

# **EXHIBIT “I”**

HARRIS COUNTY IMPROVEMENT  
DISTRICT NO. 11

(WEST MONTROSE MANAGEMENT DISTRICT)  
~~~~~

MEETING AND PUBLIC HEARING

February 15, 2011

4:40 p.m.

HOUSTON, TEXAS

Mary Kay Hendricks, Certified Shorthand Reporter



**ESQUIRE**  
an Alexander Gallo Company

**EXHIBIT "I"**

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston TX 77010  
[www.esquiresolutions.com](http://www.esquiresolutions.com)

210700 mkh

MEETING AND PUBLIC HEARING OF  
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11  
(WEST MONTROSE MANAGEMENT DISTRICT)

FEBRUARY 15, 2011

HOUSTON, TEXAS



**ESQUIRE**  
an Alexander Gallo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquireolutions.com](http://www.esquireolutions.com)

1 MR. HAWES: Welcome to this public hearing  
2 of the West Montrose Management District. I'm David  
3 Hawes, executive director of the district. The purpose  
4 of today's hearing is to consider the terms and  
5 conditions for the proposed consolidation of West  
6 Montrose Management District and East Montrose  
7 Management District.

8 During the course of this hearing, we hope  
9 to answer your questions about the consolidation of the  
10 two districts and the terms and conditions relating to  
11 such consolidation.

12 If you've not signed in on our attendance  
13 register today, please do so now. We have structured  
14 today's hearing to allow everyone to participate if they  
15 so choose.

16 You will have two opportunities to  
17 participate in today's hearing. First, you may testify  
18 in support of or in opposition to the terms and  
19 conditions for consolidation during the formal portion  
20 of the hearing. Second, during the formal portion of  
21 the hearing, you may designate yourself as a party,  
22 present evidence, call witnesses and cross-examine the  
23 witnesses called by other parties. Your remarks during  
24 this period will be limited to two minutes and must be  
25 germane to the terms and conditions for the



**ESQUIRE**  
an Alexander Gello Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquiresolutions.com](http://www.esquiresolutions.com)

1 consolidation at issue at this public hearing.

2 There's a separate witness list for those  
3 who would like to offer formal testimony. You may sign  
4 up on the witness list at any time during the hearing.

5 I would like to introduce the board of  
6 directors and consultants of the district. Marchris  
7 Robinson is the vice chair of the district and will be  
8 the acting chair at this public hearing. Randy  
9 Mitchmore, director, Cassie Stinson, director, Robert  
10 Jara, director, Dennis Murland, director and Tripp  
11 Carter, director. Clark Lord is here as the attorney of  
12 the district and Athea Davis, also with Vinson & Elkins  
13 with the district.

14 I will now turn the hearing over to  
15 Marchris Robinson, acting chair of the board. He'll  
16 preside over this public hearing.

17 MR. ROBINSON: Thank you. I hereby convene  
18 this hearing. I will listen to the testimony and weigh  
19 the evidence presented at this hearing. After the  
20 conclusion of the hearing, we will agree upon a report  
21 that will be presented to the board of directors at a  
22 meeting within the next month.

23 In accordance with the applicable state  
24 law, notice of such public hearing regarding the terms  
25 and conditions of two municipal management districts



**ESQUIRE**  
an Alexander Gallo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquireolutions.com](http://www.esquireolutions.com)

1 seeking to consolidate must be published at least once  
2 in a newspaper with general circulation in the affected  
3 districts at least seven days before the hearing.  
4 Notice of this public hearing was published in the  
5 HOUSTON BUSINESS JOURNAL, a newspaper of general  
6 circulation, seven days prior to this hearing.

7 The formal portion of this hearing will be  
8 conducted in accordance with Chapter 2001 of the Texas  
9 Government Code. Thus we will follow the rules of  
10 evidence as provided by Chapter 2001.

11 Everyone will have the opportunity to be  
12 heard today. You will have the opportunity to testify  
13 in support of or in opposition to the terms and  
14 conditions of consolidation. If you merely wish to  
15 testify, you do not need to designate yourself as a  
16 party. Your remarks during this period will be limited  
17 to two minutes and must be germane to the terms and  
18 conditions for consolidation at issue at this public  
19 hearing.

