

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**NOVEMBER 30, 2012**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**NOVEMBER 30, 2012**



## TABLE OF CONTENTS

|  | <u>PAGE</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT   | 1-2         |
| MANAGEMENT'S DISCUSSION AND ANALYSIS   | 3-6         |
| STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET   | 7           |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS  | 8           |
| STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES                                       | 9           |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES | 10          |
| NOTES TO BASIC FINANCIAL STATEMENTS  | 11-21       |
| REQUIRED SUPPLEMENTARY INFORMATION   |             |
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND  | 23          |
| SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE  |             |
| NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to basic financial statements)                    |             |
| SERVICES AND RATES   | 25-27       |
| GENERAL FUND EXPENDITURES  | 28          |
| TAXES LEVIED AND RECEIVABLE  | 29-30       |
| COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND - FIVE YEARS  | 31-32       |
| BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS   | 33-34       |



# McCALL GIBSON SWEDLUND BARFOOT PLLC

*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

111 Congress Avenue  
Suite 400  
Austin, Texas 78701  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)

Board of Directors  
Harris County Municipal  
Utility District No. 480  
Harris County, Texas

## Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 480 (the "District") as of and for the year ended November 30, 2012, which collectively comprise the District's basic financial statements as listed in the preceding table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted as promulgated within the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of November 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Board of Directors  
Harris County Municipal  
Utility District No. 480

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 6 and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*McCall Gibson Swedlund Barfoot PLLC*  
McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants

February 27, 2013



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2012**

Our discussion and analysis of Harris County Municipal Utility District No. 480's (the "District") financial performance provides an overview of the District's financial activities for the year ended November 30, 2012. Please read it in conjunction with the District's financial statements, which begin on page 7.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Assets and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances. This report also includes other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of the government-wide statements is the Statement of Net Assets. This information is found in the Statement of Net Assets column on page 7. The Statement of Net Assets is the District-wide statement of its financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The government-wide portion of the Statement of Activities on page 9 reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2012**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets on page 8 and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities on page 10 explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 11 through 21 in this report.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by \$628,044 as of November 30, 2012.

A portion of the District's net assets reflects its investment in capital assets (e.g. water and wastewater facilities, distribution lines and collection lines), less any debt used to acquire those assets that is still outstanding. The District uses these assets to provide water and wastewater services.

The following is a comparative analysis of government-wide changes in the Statement of Net Assets.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

| <u>Summary of Changes in the Statement of Net Assets</u> |                     |                     |   |
|--|---------------------|---------------------|---|
|  | <u>2012</u>         | <u>2011</u>         | <u>Change<br/>Positive<br/>(Negative)</u> |
| Current and Other Assets                                 | \$ 245,977          | \$ 288,392          | \$ (42,415)                               |
| Capital Assets (Net of Accumulated<br>Depreciation)      | <u>3,730,123</u>    | <u>3,798,687</u>    | <u>(68,564)</u>                           |
| Total Assets   | \$ <u>3,976,100</u> | \$ <u>4,087,079</u> | \$ <u>(110,979)</u>                       |
| Due to Developer   | \$ 4,346,645        | \$ 4,346,645        | \$  |
| Other Liabilities  | <u>257,499</u>      | <u>301,586</u>      | <u>44,087</u>                             |
| Total Liabilities  | \$ <u>4,604,144</u> | \$ <u>4,648,231</u> | \$ <u>44,087</u>                          |
| Net Assets:  |                     |                     |   |
| Invested in Capital Assets,<br>Net of Related Debt       | \$ (385,269)        | \$ (316,705)        | \$ (68,564)                               |
| Unrestricted   | <u>(242,775)</u>    | <u>(244,447)</u>    | <u>1,672</u>                              |
| Total Net Assets   | \$ <u>(628,044)</u> | \$ <u>(561,152)</u> | \$ <u>(66,892)</u>                        |

The following table provides a summary of the District's operations for the years ended November 30, 2012, and November 30, 2011. The District's net assets decreased by \$66,892.

| <u>Summary of Changes in the Statement of Activities</u> |                     |                     |   |
|--|---------------------|---------------------|---|
|  | <u>2012</u>         | <u>2011</u>         | <u>Change<br/>Positive<br/>(Negative)</u> |
| Revenues:  |                     |                     |   |
| Property Taxes   | \$ 199,244          | \$ 201,963          | \$ (2,719)                                |
| Charges for Services                                     | 136,153             | 92,899              | 43,254                                    |
| Other Revenues   | <u>1,304</u>        | <u>827</u>          | <u>477</u>                                |
| Total Revenues   | \$ 336,701          | \$ 295,689          | \$ 41,012                                 |
| Expenses for Services                                    | <u>403,593</u>      | <u>362,477</u>      | <u>(41,116)</u>                           |
| Change in Net Assets                                     | \$ (66,892)         | \$ (66,788)         | \$ (104)                                  |
| Net Assets, Beginning of Year                            | <u>(561,152)</u>    | <u>(494,364)</u>    | <u>(66,788)</u>                           |
| Net Assets, End of Year                                  | \$ <u>(628,044)</u> | \$ <u>(561,152)</u> | \$ <u>(66,892)</u>                        |





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2012**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND**

The General Fund fund balance increased by \$33,910, primarily due to tax revenues being more than the cost of operations.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amended the budget during the current fiscal year to include the service agreement with Champions Hydro-Lawn. Actual revenues were \$117,939 more than budgeted revenues. Actual expenditures were \$42,924 more than budgeted expenditures. See the budget to actual comparison on page 23.

**CAPITAL ASSETS**

The District's investment in capital assets as of November 30, 2012, amounts to \$3,730,123 (net of accumulated depreciation). This investment in capital assets includes land as well as the water, wastewater and drainage systems.

| Capital Assets At Year-End, Net of Accumulated Depreciation |              |              |                                  |
|---|--------------|--------------|----------------------------------|
|   | 2012         | 2011         | Change<br>Positive<br>(Negative) |
| Capital Assets Not Being Depreciated:                       |              |              |                                  |
| Land and Land Improvements                                  | \$ 1,145,908 | \$ 1,145,908 | \$                               |
| Capital Assets, Net of Accumulated Depreciation:            |              |              |                                  |
| Water System  | 185,334      | 190,052      | (4,718)                          |
| Wastewater System   | 805,148      | 828,205      | (23,057)                         |
| Drainage System   | 1,593,733    | 1,634,522    | (40,789)                         |
| Total Net Capital Assets                                    | \$ 3,730,123 | \$ 3,798,687 | \$ (68,564)                      |

Additional information on the District's capital assets can be found in Note 4 of this report.

**LONG-TERM DEBT**

As of November 30, 2012, the District recorded a liability to its Developers of \$4,346,645. See Notes 6 and 7 for further disclosure.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 480, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**STATEMENT OF NET ASSETS AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**NOVEMBER 30, 2012**

|   | General Fund       | Adjustments         | Statement of<br>Net Assets |
|---|--------------------|---------------------|----------------------------|
| <b>ASSETS</b>   |                    |                     |                            |
| Cash, Note 3  | \$ 70,217          | \$                  | \$ 70,217                  |
| Receivables:  |                    |                     |                            |
| Property Taxes  | 161,292            |                     | 161,292                    |
| Penalty and Interest on Delinquent Taxes                              | 784                |                     | 784                        |
| Service Accounts (Net of Allowance for<br>Doubtful Accounts of \$-0-) | 8,884              |                     | 8,884                      |
| Prepaid Costs   | 4,800              |                     | 4,800                      |
| Land, Note 4  |                    | 1,145,908           | 1,145,908                  |
| Capital Assets (Net of Accumulated<br>Depreciation), Note 4           |                    | 2,584,215           | 2,584,215                  |
| <b>TOTAL ASSETS</b>   | <u>\$ 245,977</u>  | <u>\$ 3,730,123</u> | <u>\$ 3,976,100</u>        |
| <b>LIABILITIES</b>  |                    |                     |                            |
| Accounts Payable  | \$ 48,036          | \$                  | \$ 48,036                  |
| Due to Developers, Note 6 and 7                                       |                    | 4,346,645           | 4,346,645                  |
| Security Deposits   | 15,450             |                     | 15,450                     |
| Deferred Revenues:  |                    |                     |                            |
| Property Taxes  | 197,663            | (3,650)             | 194,013                    |
| Penalty and Interest on Delinquent Taxes                              | 784                | (784)               |                            |
| <b>TOTAL LIABILITIES</b>  | <u>\$ 261,933</u>  | <u>\$ 4,342,211</u> | <u>\$ 4,604,144</u>        |
| <b>FUND BALANCES/NET ASSETS</b>                                       |                    |                     |                            |
| <b>FUND BALANCES</b>  |                    |                     |                            |
| Nonspendable:   |                    |                     |                            |
| Prepaid Costs   | \$ 4,800           | \$ (4,800)          | \$                         |
| Assigned to 2013 Budget Deficit, Note 2                               | 6,182              | (6,182)             |                            |
| Unassigned  | (26,938)           | 26,938              |                            |
| <b>TOTAL FUND BALANCES</b>  | <u>\$ (15,956)</u> | <u>\$ 15,956</u>    | <u>\$ - 0 -</u>            |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>                            | <u>\$ 245,977</u>  |                     |                            |
| <b>NET ASSETS</b>   |                    |                     |                            |
| Invested in Capital Assets, Net of Related Debt                       |                    | \$ (385,269)        | \$ (385,269)               |
| Unrestricted  |                    | (242,775)           | (242,775)                  |
| <b>TOTAL NET ASSETS</b>   |                    | <u>\$ (628,044)</u> | <u>\$ (628,044)</u>        |

