

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
August 20, 2009

The Board of Directors ("Board") of Harris County Municipal Utility District No. 249 ("District") met in regular session at the Board's regular meeting place on August 20, 2009, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Norman C. Adamek, President  
Sue Cox, Vice President  
Daniel Stage, Secretary  
Willie Hodge, Assistant Secretary  
Douglas Haude, Assistant Secretary

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

Also present were Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MA&C"); Yvonne Luevano of Wheeler & Associates, Inc. ("Wheeler"); Asim Tufail of Van De Wiele & Vogler Incorporated ("VVEI"); Richard Marriott of SouthWest Water Company, Inc. ("SWWC"); Mark Palmer and Sandra Palmer of Home of Hope-Texas ("HOH"); and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

**MINUTES**

The Board first reviewed the draft minutes of its meeting held on July 16, 2009. After discussion of the minutes presented, Director Stage moved that the July 16, 2009, minutes be approved, as written. Director Cox seconded said motion, which passed unanimously.

**COMMENTS FROM THE PUBLIC**

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

**TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Luevano presented and reviewed with the Board the tax assessor-collector's report dated as of July 31, 2009, including

the checks presented for payment from the tax account, as listed therein, historical valuation and collection data, and the Delinquent Collections Listing as of July 31, 2009, copies of which are attached hereto as Exhibit A. After discussion, Director Cox moved that the tax assessor-collector report be approved and that the checks identified therein be approved for payment. Director Stage seconded said motion, which carried unanimously.

Ms. Luevano next requested that three (3) delinquent personal property tax accounts be moved to the uncollectible roll since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Adamek moved that the three (3) accounts be moved to the uncollectible roll. Director Cox seconded said motion which carried unanimously.

#### DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented and reviewed with the Board a Delinquent Tax Attorneys' Collections Report, dated August 20, 2009, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys; a copy of the Report is attached hereto as Exhibit B. Mr. Skinner noted that no Board action was required at this time with respect to the accounts listed in such report.

#### FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2009 TAX RATE

The Board deferred consideration of the Financial Advisor's recommendation concerning the District's proposed 2009 tax rate until next month's meeting.

#### BOOKKEEPER'S REPORT

Ms. Hernandez presented and reviewed with the Board the bookkeeper's report dated August 20, 2009, including (i) the checks presented for payment from the General Operating Fund, Capital Projects Fund and the Sewage Treatment Plant ("STP") Account, (ii) a Fund Balance Report, (iii) a Pledged Securities Report, (iv) an Actual versus Budget Comparison for July 2009 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as Exhibit C. After discussion, it was moved by Director Hodge that the bookkeeper's report be approved and that the various checks identified therein be approved for payment, except for check no. 4168, which was voided. Director Stage seconded the motion, which carried unanimously.

## CAPITAL IMPROVEMENT PLAN

The Board deferred review and approval of a Capital Improvement Plan relative to future District construction and rehabilitation projects until next month's meeting.

## STATUS OF APPLICATIONS TO FEDERAL EMERGENCY MANAGEMENT AGENCY FOR REIMBURSEMENT OF ELEIGIBLE HURRICANE IKE EXPENSES

The Board considered the status of its application previously submitted to the Federal Emergency Management Agency ("FEMA") for possible reimbursement of Hurricane Ike related expenses. Mr. Skinner reminded the Board that Project Worksheets related thereto were received from FEMA for review and execution and that said Project Worksheets were executed by SPH and returned accordingly; such Project Worksheets are still under review by FEMA at this time. Mr. Skinner advised the Board that a FEMA representative will be conducting an audit of the District's records related thereto at SWWC's offices beginning on September 2, 2009. Mr. Marriott discussed same in detail with the Board. Mr. Skinner then presented to and reviewed with the Board correspondence received from the Division of Emergency Management dated July 20, 2009, a copy of which is attached hereto as Exhibit D, regarding a new Public Assistance Program related to Hurricane Ike expense reimbursement and discussed same with the Board.

## ENGINEERING REPORT

Mr. Tufail presented and reviewed with the Board a written engineering report dated August 20, 2009, a copy of which report is attached hereto as Exhibit E, relative to the status of various projects within the District.

