewed said Amendment with the Board. After discussion, Director Stage moved that said Amendment be approved and that the President be authorized to execute same on behalf of the Board and the District, subject to said Amendment being effective as of the date of the September Board meeting. Director Adamek seconded the motion, which carried unanimously.

**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 preparation of the legal descriptions 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. Skinner presented to and reviewed with the Board a First Amendment to Annexation and Utility Services Agreement. After discussion on the matter, Director Stage moved that said Amendment be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Adamek seconded the motion, which carried unanimously.

**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. Ms. Skinner additionally informed the Board that said Agreement has been approved by Harris County and noted that, pursuant to the Agreement, an invoice in the amount of \$50,000 for the design fees will be forwarded to Harris County.

**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 has approved said Agreement and noted that Harris County is requesting that an irrigation tap be installed for landscaping purposes along the south right-of-way of Spring Cypress. After discussion, the Board concurred that it is amenable to said irrigation tap being installed.

## **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 August 21, 2014; a copy of the Report is attached hereto as **Exhibit G**.

Mr. Thiry presented to and reviewed with the Board a list of aged receivables through March 31, 2014, a copy of which is included with **Exhibit G**, and requested that the Board consider authorizing EDP to write-off off said receivables. After discussion, Director Adamek moved that EDP be authorized to write off the aged receivables reflected on said list. Director Albright seconded the motion, which carried unanimously.

## **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**

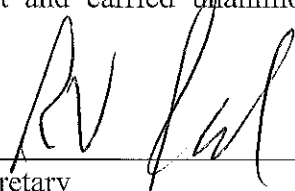
Mr. Skinner next presented and reviewed with the Board correspondence dated July 24, 2014 received from Jerry Homan, General Manager of Harris County Fresh Water Supply District No. 61, a copy of which is attached hereto as **Exhibit H**, requesting the District's support of the Water Users Coalition being formed for the purposes of establishing a constructive dialogue with the North Harris County Regional Water Authority ("NHCRWA"), independent review of NHCRWA actions, and purposeful discussions regarding surface water. After discussion, the Board deferred taking any action on the matter at this time.

## **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 it had previously approved 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 executed by FDC. Mr. Skinner advised that said Deed would be recorded in the real property records of Harris County, Texas.

**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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Secretary

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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 – Operations and Maintenance Report

Exhibit H – Correspondence regarding Water Users Coalition