The accompanying notes to basic financial  
statements are an integral part of this report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2012**

|  |             |
|--|-------------|
| Total Fund Balances - Governmental Funds | \$ (15,956) |
|--|-------------|

Amounts reported for governmental activities in the Statement of Net Assets are different because:

|   |           |
|---|-----------|
| Land and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. | 3,730,123 |
|---|-----------|

|  |       |
|--|-------|
| Deferred tax revenues and deferred penalty and interest revenues on delinquent taxes for the 2011 and prior tax levies became part of recognized revenue in the governmental activities of the District. | 4,434 |
|--|-------|

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

|                  |                    |
|------------------|--------------------|
| Due to Developer | <u>(4,346,645)</u> |
|------------------|--------------------|

|  |                     |
|--|---------------------|
| Total Net Assets - Governmental Activities | <u>\$ (628,044)</u> |
|--|---------------------|

The accompanying notes to basic financial statements are an integral part of this report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

|  | General Fund       | Adjustments         | Statement of<br>Activities |
|--|--------------------|---------------------|----------------------------|
| <b>REVENUES</b>  |                    |                     |                            |
| Property Taxes   | \$ 225,653         | \$ (26,409)         | \$ 199,244                 |
| Water Service  | 29,379             |                     | 29,379                     |
| Wastewater Service   | 24,481             |                     | 24,481                     |
| Regional Water Authority Fees                                    | 17,134             |                     | 17,134                     |
| Penalty and Interest   | 30,913             | (5,829)             | 25,084                     |
| Tap Connection and Inspection Fees                               | 40,075             |                     | 40,075                     |
| Investment Revenues  | 102                |                     | 102                        |
| Miscellaneous Revenues   | 1,202              |                     | 1,202                      |
| <b>TOTAL REVENUES</b>  | <b>\$ 368,939</b>  | <b>\$ (32,238)</b>  | <b>\$ 336,701</b>          |
| <b>EXPENDITURES/EXPENSES</b>                                     |                    |                     |                            |
| Service Operations:  |                    |                     |                            |
| Professional Fees  | \$ 56,883          | \$                  | \$ 56,883                  |
| Contracted Services  | 22,977             |                     | 22,977                     |
| Utilities  | 16,807             |                     | 16,807                     |
| Regional Water Authority Assessment, Note 12                     | 19,156             |                     | 19,156                     |
| Repairs and Maintenance  | 78,795             |                     | 78,795                     |
| Operating Leases, Note 10  | 101,339            |                     | 101,339                    |
| Depreciation, Note 4   |                    | 68,564              | 68,564                     |
| Other  | 39,072             |                     | 39,072                     |
| <b>TOTAL EXPENDITURES/EXPENSES</b>                               | <b>\$ 335,029</b>  | <b>\$ 68,564</b>    | <b>\$ 403,593</b>          |
| <b>NET CHANGE IN FUND BALANCES</b>                               | <b>\$ 33,910</b>   | <b>\$ (33,910)</b>  | <b>\$</b>                  |
| <b>CHANGE IN NET ASSETS</b>                                      |                    | <b>(66,892)</b>     | <b>(66,892)</b>            |
| <b>FUND BALANCE (DEFICIT)/NET ASSETS -<br/>DECEMBER 1, 2011</b>  | <b>(49,866)</b>    | <b>(511,286)</b>    | <b>(561,152)</b>           |
| <b>FUND BALANCE (DEFICIT)/NET ASSETS -<br/>NOVEMBER 30, 2012</b> | <b>\$ (15,956)</b> | <b>\$ (612,088)</b> | <b>\$ (628,044)</b>        |

The accompanying notes to basic financial  
statements are an integral part of this report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED NOVEMBER 30, 2012**

|  |                    |
|--|--------------------|
| Net Change in Fund Balances - Governmental Funds   | \$ 33,910          |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                    |
| Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.                     | (26,409)           |
| Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.  | (5,829)            |
| Governmental funds do not account for depreciation. However, in the Statement of Net Assets, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. | (68,564)           |
| Change in Net Assets - Governmental Activities   | <u>\$ (66,892)</u> |

The accompanying notes to basic financial  
statements are an integral part of this report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 1. CREATION OF DISTRICT**

Harris County Municipal Utility District No. 480 (the "District") was created effective January 30, 2007, by an Order of the Texas Commission on Environmental Quality, (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its first meeting on February 28, 2007.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The GASB has established the criteria for determining whether or not a given entity is a component unit. The criteria are: (1) is the potential component unit a legally separate entity, (2) does the primary government appoint a voting majority of the potential component unit's board, (3) is the primary government able to impose its will on the potential component unit, (4) is there a financial benefit or burden relationship. The District was created as an independent municipality. The District does not meet the criteria for inclusion as a component unit of any entity nor does any other entity meet the component unit criteria for inclusion in the District's basic financial statements.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting.

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Assets and a Statement of Activities. It requires the classification of net assets into three components: Invested in Capital Assets, Net of Related Debt; Restricted; and Unrestricted. These classifications are defined as follows:



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- Invested in Capital Assets, Net of Related Debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Assets – This component of net assets consists of external constraints placed on the use of net assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets – This component of net assets consists of net assets that do not meet the definition of “Restricted” or “Invested in Capital Assets, Net of Related Debt.”

When both restricted and unrestricted resources are available for use, generally it is the District’s policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. The District’s Statement of Net Assets and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Assets is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Assets.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has one major governmental fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, costs and general expenditures.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include the 2011 tax levy collections during the period October 1, 2011, to November 30, 2012, and taxes collected from December 1, 2011, to November 30, 2012, for the 2010 and prior tax levies. The 2012 tax levy has been fully deferred.

Amounts transferred from one fund to another fund are reported as an other financing source or use. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 2.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Assets. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as an expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

|                     | <u>Years</u> |
|---------------------|--------------|
| Buildings           | 40           |
| Water System        | 10-45        |
| Wastewater System   | 10-45        |
| Drainage System     | 10-45        |
| All Other Equipment | 3-20         |

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be "employees" for federal payroll tax purposes only.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 2.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Assets and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net assets.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, requires the classification of fund balances in governmental funds using the following hierarchy:

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

*Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

*Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of November 30, 2012, the District has assigned \$6,182 of the General Fund fund balance to use for a budgeted General Fund deficit during the year ending November 30, 2012.

*Unassigned*: all other spendable amounts in the General Fund.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 2.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Balance (Continued)

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3.     DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$70,217 and the bank balance was \$80,325. The bank balance was fully covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Assets at November 30, 2012, as listed below:



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

|              |                  |
|--------------|------------------|
| GENERAL FUND | \$ <u>70,217</u> |
|--------------|------------------|

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligation that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program. As of November 30, 2012, the District had no investments.



# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480

## NOTES TO BASIC FINANCIAL STATEMENTS

NOVEMBER 30, 2012

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2012:

|  | December 1,<br>2011 | Increase/<br>(Decrease) | November 30,<br>2012 |
|--|---------------------|-------------------------|----------------------|
| <b>Capital Assets Not Being Depreciated</b>                              |                     |                         |                      |
| Land and Land Improvements   | \$ 1,145,908        | \$ - 0 -                | \$ 1,145,908         |
| <b>Capital Assets at Historical Cost Subject to Depreciation</b>         |                     |                         |                      |
| Water System   | \$ 211,706          | \$                      | \$ 211,706           |
| Wastewater System  | 927,274             |                         | 927,274              |
| Drainage System  | 1,830,504           |                         | 1,830,504            |
| <b>Total Capital Assets at Historical Cost Subject to Depreciation</b>   | \$ 2,969,484        | \$ - 0 -                | \$ 2,969,484         |
| <b>Less Accumulated Depreciation</b>                                     |                     |                         |                      |
| Water System   | \$ 21,654           | \$ 4,718                | \$ 26,372            |
| Wastewater System  | 99,069              | 23,057                  | 122,126              |
| Drainage System  | 195,982             | 40,789                  | 236,771              |
| <b>Total Accumulated Depreciation</b>                                    | \$ 316,705          | \$ 68,564               | \$ 385,269           |
| <b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b> | \$ 2,652,779        | \$ (68,564)             | \$ 2,584,215         |
| <b>Total Capital Assets, Net of Accumulated Depreciation</b>             | \$ 3,798,687        | \$ (68,564)             | \$ 3,730,123         |

### NOTE 5. MAINTENANCE TAX

On May 12, 2007, the voters of the District approved the levy and collection of a maintenance tax in an amount not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended November 30, 2012, the District levied an ad valorem maintenance tax of \$1.50 per \$100 of assessed valuation, which resulted in a tax levy of \$194,013 on the adjusted taxable valuation of \$12,934,195 for the 2012 tax year.

|                 |  |
|-----------------|--|
| Levy Date       | - October 1, or as soon thereafter as practicable.                           |
| Lien Date       | - January 1.   |
| Due Date        | - Not later than January 31.   |
| Delinquent Date | - February 1, at which time the taxpayer is liable for penalty and interest. |



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 6. DEVELOPER ADVANCES**

The District has entered into agreements with Developers to advance funds to the District sufficient to pay for creation and organizational costs as well as operating expenses until other sufficient revenues become available to the District. The District intends to reimburse the Developers for such advances from a future bond issue. Since inception, the Developers have advanced \$231,253 to the District which has been recorded as a liability in the Statement of Net Assets.