20 Since this is a formal hearing, you also  
21 have the right to be designated as a party to the  
22 hearing. The district will ask to be designated as a  
23 party and will call two witnesses to offer evidence.  
24 The two witnesses the district plans to call are the  
25 district's executive director and a paralegal from the



1 office of the district's attorney. A designated party  
2 must follow the rules of evidence as provided in  
3 Chapter 2001.

4 As a party you would have the right to  
5 cross-examine the district's witnesses, offer evidence,  
6 testify and call your own witnesses. You will not be  
7 able to ask questions of the district's witnesses unless  
8 you are designated as a party. Again, you do not need  
9 to be designated as a party if you merely wish to  
10 testify. If you merely wish to testify, please sign the  
11 witness list.

12 Are there any persons who want to be  
13 designated as a party at this hearing?

14 MR. LORD: The West Montrose Management  
15 District requests to be designated as a party.

16 MR. ROBINSON: Okay. The West Montrose  
17 Management District is hereby designated as a party to  
18 this hearing. Are there any persons who request party  
19 designation? Hearing no additional requests, we shall  
20 move to the presentation of the district's evidence.  
21 Mr. Lord, would you please proceed with the presentation  
22 of the district's evidence?

23 MR. LORD: Yes. We request that the board  
24 take judicial notice of House Bill No. 4722, the act of  
25 the 81st legislature, regular session, 2009, which is



**ESQUIRE**  
an Alexander Gallo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquiresolutions.com](http://www.esquiresolutions.com)

1 the act creating the district; number 2, Chapter 375,  
2 the Texas Local Government Code, the general law  
3 relating to municipal management districts; and,  
4 number 3, Chapter 3878 of the Special District Local  
5 Laws Code.

6 MR. ROBINSON: Judicial notice is taken.

7 MR. LORD: The district now calls  
8 Mr. Hawes, the executive director of the district.

9 MR. ROBINSON: Mr. Hawes, the court  
10 reporter needs to swear you in.

11 DAVID HAWES  
12 was called as a witness and, having been duly sworn,  
13 testified as follows:

14  
15 EXAMINATION

16  
17 Q. (BY MR. LORD) Please state your name and  
18 address.

19 A. My name is David Hawes, 5518 Fullbrook Shores  
20 Staits (sic), Fulshear, Texas, 77441.

21 Q. And please state your position with the  
22 district.

23 A. Executive director.

24 Q. How long have you been employed or as a  
25 consultant to the district?





1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A. Two years.

(Exhibit A marked.)

Q. (BY MR. LORD) Mr. Hawes, I hand you what has been labeled for identification purposes as Exhibit A. Do you recognize that document?

A. I do. This is the ordinance consenting to the creation of the Harris County Improvement District No. 11 and approved by city council.

Q. Mr. Hawes, is the document that's been marked Exhibit A for identification purposes a public document of the West Montrose Management District?

A. It is.

Q. And has the document that has been marked as Exhibit A been kept in the public office of the West Montrose Management District where documents of this nature are kept?

A. Yes.

MR. LORD: Mr. Chair, the district offers what has been marked for identification purposes as Exhibit A into evidence.

MR. ROBINSON: It is accepted into evidence.

(Exhibit B marked.)

Q. (BY MR. LORD) Mr. Hawes, I hand you what has been labeled for identification purposes as Exhibit B.



1 Do you recognize that document?

2 A. I do. It is the resolution by Harris County  
3 Improvement District No. 11 calling for the  
4 consolidation of Harris County Improvement District  
5 No. 11 with Harris County Improvement District No. 6.

6 Q. Okay. And has the document marked as Exhibit B  
7 for identification purposes been kept in the public  
8 office of the West Montrose Management District where  
9 documents of this nature are kept?

10 A. Yes.

11 MR. LORD: Mr. Chair, the district offers  
12 what has been marked for identification purposes as  
13 Exhibit B into evidence.

14 MR. ROBINSON: Exhibit B is accepted into  
15 evidence.