**NOTE 7. UNREIMBURSED COSTS**

The District has entered into certain financing and reimbursement agreements with Developers within the District which provides for the Developers to make payments on behalf of the District for various projects for which the District has not sold bonds. The District has an obligation to reimburse the Developers for these costs from future bond issues to the extent approved by the Commission. The District has recorded a liability to the Developers of \$4,115,392 for completed projects as of November 30, 2012.

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide general liability, automobile, and errors and omissions coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise, they are submitted and paid by TML. During the current fiscal year, the District contributed \$4,430 to the fund for this insurance coverage. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 9. BONDS VOTED**

At an election held within the District on May 12, 2007, voters approved for the District to issue water, sewer and drainage bonds up to a maximum amount of \$41,100,000 and park bonds up to a maximum amount of \$5,000,000.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 10. OPERATING LEASES**

Interim Wastewater Treatment Plant

On June 26, 2006, a developer for the District entered into a 36-month lease agreement with AUC Group, L.P. to lease an 80,000 gallons-per-day (gpd) prepackaged wastewater treatment plant with an oversized clarifier for future expansion to 300,000 gpd commencing on the first day of the month following substantial completion of the installation and start-up of the leased equipment. Lease payments began in May, 2007 at a rate of \$7,300 per month. After the conclusion of the initial 36-month lease, the District extended the lease on a month-to-month basis at \$4,800 per month. The District made lease payments of \$57,600 during the current fiscal year.

Water Well and Water Treatment Plant

On June 1, 2006, a developer for the District entered into an Equipment Lease and Purchase Option Agreement with Bussell & Sons, LLC (Lessor) for the lease of a potable water well and water treatment plant. In accordance with the agreement, the developer paid 25% of the completed construction cost of the water well and water treatment plant. The monthly lease payments of \$3,644.88 began when the plant became operational in August, 2007 and will continue for 120 months. The agreement includes a purchase option whereby the District can purchase the facilities at any time in accordance with the provisions outlined in the agreement. At this time, the District does not intend to purchase these facilities. The District is responsible for insuring the leased property. The District made lease payments of \$43,739 during the current fiscal year.

**NOTE 11. ECONOMIC DEPENDENCY AND DEFICIT FUND BALANCE**

The District's Developers own a substantial portion of the taxable property within the District. The Developers' ability to make full and timely payments of taxes and/or provide operating advances could directly affect the District's ability to meet its financial obligations. See also Note 6.

**NOTE 12. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the "Act"), as passed by the 75<sup>th</sup> Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority is overseeing that its participants comply with the Harris-Galveston



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2012**

**NOTE 12. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**  
(Continued)

Subsidence District pumpage requirements. The District is required to convert its water supply to surface water over a period of time. For the initial construction of facilities by the Authority, the District has opted to take a pay as you go option on those facilities. A five-member board of directors governs the Authority. The directors serve staggered four-year terms.

The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The Authority currently charges a fee of \$1.75 per 1,000 gallons of water pumped from each well. The District made payments of \$19,156 to the Authority during the current fiscal year.





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**

**REQUIRED SUPPLEMENTARY INFORMATION**

**NOVEMBER 30, 2012**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

|  | Original<br>Budget | Final<br>Amended<br>Budget | Actual             | Variance<br>Positive<br>(Negative) |
|--|--------------------|----------------------------|--------------------|------------------------------------|
| <b>REVENUES</b>  |                    |                            |                    |                                    |
| Property Taxes   | \$ 189,000         | \$ 189,000                 | \$ 225,653         | \$ 36,653                          |
| Water Service  | 26,900             | 26,900                     | 29,379             | 2,479                              |
| Wastewater Service   | 13,800             | 13,800                     | 24,481             | 10,681                             |
| Regional Water Authority Fee                                 | 18,000             | 18,000                     | 17,134             | (866)                              |
| Penalty and Interest   | 1,300              | 1,300                      | 30,913             | 29,613                             |
| Tap Connection and Inspection Fees                           | 2,000              | 2,000                      | 40,075             | 38,075                             |
| Investment Revenues  |                    |                            | 102                | 102                                |
| Miscellaneous Revenues                                       |                    |                            | 1,202              | 1,202                              |
| <b>TOTAL REVENUES</b>  | <u>\$ 251,000</u>  | <u>\$ 251,000</u>          | <u>\$ 368,939</u>  | <u>\$ 117,939</u>                  |
| <b>EXPENDITURES</b>  |                    |                            |                    |                                    |
| Services Operations:   |                    |                            |                    |                                    |
| Professional Fees  | \$ 42,700          | \$ 42,700                  | \$ 56,883          | \$ (14,183)                        |
| Contracted Services  | 9,000              | 9,000                      | 22,977             | (13,977)                           |
| Utilities  | 20,000             | 20,000                     | 16,807             | 3,193                              |
| Regional Water Authority Assessment                          | 18,000             | 18,000                     | 19,156             | (1,156)                            |
| Repairs and Maintenance                                      | 50,000             | 70,355                     | 78,795             | (8,440)                            |
| Operating Leases   | 106,570            | 106,570                    | 101,339            | 5,231                              |
| Other  | 25,480             | 25,480                     | 39,072             | (13,592)                           |
| <b>TOTAL EXPENDITURES</b>                                    | <u>\$ 271,750</u>  | <u>\$ 292,105</u>          | <u>\$ 335,029</u>  | <u>\$ (42,924)</u>                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>\$ (20,750)</u> | <u>\$ (41,105)</u>         | <u>\$ 33,910</u>   | <u>\$ 75,015</u>                   |
| <b>OTHER FINANCING SOURCES(USES)</b>                         |                    |                            |                    |                                    |
| Developer Advances   | \$ 64,130          | \$ 64,130                  | \$                 | \$ (64,130)                        |
| <b>NET CHANGE IN FUND BALANCE</b>                            | \$ 43,380          | \$ 23,025                  | \$ 33,910          | \$ 10,885                          |
| <b>FUND BALANCE - DECEMBER 1, 2011</b>                       | (49,866)           | (49,866)                   | (49,866)           |                                    |
| <b>FUND BALANCE - NOVEMBER 30, 2012</b>                      | <u>\$ (6,486)</u>  | <u>\$ (26,841)</u>         | <u>\$ (15,956)</u> | <u>\$ 10,885</u>                   |

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**NOVEMBER 30, 2012**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

**1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:**

|              |  |       |                      |              |            |
|--------------|--|-------|----------------------|--------------|------------|
| <u>  X  </u> | Retail Water   | _____ | Wholesale Water      | <u>  X  </u> | Drainage   |
| <u>  X  </u> | Retail Wastewater  | _____ | Wholesale Wastewater | _____        | Irrigation |
| _____        | Parks/Recreation   | _____ | Fire Protection      | _____        | Security   |
| <u>  X  </u> | Solid Waste/Garbage  | _____ | Flood Control        | _____        | Roads      |
| _____        | Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) |       |                      |              |            |
| _____        | Other (specify): _____   |       |                      |              |            |

## 2. RETAIL SERVICE PROVIDERS

**a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):**

Based on the rate order effective January 24, 2012.

|        | <u>Minimum<br/>Charge</u> | <u>Minimum<br/>Usage</u> | <u>Flat<br/>Rate<br/>Y/N</u> | <u>Rate per 1,000<br/>Gallons over<br/>Minimum Use</u> | <u>Usage Levels</u> |
|--------|---------------------------|--------------------------|------------------------------|--|---------------------|
| WATER: | \$ 23.45                  | 8,000                    | N                            | \$ 1.00  | 8,001 to 15,000     |
|        |                           |                          |                              | \$ 1.50  | 15,001 to 30,000    |
|        |                           |                          |                              | \$ 2.00  | 30,001 and up       |

WASTEWATER: \$ 24.00

**SURCHARGE:**

|                |                |
|----------------|----------------|
| Commission     | 0.5% of actual |
| Regulatory     | water and      |
| Assessments    | sewer bill     |
| Regional Water | \$1.75 per     |
| Authority Fee  | 1,000 gallons  |

### District employs winter averaging for wastewater usage?

|            |           |
|------------|-----------|
|            | X         |
| <u>Yes</u> | <u>No</u> |