16 Q. (BY MR. LORD) Mr. Hawes, can you please  
17 explain the district's resolution proposing  
18 consolidation of the West and East Montrose Management  
19 Districts and authorizing the delivery of such?

20 A. The resolution was adopted by the district on  
21 February 15th, 2011 and sets forth that both West  
22 Montrose Management District and East Montrose  
23 Management District meet the legal criteria of districts  
24 that may consolidate. In accordance with state law, the  
25 districts have adopted a resolution proposing



1 consolidation and delivered a copy of the resolution to  
2 the board of each district with which consolidation is  
3 proposed. The districts are holding a public hearing in  
4 each respective district regarding the terms and  
5 conditions for consolidation of the districts. Notice  
6 of this public hearing has been properly provided, as it  
7 was published in the HOUSTON BUSINESS JOURNAL, a  
8 newspaper of general circulation, seven days prior to  
9 this hearing. The resolution also sets forth the terms  
10 and conditions for consolidation, which must be  
11 contained in a consolidation agreement approved by the  
12 districts in order to consolidate the districts.

13 Q. And what are the terms and conditions for  
14 consolidation set forth in the resolution?

15 A. The resolution sets forth the following  
16 proposed terms and conditions: As of the consolidation  
17 effective date of February 15th, 2001, the consolidated  
18 district shall be named Montrose Management District.

19 What also is proposed is: The Montrose  
20 Management District board of directors shall consist of  
21 15 voting directors and the nonvoting directors as shown  
22 in the handout. As of the consolidation effective date,  
23 these directors shall also fill the positions of  
24 chairman, vice chairman, secretary, assistant secretary  
25 and treasurer.



**ESQUIRE**  
an Alexander Gallo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquiresolutions.com](http://www.esquiresolutions.com)

1           The voting directors shall serve the terms  
2 they previously held in their respective districts.

3           A majority of the voting directors in non-  
4 vacant director positions constitute a quorum of the  
5 Montrose Management District.

6           During the period after both districts  
7 approve the resolution proposing consolidation and prior  
8 to the consolidation effective date, the officers of  
9 each district shall act jointly to settle the affairs of  
10 the respective districts.

11           The consolidated district shall protect the  
12 debts and obligations of the original districts and  
13 ensure that the debts and obligations are not impaired.

14 All assessments will continue to be collected as they  
15 were prior to consolidation. The Montrose Management  
16 District shall uphold and pay all outstanding debts and  
17 obligations of the original districts from the  
18 assessments levied and collected pursuant to the service  
19 and improvement plans and assessment plans of the  
20 original districts, and the assessments arising from  
21 each respective plan shall be spent only on the costs  
22 incurred pursuant to each respective plan.

23           Each district shall be governed by the laws  
24 applicable to each district prior to consolidation. If  
25 one of the districts consolidated into one district had



**ESQUIRE**  
an Alexander Gallo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquireolutions.com](http://www.esquireolutions.com)

1 powers at the time that the other district being  
2 consolidated did not have, the consolidated district may  
3 exercise within the original boundaries of each  
4 district, only the powers that belonged to that original  
5 district.

6 The investment policy of the Montrose  
7 Management District and the list of qualified  
8 broker/dealers attached to the investment policy has  
9 been provided. The chairman, investment officer and the  
10 Montrose Management District attorney shall have the  
11 legal authority to effectuate the Montrose Management  
12 District investment policy.

13 Q. Mr. Hawes, how does this impact the service and  
14 improvement plan and assessment plan for the prospective  
15 districts?

16 A. It does not impact the service and improvement  
17 plan and assessment plan of either district. The plans  
18 will continue to cover the areas originally covered.  
19 Assessments -- and assessments will remain intact in  
20 accordance with these plans and continue to be collected  
21 accordingly. Services will also continue to be provided  
22 in a manner consistent with the original districts.

23 Q. And what do you anticipate will be the benefit  
24 and negative consequences associated with such  
25 consolidation?



**ESQUIRE**  
an Alexander Gallo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquireolutions.com](http://www.esquireolutions.com)

1           A. There will be no foreseeable negative  
2 consequences. The consolidated district will allow for  
3 more efficiency and reduce the administrative costs.  
4 There will be less of an artificial divide between East  
5 and West Montrose as well.