**Total monthly charges per 10,000 gallons usage: Water: \$25.45 Wastewater: \$24.00 Surcharge: \$17.74**

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

| <u>Meter Size</u>            | <u>Total<br/>Connections</u> | <u>Active<br/>Connections</u> | <u>ESFC<br/>Factor</u> | <u>Active<br/>ESFCs</u> |
|------------------------------|------------------------------|-------------------------------|------------------------|-------------------------|
| Unmetered                    |                              |                               | x 1.0                  |                         |
| ≤¾"                          | <u>104</u>                   | <u>99</u>                     | x 1.0                  | <u>99</u>               |
| 1"                           | <u>2</u>                     | <u>2</u>                      | x 2.5                  | <u>5</u>                |
| 1½"                          |                              |                               | x 5.0                  |                         |
| 2"                           | <u>1</u>                     | <u>1</u>                      | x 8.0                  | <u>8</u>                |
| 3"                           |                              |                               | x 15.0                 |                         |
| 4"                           |                              |                               | x 25.0                 |                         |
| 6"                           |                              |                               | x 50.0                 |                         |
| 8"                           |                              |                               | x 80.0                 |                         |
| 10"                          |                              |                               | x 115.0                |                         |
| Total Water Connections      | <u>107</u>                   | <u>102</u>                    |                        | <u>112</u>              |
| Total Wastewater Connections | <u>71</u>                    | <u>61</u>                     | x 1.0                  | <u>61</u>               |

**3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)**

Gallons pumped into the system: 10,905,000      Water Accountability Ratio: 92%  
 (Gallons billed/Gallons pumped)

Gallons billed to customers: 10,034,000

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

**4. STANDBY FEES** (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ☐ No ☒

Does the District have Operation and Maintenance standby fees? Yes ☐ No ☒

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes ☒ No ☐

County or Counties in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ☐ Partly ☐ Not at all ☒

Is the District located within a city's extra territorial jurisdiction (ETJ)?

Entirely ☒ Partly ☐ Not at all ☐

ETJ in which the District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2012**

**PROFESSIONAL FEES:**

|                                |                  |
|--------------------------------|------------------|
| Auditing                       | \$ 7,500         |
| Engineering                    | 6,249            |
| Legal                          | 43,134           |
| <b>TOTAL PROFESSIONAL FEES</b> | <b>\$ 56,883</b> |

**CONTRACTED SERVICES:**

|                                  |                  |
|----------------------------------|------------------|
| Appraisal District               | \$ 1,206         |
| Bookkeeping                      | 2,137            |
| Operations and Billing           | 4,781            |
| Tax Collector                    | 3,600            |
| <b>TOTAL CONTRACTED SERVICES</b> | <b>\$ 11,724</b> |

**UTILITIES:**

|             |           |
|-------------|-----------|
| Electricity | \$ 16,807 |
|-------------|-----------|

**REPAIRS AND MAINTENANCE**

\$ 78,795

**ADMINISTRATIVE EXPENDITURES:**

|  |                  |
|--|------------------|
| Director Fees                            | \$ 2,700         |
| Insurance                                | 4,480            |
| Legal Notices                            | 841              |
| Office Supplies and Postage              | 3,897            |
| Payroll Taxes and Administration         | 171              |
| Travel and Meetings                      | 115              |
| Other                                    | 580              |
| <b>TOTAL ADMINISTRATIVE EXPENDITURES</b> | <b>\$ 12,784</b> |

**TAP CONNECTIONS**

\$ 6,200

**SOLID WASTE DISPOSAL**

\$ 11,253

**OTHER EXPENDITURES:**

|                                      |                   |
|--------------------------------------|-------------------|
| Chemicals                            | \$ 1,713          |
| Laboratory Fees                      | 7,210             |
| Permit Fees                          | 4,820             |
| Reconnection Fees                    | 188               |
| Inspection Fees                      | 5,935             |
| Regulatory Assessment                | 222               |
| Regional Water Authority Assessments | 19,156            |
| Operating Leases                     | 101,339           |
| <b>TOTAL OTHER EXPENDITURES</b>      | <b>\$ 140,583</b> |

**TOTAL EXPENDITURES**

**\$ 335,029**

See accompanying independent auditor's report.



# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480

## TAXES LEVIED AND RECEIVABLE FOR THE YEAR ENDED NOVEMBER 30, 2012

|   | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          |
|---|----------------------|----------------------|----------------------|----------------------|
| PROPERTY VALUATIONS:                          |                      |                      |                      |                      |
| Land  | \$ 8,231,084         | \$ 8,715,339         | \$ 8,656,501         | \$ 7,730,386         |
| Improvements                                  | 6,021,980            | 4,532,357            | 4,746,661            | 4,673,185            |
| Personal Property                             | 248,460              | 62,486               | 69,170               | 85,997               |
| Exemptions                                    | <u>(1,567,329)</u>   | <u>(27,243)</u>      | <u>(32,107)</u>      | <u>(56,291)</u>      |
| TOTAL PROPERTY VALUATIONS                     | <u>\$ 12,934,195</u> | <u>\$ 13,282,939</u> | <u>\$ 13,440,225</u> | <u>\$ 12,433,277</u> |
| MAINTENANCE TAX RATES PER \$100 VALUATION     |                      |                      |                      |                      |
|   | <u>\$ 1.50</u>       | <u>\$ 1.50</u>       | <u>\$ 1.50</u>       | <u>\$ 1.50</u>       |
| ADJUSTED TAX LEVY*                            | <u>\$ 194,013</u>    | <u>\$ 199,244</u>    | <u>\$ 201,603</u>    | <u>\$ 186,454</u>    |
| PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED | <u>18.75 %</u>       | <u>98.24 %</u>       | <u>99.93 %</u>       | <u>100.00 %</u>      |

\* Based upon adjusted tax at time of audit for the fiscal year in which the tax was levied.

Maximum Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voter on May 12, 2007.

See accompanying independent auditor's report.





**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

|  | Amount             |                    |                    |
|--|--------------------|--------------------|--------------------|
|  | 2012               | 2011               | 2010               |
| <b>REVENUES</b>  |                    |                    |                    |
| Property Taxes   | \$ 225,653         | \$ 171,904         | \$ 208,281         |
| Water Service  | 29,379             | 21,728             | 17,775             |
| Wastewater Service   | 24,481             | 14,495             | 12,597             |
| Regional Water Authority Fee                                 | 17,134             | 18,182             | 12,267             |
| Penalty and Interest   | 30,913             | 18,406             | 13,296             |
| Tap Connection and Inspection Fees                           | 40,075             | 13,475             | 10,500             |
| Investment Revenues  | 102                | 107                | 86                 |
| Miscellaneous Revenues                                       | 1,202              | 720                | 770                |
| <b>TOTAL REVENUES</b>  | <b>\$ 368,939</b>  | <b>\$ 259,017</b>  | <b>\$ 275,572</b>  |
| <b>EXPENDITURES</b>  |                    |                    |                    |
| Professional Fees  | \$ 56,883          | \$ 58,445          | \$ 41,402          |
| Contracted Services  | 22,977             | 17,600             | 18,176             |
| Utilities  | 16,807             | 19,030             | 30,550             |
| Regional Water Authority Assessment                          | 19,156             | 19,049             | 12,801             |
| Repairs and Maintenance                                      | 78,795             | 56,829             | 71,545             |
| Operating Leases   | 101,339            | 101,339            | 78,494             |
| Other  | 39,072             | 21,809             | 14,642             |
| <b>TOTAL EXPENDITURES</b>                                    | <b>\$ 335,029</b>  | <b>\$ 294,101</b>  | <b>\$ 267,610</b>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>\$ 33,910</b>   | <b>\$ (35,084)</b> | <b>\$ 7,962</b>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                    |                    |
| Developer Advances   | \$ - 0 -           | \$ 25,093          | \$ 45,000          |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>\$ 33,910</b>   | <b>\$ (9,991)</b>  | <b>\$ 52,962</b>   |
| <b>BEGINNING FUND BALANCE</b>                                | <b>(49,866)</b>    | <b>(39,875)</b>    | <b>(92,837)</b>    |
| <b>ENDING FUND BALANCE</b>                                   | <b>\$ (15,956)</b> | <b>\$ (49,866)</b> | <b>\$ (39,875)</b> |
| <b>TOTAL ACTIVE RETAIL WATER<br/>CONNECTIONS</b>             | <b>102</b>         | <b>67</b>          | <b>50</b>          |
| <b>TOTAL ACTIVE RETAIL WASTEWATER<br/>CONNECTIONS</b>        | <b>61</b>          | <b>61</b>          | <b>44</b>          |

\*No audit required for the fiscal year ending November 30, 2008.

See accompanying independent auditor's report.



|             |        | Percentage of Total Revenue |          |         |          |       |
|-------------|--------|-----------------------------|----------|---------|----------|-------|
| 2009        | 2008   | 2012                        | 2011     | 2010    | 2009     | 2008  |
| \$ 237,514  | \$     | 61.2 %                      | 66.4 %   | 75.5 %  | 71.8 %   | %     |
| 16,618      |        | 8.0                         | 8.4      | 6.5     | 5.0      |       |
| 11,557      |        | 6.6                         | 5.6      | 4.6     | 3.5      |       |
| 9,696       |        | 4.6                         | 7.0      | 4.5     | 2.9      |       |
| 47,262      |        | 8.4                         | 7.1      | 4.8     | 14.3     |       |
| 6,900       |        | 10.9                        | 5.2      | 3.8     | 2.2      |       |
| 41          |        |                             |          |         |          |       |
| 1,102       |        | 0.3                         | 0.3      | 0.3     | 0.3      |       |
| \$ 330,690  | \$     | 100.0 %                     | 100.0 %  | 100.0 % | 100.0 %  | %     |
|             |        |                             |          |         |          |       |
| \$ 70,661   | \$     | 15.4 %                      | 22.6 %   | 15.2 %  | 21.4 %   | %     |
| 17,889      |        | 6.2                         | 6.8      | 6.6     | 5.4      |       |
| 25,425      |        | 4.6                         | 7.3      | 11.1    | 7.7      |       |
| 5,410       |        | 5.2                         | 7.4      | 4.6     | 1.6      |       |
| 54,038      |        | 21.4                        | 21.9     | 26.0    | 16.3     |       |
| 153,228     |        | 27.5                        | 39.1     | 28.5    | 46.3     |       |
| 71,641      |        | 10.6                        | 8.4      | 5.3     | 21.6     |       |
| \$ 398,292  | \$     | 90.9 %                      | 113.5 %  | 97.3 %  | 120.3 %  | %     |
|             |        |                             |          |         |          |       |
| \$ (67,602) | \$     | 9.1 %                       | (13.5) % | 2.7 %   | (20.3) % | N/A % |
|             |        |                             |          |         |          |       |
| \$ 68,160   | \$     |                             |          |         |          |       |
|             |        |                             |          |         |          |       |
| \$ 558      | \$     |                             |          |         |          |       |
| (93,395)    |        |                             |          |         |          |       |
| \$ (92,837) | \$ N/A |                             |          |         |          |       |
|             |        |                             |          |         |          |       |
| 41          | 27     |                             |          |         |          |       |
|             |        |                             |          |         |          |       |
| 35          | 20     |                             |          |         |          |       |

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**NOVEMBER 30, 2012**

District Mailing Address - Harris County Municipal Utility District No. 480  
c/o Allen Boone Humphries Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, TX 77027

District Telephone Number - (713) 860-6400

| <b>Board Members</b> | <b>Term of<br/>Office<br/>(Elected or<br/>Appointed)</b> | <b>Fees of Office<br/>for the<br/>year ended<br/>November 30, 2012</b> | <b>Expense<br/>Reimbursements<br/>for the<br/>year ended<br/>November 30, 2012</b> | <b>Title</b>                   |
|----------------------|--|--|--|--------------------------------|
| Josh Hawes           | 06/10 -<br>05/14<br>(Elected)                            | \$ 750   | \$ -0-   | President                      |
| April Konopka        | 05/12 -<br>05/16<br>(Elected)                            | \$ 450   | \$ -0-   | Assistant<br>Vice<br>President |
| Gina Laroche         | 05/12<br>05/16<br>(Elected)                              | \$ 750   | \$ -0-   | Secretary                      |
| William Ehler        | 06/10 -<br>05/14<br>(Elected)                            | \$ 750   | \$ -0-   | Assistant<br>Secretary         |

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The submission date of the most recent District Registration Form was (TWC Sections 36.054 and 49.054): January 23, 2013.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution (TWC Section 49.060) on February 28, 2007. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 480**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**NOVEMBER 30, 2012**

| <b>Consultants:</b>  | <b>Date Hired</b>     | <b>Fees for the<br/>year ended<br/>November 30, 2012</b> | <b>Title</b>                     |
|--|-----------------------|--|----------------------------------|
| Allen Boone Humphries Robinson LLP<br>3200 Southwest Freeway, Suite 2600<br>Houston, Texas 77027                                       | 02/28/07              | \$ 30,045  | Attorney                         |
| McCall Gibson Swedlund Barfoot PLLC<br>Certified Public Accountants<br>13100 Wortham Center Drive, Suite 235<br>Houston, TX 77065-5610 | 01/29/08              | \$ 7,500   | Auditor                          |
| Myrtle Cruz, Inc.<br>1621 Milam Street, 3 <sup>rd</sup> Floor<br>Houston, TX 77002-8017  | 04/12/07              | \$ 2,687   | Bookkeeper                       |
| Harris County Appraisal District<br>13013 Northwest Freeway<br>Houston, TX 77040-6304  | Legislative<br>Action | \$ 1,206   | Central<br>Appraisal<br>District |
| Perdue, Brandon, Fielder, Collins & Mott, L.L.P.<br>1235 North Loop West, Suite 600<br>Houston, TX 77008-1772                          | 05/08/08              | \$ 13,089  | Delinquent<br>Tax Attorney       |
| R.G. Miller Engineers, Inc.<br>12121 Wickchester Lane, Suite 200<br>Houston, TX 77079-1200   | 04/12/07              | \$ 6,249   | Engineer                         |
| The GMS Group, LLC<br>5075 Westheimer, Suite 1175<br>Houston, TX 77056   | 05/23/07              | \$ -0-   | Financial<br>Advisor             |
| Fredia Conley<br>1621 Milam Street, 3 <sup>rd</sup> Floor<br>Houston, TX 77002-8017  | 09/28/10              | \$ -0-   | Investment<br>Officer            |
| Water District Management<br>P. O. Box 579<br>Spring, TX 77383   | 04/12/07              | \$ 65,322  | Operator                         |
| North Harris County Regional Water Authority<br>3648 FM 1960 West, Suite 110<br>Houston, TX 77068                                      | Legislative<br>Action | \$ 19,156  | Regional<br>Water<br>Authority   |
| Assessments of the Southwest<br>P. O. Box 1368<br>Friendswood, TX 77549-1368   | 04/12/07              | \$ 3,887   | Tax<br>Assessor/<br>Collector    |

See accompanying independent auditor's report.



County: Harris  
Project: Fairway Farms – Water CCN Facility Line  
M.S.G. No: 131246-R  
Job Number: 2602

**FIELD NOTES FOR 17.4635 ACRES**

Being a tract of land containing 17.4635 acres, located in the Joseph Miller Survey, Abstract-50, Harris County, Texas; said 17.4635 acre tract being a portion of a called 123.664 acre tract recorded in the name of John D. Hudgens, Trustee in Harris County Clerk's File (H.C.C.F.) Number (No.) 20130626787; said 17.4635 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the Texas Coordinate System of 1983, South Central Zone, per G.P.S. observations. The coordinates shown hereon are Texas State Plane grid coordinates, based on the Texas South Central Zone No. 4204 (NAD 83) and may be brought to surface by applying the following combined scale factor: 0.99995662192):

**BEGINNING**, at a 5/8-inch iron rod with a Miller Survey Group (M.S.G.) cap set (X: 3046592.13 Y: 13973895.43) at the southwest corner of said 123.664 acre tract, being the northwest corner of a called 3.496 acre tract recorded in the name of Steve Martin and Melissa Martin, in H.C.C.F. No. U398980, said point also being on the east Right-of-Way (R.O.W.) line of Boggs Road (unimproved; 60 feet wide per Boggs Estate, a plat of record in Volume 55, Page 65, of the Harris County Map Records and Volume 3390, Page 137, Harris County Deed Records (H.C.D.R.)) for the southwest corner of the herein described tract, from which a 5/8-inch capped iron rod found bears South 01 degrees 56 minutes 47 seconds East, a distance of 818.84 feet;

**THENCE**, along the west line of said 123.664 acre tract, the east R.O.W. line of said Boggs Road and along the east lines of a called 5.0 acre tract recorded in the name of Emma Kobs in Volume 3405, Page 575, H.C.D.R., a called 2.6870 acre tract recorded in the name of James M. Fauver, Jr. and Jean McElroy Fauver, in H.C.C.F. No. J048179, North 01 degrees 56 minutes 47 seconds West, a distance of 1370.74 feet, to 5/8-inch iron rod with M.S.G. cap set for the northwest corner of the herein described tract;

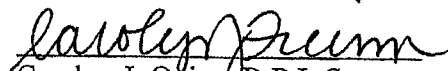
**THENCE**, through and across said 123.664 acre tract, North 88 degrees 03 minutes 47 seconds East, a distance of 574.88 feet, to 5/8-inch iron rod with M.S.G. cap set on the easterly line of said 123.664 acre tract and on the west line of a called 4.6007 acre tract recorded in the name of Johannis A. De Leyer and Marcia De Leyer in H.C.C.F. No. M377553, for the northeast corner of the herein described tract;