6           Q. And should the districts enter into an  
7 agreement adopting the proposed terms and conditions of  
8 the consolidation?

9           A. Yes, they should because these properties will  
10 receive benefits from the increased efficiency in the  
11 administration of the districts, this meaning that  
12 instead of east district having to have an annual audit,  
13 which costs about \$7500, there will only be one annual  
14 audit. You would not have to have two bookkeepers. You  
15 only have one bookkeeper. You only have one set of  
16 administrative costs. And also from a project  
17 management standpoint and cost allocation standpoint,  
18 the revenues of the two service plan areas then can be  
19 monitored and allocated by the board to provide the  
20 service in the original service plans.

21           MR. LORD: Mr. Hawes, thank you for your  
22 testimony.

23           MR. ROBINSON: I assume there are no other  
24 designees at this time. So we will move forward with  
25 the agenda. Mr. Lord?



1 MR. LORD: Okay. The district now calls --  
2 that's all we have for Mr. Hawes if there's no  
3 cross-examination of the witnesses. Thank you, David.

4 The district now calls Athea Davis,  
5 paralegal from Vinson & Elkins.

6 ATHEA DAVIS  
7 was called as a witness and, having been duly sworn,  
8 testified as follows:

9  
10 EXAMINATION

11  
12 Q. (BY MR. LORD) For the record, please state  
13 your name and address.

14 A. Athea Davis, 5214 Pemberton Lane, Spring,  
15 Texas, 77379.

16 Q. Ms. Davis, what is your relationship to the  
17 district?

18 A. A paralegal at the office of Vinson & Elkins.  
19 (Exhibit No. C marked.)

20 Q. (BY MR. LORD) And as you know, the district  
21 was required to give notice of this hearing pursuant to  
22 state law. Would you please describe this document  
23 which is labeled for identification purposes as  
24 Exhibit C?

25 A. This is the notice of hearing that was



1 published in the HOUSTON BUSINESS JOURNAL along with an  
2 affidavit of publication verifying that it was so  
3 published.

4 MR. LORD: Mr. Chair, the district offers  
5 what has been marked for identification purposes as  
6 Exhibit C into evidence.

7 MR. ROBINSON: Exhibit C is accepted into  
8 evidence.

9 Q. (BY MR. LORD) Ms. Davis, on which date does  
10 the affidavit in Exhibit C state that the notice was  
11 published in the HOUSTON BUSINESS JOURNAL?

12 A. February 4th, 2011.

13 Q. Is that at least seven days --

14 A. Which is at least seven days prior to today's  
15 hearing.

16 MR. LORD: Ms. Davis, thank you for your  
17 testimony.

18 MR. ROBINSON: I'm going to assume there  
19 are no cross and redirect?

20 MR. LORD: I don't think there is.

21 MR. ROBINSON: Mr. Lord, do you have any  
22 additional questions of Ms. Davis?

23 MR. LORD: That is it. Thank you.

24 MR. ROBINSON: Thank you, Ms. Davis.

25 Mr. Lord, does the district have any other witnesses?





1 MR. LORD: We do not. That concludes the  
2 district's presentation of evidence.

3 MR. ROBINSON: At this time we will turn  
4 to -- at this time we would like to receive the  
5 testimony of those property owners who are in support of  
6 or in opposition to the terms and conditions of the  
7 consolidation. If you have not already done so, we  
8 request that anyone wishing to testify sign up on the  
9 witness list. All witnesses must be sworn in by the  
10 court reporter before providing testimony. Remember,  
11 testimony will be limited to two minutes.

12 Seeing no witnesses, we'll -- Mr. Lord, has  
13 the district received any written correspondence in  
14 favor of or in opposition to the terms and conditions  
15 for consolidation that should be entered into evidence?

16 MR. LORD: I'm not aware of the district  
17 receiving any such correspondence that should be entered  
18 into the record.

19 MR. ROBINSON: If there is nothing left to  
20 be heard, we shall adjourn this hearing. The board of  
21 directors and staff of the district thanks everyone for  
22 attending today's hearing. Mr. Robinson will present a  
23 summary of the public hearing to the board of  
24 directors."