THENCE, along an easterly line of said 123.664 acre tract and the west line of said 4.6007 acre tract, South 01 degrees 14 minutes 17 seconds East, a distance of 510.99 feet to a 5/8-inch iron rod with M.S.G. cap set at an angle point on the easterly line of said 123.664 acre tract, and the southwest corner of said 4.6007 acre tract, being in the north R.O.W. line of Hufsmith Cemetery Road (called 30 feet wide at this point), for an angle point of the herein described tract, from which a 6-inch wood post found bears North 60 degrees 56 minutes West, a distance of 4.3 feet;

THENCE, along the easterly line of said 123.664 acre tract and the north R.O.W. line of said Hufsmith Cemetery Road, South 84 degrees 33 minutes 15 seconds West, a distance of 40.03 feet to a 1-inch iron pipe found at an inner corner of said 123.664 acre tract, being the northwest corner of said Hufsmith Cemetery Road (called 40 feet in width running North and South), for an inner corner of the herein described tract;

THENCE, along the easterly line of said 123.664 acre tract and the west R.O.W. line of said Hufsmith Cemetery Road, South 03 degrees 17 minutes 54 seconds East, a distance of 877.18 feet to a 5/8-inch iron rod with M.S.G. cap set at the southerly southeast corner of said 123.664 acre tract, and the northeast corner of said 3.496 acre tract, for the southeast corner of the herein described tract;

THENCE, along the southerly line of said 123.664 acre tract and the north line of said 3.496 acre tract, North 89 degrees 53 minutes 38 seconds West, a distance of 549.66 feet, to the **POINT OF BEGINNING** and containing 17.4635 acres of land.

  
Carolyn J. Quinn, R.P.L.S.  
Texas Registration No. 6033



**MILLER SURVEY GROUP**

[www.millersurvey.com](http://www.millersurvey.com)

1760 W. Sam Houston Parkway N.  
Houston, TX 77043

Ph: (713) 413-1900

Date: July 11, 2013

Revised: January 22, 2014

M&B No. 131246-R

County: Harris  
Project: Fairway Farms – Water CCN Facility Line  
M.S.G. No: 131247-R  
Job Number: 2602

**FIELD NOTES FOR 0.1827 ACRE**

Being a tract of land containing 0.1827 acre, located in the Joseph Miller Survey, Abstract-50, Harris County, Texas; said 0.1827 acre tract being a portion of a called 123.664 acre tract recorded in the name of John D. Hudgens, Trustee in Harris County Clerk's File (H.C.C.F.) Number (No.) 20130626787; said 0.1827 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the Texas Coordinate System of 1983, South Central Zone, per G.P.S. observations. The coordinates shown hereon are Texas State Plane grid coordinates, based on the Texas South Central Zone No. 4204 (NAD 83) and may be brought to surface by applying the following combined scale factor: 0.99995662192):

**BEGINNING**, at a 5/8-inch iron rod found (X: 3047961.32 Y: 13974913.63) at a southerly corner of said 123.664 acre tract, the southeast corner of a called 4.427 acre tract (Tract II), recorded in the name of Johannis De Leyer and Marcia De Leyer in H.C.C.F. No. X389305 and being on the north Right-of-Way (R.O.W.) line of Hufsmith Cemetery Road (called 30 feet in width), for the southwest corner of the herein described tract;

THENCE, along the line common to said 123.664 acre tract and said 4.427 acre tract, North 02 degrees 36 minutes 11 seconds West, a distance of 399.38 feet to a 5/8-inch iron rod with a "Miller Survey Group" (MSG) cap set for the northwest corner of the herein described tract;

THENCE, through and across said 123.664 acre tract, North 88 degrees 03 minutes 47 seconds East, a distance of 20.00 feet to 5/8-inch iron rod with a MSG cap set on the easterly line of said 123.664 acre tract and the west line of a remainder of a called 17.1317 acre tract recorded in the name of Guess Family, LP in H.C.C.F. No. 20070215264, for the northeast corner of the herein described tract;

THENCE, along the easterly line of said 123.664 acre tract and the west line of said remainder of a called 17.1317 acre tract, South 02 degrees 36 minutes 11 seconds East, a distance of 396.66 feet to a 5/8-inch capped iron rod found at the southerly southeast corner of said 123.664 acre tract and on the north R.O.W. line of said Hufsmith Cemetery Road, for the southeast corner of the herein described tract;

THENCE, along a southerly line of said 123.664 acre tract and the north R.O.W. line of said Hufsmith Cemetery Road, South 80 degrees 18 minutes 23 seconds West, a distance of 20.15 feet, to the **POINT OF BEGINNING** and containing 0.1827 acres of land.

*Carolyn J. Quinn*  
Carolyn J. Quinn, R.P.L.S.  
Texas Registration No. 6033



**MILLER SURVEY GROUP**

[www.millersurvey.com](http://www.millersurvey.com)

1760 W. Sam Houston Parkway N.

Houston, TX 77043

Ph: (713) 413-1900

Date: July 11, 2013

Revised: January 22, 2014

M&B No. 131247-R



JOSEPH MILLER SURVEY, A-27  
MONTGOMERY COUNTY, TEXAS

JOSEPH MILLER SURVEY, A-50  
HARRIS COUNTY, TEXAS



SCALE IN FEET

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

THE ABOVE FOR A DEED  
BETWEEN THE STATE OF TEXAS AND THE JOSEPH MILLER SURVEY, A-27, MONTGOMERY COUNTY, TEXAS, AND THE JOSEPH MILLER SURVEY, A-50, HARRIS COUNTY, TEXAS, FOR THE PURPOSE OF THE TCEQ WATER CONVEYANCE FACILITY LINE.

17.4635 ACRES

0.1827 ACRE

- SYMBOLS
- 1. 1/4 SECTION
  - 2. 1/2 SECTION
  - 3. 3/4 SECTION
  - 4. 1/8 SECTION
  - 5. 1/16 SECTION
  - 6. 1/32 SECTION
  - 7. 1/64 SECTION
  - 8. 1/128 SECTION
  - 9. 1/256 SECTION
  - 10. 1/512 SECTION
  - 11. 1/1024 SECTION
  - 12. 1/2048 SECTION
  - 13. 1/4096 SECTION
  - 14. 1/8192 SECTION
  - 15. 1/16384 SECTION
  - 16. 1/32768 SECTION
  - 17. 1/65536 SECTION
  - 18. 1/131072 SECTION
  - 19. 1/262144 SECTION
  - 20. 1/524288 SECTION
  - 21. 1/1048576 SECTION
  - 22. 1/2097152 SECTION
  - 23. 1/4194304 SECTION
  - 24. 1/8388608 SECTION
  - 25. 1/16777216 SECTION
  - 26. 1/33554432 SECTION
  - 27. 1/67108864 SECTION
  - 28. 1/134217728 SECTION
  - 29. 1/268435456 SECTION
  - 30. 1/536870912 SECTION
  - 31. 1/1073741824 SECTION
  - 32. 1/2147483648 SECTION
  - 33. 1/4294967296 SECTION
  - 34. 1/8589934592 SECTION
  - 35. 1/17179869184 SECTION
  - 36. 1/34359738368 SECTION
  - 37. 1/68719476736 SECTION
  - 38. 1/137438953472 SECTION
  - 39. 1/274877906944 SECTION
  - 40. 1/549755813888 SECTION
  - 41. 1/1099511627776 SECTION
  - 42. 1/2199023255552 SECTION
  - 43. 1/4398046511104 SECTION
  - 44. 1/8796093022208 SECTION
  - 45. 1/17592186044416 SECTION
  - 46. 1/35184372088832 SECTION
  - 47. 1/70368744177664 SECTION
  - 48. 1/140737488355328 SECTION
  - 49. 1/281474976710656 SECTION
  - 50. 1/562949953421312 SECTION
  - 51. 1/1125899906842624 SECTION
  - 52. 1/2251799813685248 SECTION
  - 53. 1/4503599627370496 SECTION
  - 54. 1/9007199254740992 SECTION
  - 55. 1/18014398509481984 SECTION
  - 56. 1/36028797018963968 SECTION
  - 57. 1/72057594037927936 SECTION
  - 58. 1/144115188075855872 SECTION
  - 59. 1/288230376151711744 SECTION
  - 60. 1/576460752303423488 SECTION
  - 61. 1/1152921504606846976 SECTION
  - 62. 1/2305843009213693952 SECTION
  - 63. 1/4611686018427387904 SECTION
  - 64. 1/9223372036854775808 SECTION
  - 65. 1/18446744073709551616 SECTION
  - 66. 1/36893488147419103232 SECTION
  - 67. 1/73786976294838206464 SECTION
  - 68. 1/147573952589676412928 SECTION
  - 69. 1/295147905179352825856 SECTION
  - 70. 1/590295810358705651712 SECTION
  - 71. 1/1180591620717411303424 SECTION
  - 72. 1/2361183241434822606848 SECTION
  - 73. 1/4722366482869645213696 SECTION
  - 74. 1/9444732965739290427392 SECTION
  - 75. 1/18889465931478580854784 SECTION
  - 76. 1/37778931862957161709568 SECTION
  - 77. 1/75557863725914323419136 SECTION
  - 78. 1/151115727451828646838272 SECTION
  - 79. 1/302231454903657293676544 SECTION
  - 80. 1/604462909807314587353088 SECTION
  - 81. 1/1208925819614629174706176 SECTION
  - 82. 1/2417851639229258349412352 SECTION
  - 83. 1/4835703278458516698824704 SECTION
  - 84. 1/9671406556917033397649408 SECTION
  - 85. 1/19342813113834066795298816 SECTION
  - 86. 1/38685626227668133590597632 SECTION
  - 87. 1/77371252455336267181195264 SECTION
  - 88. 1/154742504910672534362390528 SECTION
  - 89. 1/309485009821345068724781056 SECTION
  - 90. 1/618970019642690137449562112 SECTION
  - 91. 1/1237940039285380274899124224 SECTION
  - 92. 1/2475880078570760549798248448 SECTION
  - 93. 1/4951760157141521099596496896 SECTION
  - 94. 1/9903520314283042199192993792 SECTION
  - 95. 1/19807040628566084398385987584 SECTION
  - 96. 1/39614081257132168796771975168 SECTION
  - 97. 1/79228162514264337593543950336 SECTION
  - 98. 1/158456325028528675187087900672 SECTION
  - 99. 1/316912650057057350374175801344 SECTION
  - 100. 1/633825300114114700748351602688 SECTION
  - 101. 1/1267650600228229401496703205376 SECTION
  - 102. 1/2535301200456458802993406410752 SECTION
  - 103. 1/5070602400912917605986812821504 SECTION
  - 104. 1/10141204801825835211973625643008 SECTION
  - 105. 1/20282409603651670423947251286016 SECTION
  - 106. 1/40564819207303340847894502572032 SECTION
  - 107. 1/81129638414606681695789005144064 SECTION
  - 108. 1/162259276829213363391778010288128 SECTION
  - 109. 1/324518553658426726783556020576256 SECTION
  - 110. 1/649037107316853453567112041152512 SECTION
  - 111. 1/1298074214633706907134224082305024 SECTION
  - 112. 1/2596148429267413814268448164610048 SECTION
  - 113. 1/5192296858534827628536896329220096 SECTION
  - 114. 1/10384593717069655257073792658440192 SECTION
  - 115. 1/20769187434139310514147585316880384 SECTION
  - 116. 1/41538374868278621028295170633760768 SECTION
  - 117. 1/83076749736557242056590341267521536 SECTION
  - 118. 1/166153499473114484113180682535043072 SECTION
  - 119. 1/332306998946228968226361365070086144 SECTION
  - 120. 1/664613997892457936452722730140172288 SECTION
  - 121. 1/13292279957849158729054454602803456 SECTION
  - 122. 1/26584559915698317458108909205606912 SECTION
  - 123. 1/53169119831396634916217818411213824 SECTION
  - 124. 1/106338239662793269832435636822427648 SECTION
  - 125. 1/212676479325586539664871273644855296 SECTION
  - 126. 1/425352958651173079329742547289710592 SECTION
  - 127. 1/850705917302346158659485094579421184 SECTION
  - 128. 1/1701411834604692317318970189158842368 SECTION
  - 129. 1/3402823669209384634637940378317684736 SECTION
  - 130. 1/6805647338418769269275880756635369472 SECTION
  - 131. 1/13611294676837538538551761513270738944 SECTION
  - 132. 1/27222589353675077077103523026541477888 SECTION
  - 133. 1/54445178707350154154207046053082955776 SECTION
  - 134. 1/108890357414700308308414092106165911552 SECTION
  - 135. 1/217780714829400616616828184212331823104 SECTION
  - 136. 1/435561429658801233233656368424663646208 SECTION
  - 137. 1/871122859317602466467312736849327292416 SECTION
  - 138. 1/1742245718635204932934625473698545844832 SECTION
  - 139. 1/3484491437270409865869250947397091689664 SECTION
  - 140. 1/6968982874540819731738501894794183379328 SECTION
  - 141. 1/13937965749081639463477003789588366758656 SECTION
  - 142. 1/27875931498163278926954007579176733517312 SECTION
  - 143. 1/55751862996326557853908015158353467034624 SECTION
  - 144. 1/111503725992653115707816030316706934069248 SECTION
  - 145. 1/223007451985306231415632060633413868138496 SECTION
  - 146. 1/446014903970612462831264121266827736276992 SECTION
  - 147. 1/892029807941224925662528242533655472553984 SECTION
  - 148. 1/1784059615882449851325056485067310945107968 SECTION
  - 149. 1/3568119231764899702650112970134621890215936 SECTION
  - 150. 1/7136238463529799405300225940269243780431872 SECTION
  - 151. 1/14272476927059598810600451880538487560863744 SECTION
  - 152. 1/28544953854119197621200903761076975121727488 SECTION
  - 153. 1/57089907708238395242401807522153950243454976 SECTION
  - 154. 1/114179815416476790484803615044307900486909952 SECTION
  - 155. 1/228359630832953580969607230088615800973819904 SECTION
  - 156. 1/456719261665907161939214460177231601947639808 SECTION
  - 157. 1/913438523331814323878428920354463203895279616 SECTION
  - 158. 1/1826877046663628647756857840708926407790559232 SECTION
  - 159. 1/3653754093327257295513715681417852815581118464 SECTION
  - 160. 1/7307508186654514591027431362835705631162236928 SECTION
  - 161. 1/14615016373309029182054862725671411262324473856 SECTION
  - 162. 1/29230032746618058364109725451342822524648947712 SECTION
  - 163. 1/58460065493236116728219450902685645049297895424 SECTION
  - 164. 1/116920130986472233456438901805371290098595790848 SECTION
  - 165. 1/233840261972944466912877803610742580197191581696 SECTION
  - 166. 1/467680523945888933825755607221485160394383163392 SECTION
  - 167. 1/935361047891777867651511214442970320788766326784 SECTION
  - 168. 1/1870722095783555735303022428885940641577532653568 SECTION
  - 169. 1/3741444191567111470606044857771881283155065307136 SECTION
  - 170. 1/7482888383134222941212089715543762566310130614272 SECTION
  - 171. 1/14965776766268445882424179431087525132620261228544 SECTION
  - 172. 1/29931553532536891764848358862175050265240522457088 SECTION
  - 173. 1/59863107065073783529696717724350100530481044514176 SECTION
  - 174. 1/119726214130147567059393435448700201060962089028352 SECTION
  - 175. 1/239452428260295134118786870897400402121924178056704 SECTION
  - 176. 1/478904856520590268237573741794800804243848356113408 SECTION
  - 177. 1/957809713041180536475147483589601608487696712226816 SECTION
  - 178. 1/1915619426082361072950294967179203216975393424453632 SECTION
  - 179. 1/3831238852164722145900589934358406433950786848907264 SECTION
  - 180. 1/7662477704329444291801179868716812879001573697814528 SECTION
  - 181. 1/15324955408658888583602359737433625758003147395629056 SECTION
  - 182. 1/30649910817317777167204719474867251516006294791258112 SECTION
  - 183. 1/61299821634635554334409438949734503032012589582516224 SECTION
  - 184. 1/12259964326927110866881887789946900606402517916503248 SECTION
  - 185. 1/24519928653854221733763775579893801212805035833006496 SECTION
  - 186. 1/49039857307708443467527551159787602425610071666012992 SECTION
  - 187. 1/98079714615416886935055102319575204851220143332025984 SECTION
  - 188. 1/196159429228833773870110204639150409702440286664051968 SECTION
  - 189. 1/392318858457667547740220409278300819404880573328103936 SECTION
  - 190. 1/784637716915335095480440818556601638809761146656207872 SECTION
  - 191. 1/1569275433830670190960881637113203277619522293312415744 SECTION
  - 192. 1/3138550867661340381921763274226406555239044586624831488 SECTION
  - 193. 1/6277101735322680763843526548452813110478089173249662976 SECTION
  - 194. 1/12554203470645361527687053096905626220956178346499325952 SECTION
  - 195. 1/25108406941290723055374106193811252441912356692998651904 SECTION
  - 196. 1/50216813882581446110748212387622504883824713385997303808 SECTION
  - 197. 1/100433627765162892221496424775245009767649426771994607616 SECTION
  - 198. 1/200867255530325784442992849550490019535298853543989215232 SECTION
  - 199. 1/401734511060651568885985699100980039070597707087978430464 SECTION
  - 200. 1/803469022121303137771971398201960078141195414175956860928 SECTION
  - 201. 1/1606938044242606755543942796403920156282390828351913721856 SECTION
  - 202. 1/3213876088485213511087885592807840312564781656703827443712 SECTION
  - 203. 1/6427752176970427022175771185615680625129563313407654887424 SECTION
  - 204

Mester CM 5/6  
Fuentes \_\_\_\_\_

August XX, 2014

**BY CERTIFIED MAIL**

Mr. Josh Hawes  
1621 Milam Street, 3<sup>rd</sup> Floor  
Houston, TX 77002

**NOTICE OF DEFICIENCY**

Re: Application from Harris County Municipal Utility District (MUD) 480, P1421, to Purchase and Transfer Facilities from Certificate of Convenience and Necessity (CCN) No. 12756 held by HOE Water Supply Corporation (WSC) in Harris County; Application No. 37986-C

CN: pending; RN: pending (Harris County MUD 480)  
CN: 604521013; RN: 101204220 (HOE WSC)

Dear Mr. Hawes:

Your application for Harris County MUD 480 has been assigned Application No. 37986-S, but has not been accepted for filing. Please refer to the application number in future correspondence.