25 This public hearing is closed. If there



1 are additional questions that you have of staff, the  
2 members of the board of directors or the consultants, we  
3 will be available to meet with you individually.

4 MR. LORD: Let me just add for the record  
5 that the report referred to will be a recommendation  
6 from the chair and the board on what was heard at this  
7 hearing for the consolidation agreement.

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



**ESQUIRE**  
an Alexander Gollo Company

Toll Free: 800.767.9532  
Facsimile: 713.524.4951

Suite 1305  
1221 Lamar Street  
Houston, TX 77010  
[www.esquiresolutions.com](http://www.esquiresolutions.com)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

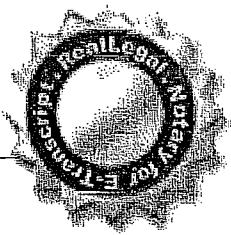
STATE OF TEXAS :  
COUNTY OF HARRIS :

I, Mary Kay Hendricks, the undersigned certified shorthand reporter in and for the State of Texas, certify that the facts stated in the foregoing pages are true and correct.

I further certify that I am neither attorney or counsel for, nor related to or employed by, any of the parties to the action in which this proceeding is taken and, further, that I am not a relative or employee of any counsel employed by the parties hereto, or financially interested in the action.

SUBSCRIBED AND SWORN TO under my hand and seal of office on this the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

*Mary Kay Hendricks*



Mary Kay Hendricks  
Certified Shorthand Reporter  
In and for the State of Texas

Certification Number: 2602  
Expiration Date: 12/31/12



City of Houston, Texas, Ordinance No. 2011- 30

AN ORDINANCE CONSENTING TO THE CREATION OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11 AND THE INCLUSION OF CERTAIN LAND WITHIN THE DISTRICT; AND DECLARING AN EMERGENCY.

\* \* \* \* \*

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

**Section 1.** That the City Council hereby consents to the creation of HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11, as created by Acts of the 81st Legislature, Regular Session, 2009, Chapter 1068, now codified at Chapter 3878, Texas Special District Local Laws Code, pursuant to such legislation so enacted, which is attached hereto as Exhibit "A" and incorporated herein, subject to the terms and conditions set forth in Exhibit "B" attached hereto and incorporated herein.

**Section 2.** That the City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been disclosed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

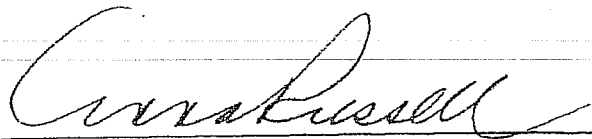
**Section 3.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance

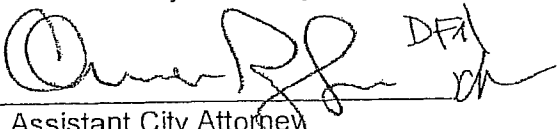
Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 5<sup>th</sup> day of January, 2011  
 APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
 Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JAN 1 1 2011.

  
 \_\_\_\_\_  
 City Secretary

(Prepared by Legal Dept.   
 (DFM/soi December 9, 2010 ) Assistant City Attorney  
 (Requested by Marlene L. Gafrick, Director, Planning and Development Department)  
 (L. D. File No. 091100007001)

| AYE     | NO      |                                                    |
|---------|---------|----------------------------------------------------|
| ✓       |         | MAYOR PARKER                                       |
| ••••    | ••••    | COUNCIL MEMBERS                                    |
| ✓       |         | STARDIG                                            |
|         |         | <del>ABSENT OR<br/>PERSONAL BUSINESS</del> JOHNSON |
| ✓       |         | CLUTTERBUCK                                        |
| ✓       |         | ADAMS                                              |
| ✓       |         | SULLIVAN                                           |
| ✓       |         | HOANG                                              |
| ✓       |         | PENNINGTON                                         |
| ✓       |         | GONZALEZ                                           |
| ✓       |         | RODRIGUEZ                                          |
| ✓       |         | COSTELLO                                           |
| ✓       |         | LOVELL                                             |
| ✓       |         | NORIEGA                                            |
| ✓       |         | BRADFORD                                           |
| ✓       |         | JONES                                              |
| CAPTION | ADOPTED |                                                    |