Additional information is necessary for your application to be accepted for filing.

Please submit four (4) copies of the following:

- A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county; and
- B. A map showing **only** the proposed area by:
  - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
  - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also a data disk labeled with the applicant's name must be provided; or
  - iii. following verifiable natural and man-made landmarks; or
  - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:

Mr. Samuel D. Willoughby

Page 2

August XX, 2014

- i. all facilities, illustrating separately facilities for production, transmission and distribution of the applicant's service(s); and
  - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).
- E. The most recent inspection report letter. For each system deficiency listed, if any, attach a brief explanation listing the actions taken or being taken to correct the listed deficiencies, including the proposed completion dates.

Please note, on November 14, 2012, the Commission implemented a policy change to strictly enforce the requirement that CCN related applications include a complete list of entities providing the same type of retail utility service (i.e., water and/or sewer) within a specified area. See question 15 in the application. The list should include the following:

- All retail public utilities, districts, groundwater conservation districts, counties, and
- any cities whose corporate limits and/or extra-territorial jurisdiction (ETJ) are within the same two mile area of the proposed CCN area.

Processing of the above referenced application cannot proceed and notices cannot be published or mailed until we receive the requested items. These items must be completed and returned by **September XX, 2014** (45 days from date of letter). Due to the upcoming transfer of the Rates and CCN program to the Public Utility Commission (PUC), please submit your written response to the address shown below if responding after September 1, 2014.

Public Utility Commission  
Water Utilities Division  
1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326

If responding before September 1, 2014, please submit your information to the address shown on the letterhead.

Thank you for your assistance in this matter. Please contact Ms. Christine Mester at 512/239-2788 or Ms. Lisa Fuentes at 512/239-6117 if you have any questions.

Sincerely,

Cari-Michel La Caille, Assistant Director  
Water Supply Division  
Texas Commission on Environmental Quality

CML/CM/

bcc: TCEQ Region 12 Office  
George Gogonas, MC 153

To: Administrative Reviewer  
From: Cartographer-Utilities & Districts Section

Date Complete: August 1, 2014

Subject: Overlap & Notice Check for Administrative Review/Application No. (A-97-14)/ 37986-S:  
Harris County MUD 480 to Obtain and STM HOE WSC (12756) in Harris County

1. No new overlap of service areas exists.
2. An overlap exists
3. Dual certification exists between
4. An overlap exists with the city limits of the following cities:
- X 5. If this is a Sale, Transfer, or Merger, is additional area being requested? Yes
- X 6. **Due to inadequate maps filed by the applicant, a determination cannot be made as to the actual location of the requested water service area.**
7. Utility notice was sufficient.
8. Utility notice was insufficient.

TWO MILES:

- \*All cities and ETJ's within 2 miles of proposed service area
- \* Any other utility, district, county or entity that would be required to receive notice

FIVE MILES:

- \*All cities and ETJ's within 2 miles of proposed service area
- \* Any other utility, district, county or entity that would be required to receive notice

X 11. Notice: **DO NOT NOTICE**

X 12. **Other comments:**

**Applicant must re-submit Part A – D; four copies of all new maps of proposed service areas being requested with this application. The hard copy maps submitted did not show the same proposed service area on all maps. Hard copy maps submitted with this application do not clearly delineate the proposed service area to accurately determine the location of the proposed service area. Also, maps do not provide enough detail of surrounding roads and highways to position the metes and bounds survey. Therefore, we are unable to determine the actual location of the water service area being requested for this application. Suggest submitting digital data of the proposed service area.**

Tracy Harbour

### STM Checklist

Administrative Review #A - 097 - 14

Application Number (s) 37986, STM

Date TCEQ Received Application 7.17.14

Date Assigned to program area 7.21.14

Name of Seller on Application HOE WSC

CCN(s) # 12756

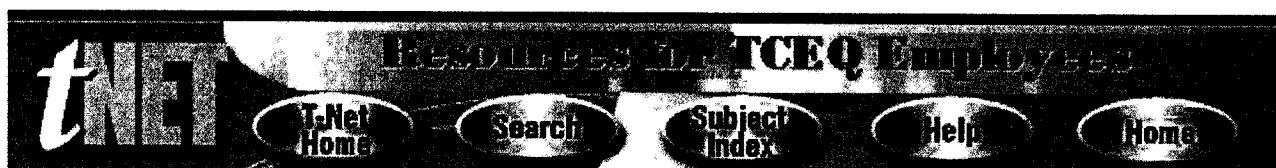
County(s) Harris

Name of Buyer Harris County MUD 480

CCN(s) # P 1421

County(s) Harris

- ☒ Not on file in Central Registry. Needs Core Data Form
- ☒ Attach a copy of CN and RN from WUD of both the seller and buyer involved
- ☒ Account Fees due
- ☒ Regulatory Assessment Fees due
- ☒ Original and three copies of completed application and all required attachments, maps and exhibits. (Item 1 on page 1 of General Information and Instructions)
- ☒ Proposed action and CCN numbers involved.

[IWUD Main](#)[Districts](#)[Utilities](#)[PWS](#)[Reports](#)[Documents](#)[Maps](#)

## ? Utility details for (DBA) HOE WSC (12756)

Affiliations

Documents

Site Visits

Schedules

### Responsible Party

Organization: H O E WSC

Address: 25035 STANOLIND RD  
TOMBALL , TX 77375

### Customers

#### Reference Number

CN604521013

CN600648547

#### Name

H O E WSC

HOE WSC

#### Role

RESPONSIBLE PARTY

RESPONSIBLE PARTY

### Official Address / Phone

Address: PO BOX 1180

PINEHURST , TEXAS 77362-1180

Telephone: (281) 825-8822

### Properties

CR Regulated Entity Number: RN101204220

CCEDS Status: NO ACTIVE NOE EXISTS

Utility Type: WATER UTILITY

Ownership Type: WATER SUPPLY CORPORATION

Primary County: HARRIS

County Code: 101

### PWS for this Utility

#### PWS Name

H O E WSC

#### PWS ID

1011101

#### Status

A

#### District(Number)

Water System occurrences retrieved.

### Counties

#### Code

101

#### County Name

HARRIS

#### Primary

Y

## Activity

Activity Status: **ACTIVE**

Start Date: **04/24/1995**

End Date: **12/31/9999**

Activity Date: **04/24/1995**

[Run Utility Cases Report](#)  
[Run Utility Summary Report](#)  
[Show Map](#)

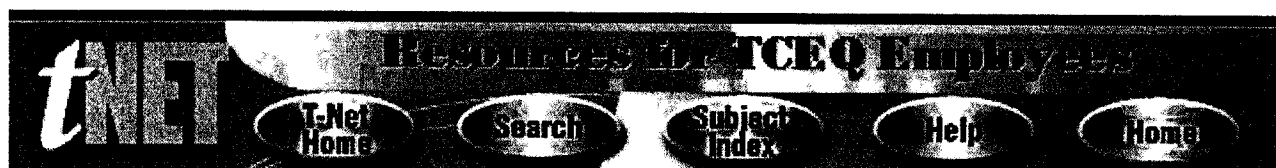
Utility successfully retrieved.

---

**For questions or comments regarding information on this page, contact the  
[TCEQ IWUD Web Manager](#)**

Version V2.7.0





## ? Utility details for HARRIS COUNTY MUD 480 (P1421)

Affiliations   Documents   Site Visits   Schedules

*Buyer*

### Responsible Party

Organization: HARRIS COUNTY MUD 480

Address: 1621 MILAM ST FL 3  
HOUSTON , TX 77002-8059

### Customers

| Reference Number | Name                  | Role              |
|------------------|-----------------------|-------------------|
| CN603070038      | HARRIS COUNTY MUD 480 | RESPONSIBLE PARTY |

### Official Address / Phone

Address: 1621 MILAM ST FL 3  
HOUSTON , TEXAS 77002-8059  
Telephone: (713) 759-1368

### Properties

CR Regulated Entity Number: RN107291825  
CCEDS Status: NO ACTIVE NOE EXISTS  
Utility Type: WATER UTILITY  
Ownership Type: DISTRICT \ AUTHORITY  
Primary County: HARRIS  
County Code: 101

### Counties

| Code | County Name | Primary |
|------|-------------|---------|
| 101  | HARRIS      | Y       |

### Activity

Activity Status: **ACTIVE**

Start Date: **09/07/2010**

Activity Date: **09/07/2010**

[Run Utility Cases Report](#)  
[Run Utility Summary Report](#)  
[Show Map](#)

Utility successfully retrieved.

---

**For questions or comments regarding information on this page, contact the  
[TCEQ iWUD Web Manager](#)**

Version V2.7.0