There next ensued a discussion regarding the drainage issue that occurred in the District on Spring Source Place due to the excessive rain event in May. Mr. Tufail advised the Board that, as previously discussed, VVEI conducted research to determine if the drainage swale needs to be repaired or re-worked to ensure that the swale is functioning in accordance with its design capacity. In connection therewith, Mr. Tufail informed the Board that it appears that the drainage swale elevation can be lowered and noted that Champions Hydro-Lawn, Inc. has submitted a proposal in the amount of \$3,850 for lowering said elevation and presented and reviewed said proposal with the Board, a copy of which is included with Exhibit E. After discussion on the matter, Director Stage moved that the Board accept Champions' proposal to lower the elevation of the drainage swale, subject to said cost not exceeding \$3,850.00. Director Adamek seconded the motion, which carried unanimously. The Board requested that VVEI prepare and forward correspondence to

the Spring Lakes Homeowners' Association regarding the drainage swale project.

Relative to the subsidence of the sidewalk in front of Mr. Sixto Ortiz's house on Myrtle Spring and portions of his driveway, Mr. Tufail reminded the Board that it previously authorized Reddico Construction Company to make any necessary repairs that extend beyond Mr. Ortiz's residence. Mr. Tufail then advised the Board that, when the repairs were being made, it was discovered that the irrigation system at Mr. Ortiz's residence and the residence to the south of Mr. Ortiz was faulty and was causing erosion and subsidence in the area and presented and reviewed photographs of same with the Board, copies of which are included with Exhibit E. Mr. Tufail noted that all necessary repairs have been made and the project is now complete.

#### EMERGENCY PREPAREDNESS PLAN

Mr. Skinner reported to the Board regarding recently enacted Senate Bill No. 361, which requires districts that operate water plants to adopt emergency preparedness plans for submission to and approval by the Texas Commission on Environmental Quality (the "TCEQ"). He stated that, not later than December 1, 2009, the TCEQ is required to adopt implementation rules and provide a template for assisting in preparation of said plans. Mr. Skinner recommended that the Board authorize the District's engineer to begin gathering information now and to prepare the plan as soon as the TCEQ publishes its rules and template due to time deadlines set forth in Senate Bill No. 361. After discussion on the matter, Director Cox moved that the District's engineer be authorized to begin assembling information and to prepare a plan for the Board's review at such time as the TCEQ has published its rules and template. Director Hodge seconded the motion, which unanimously carried.

#### STATUS OF PROPOSED ANNEXATION OF TRACT FOR HOME-OF-HOPE, TEXAS

The Board and Mr. Palmer discussed the proposed annexation of a tract of land for Home-of-Hope, Texas ("HOH") and the associated tap fee in connection therewith. Mr. Skinner reminded the Board that HOH's tap fee is approximately \$142,000. Mr. Palmer then proposed a tap fee payment schedule and discussed same in detail with the Board. After further discussion, the Board agreed to the concept of allowing HOH to pay the tap fee over a number of years in accordance with the schedule proposed by Mr. Palmer subject to the District and HOH entering into a mutually agreeable annexation agreement.

## OPERATIONS AND MAINTENANCE REPORT

The Board considered the Operations and Maintenance Report. Mr. Marriott presented and reviewed in detail with the Board a written Operations Report prepared by SWWC for July 2009, a copy of which is attached hereto as Exhibit F.

Mr. Marriott informed the Board that the TCEQ has changed its method of filing the District's Discharge Monitoring Report ("DMR") from the STEERS reporting program to the NetDMR reporting program. He then requested the Board's approval and authorization for the President to execute the new DMR signatory form. After discussion, Director Cox moved that the Board approve said DMR and authorize the execution of the new DMR signatory form by the President. Director Stage seconded the motion, which carried unanimously.

## REVIEW OF PROPOSALS FOR UTILITY SYSTEM OPERATION AND MAINTENANCE SERVICES

Mr. Skinner presented to and reviewed with the Board proposals for utility system operation and maintenance services from the following companies: (i) Severn Trent Environmental Services, Inc. ("STES"); (ii) Municipal Operations and Consulting, Inc. ("MOC"); (iii) Municipal District Services, L.L.C. ("MDS"); (iv) Environmental Development Partners, L.L.C. ("EDP"); and (v) Hays Utility South Corporation ("Hays"). After discussion on the matter, the Board concurred that it would like to invite representatives from STES, MOC, MDS and EDP to give a presentation to the Board at its next meeting and requested that SPH prepare and forward correspondence to each of said companies advising of same. The Board noted that it would like for the next meeting to commence at 3:00 p.m. and to allow thirty (30) minute time slots for each of the potential operators' presentations.

## PROPOSAL FROM CHAMPIONS HYDRO-LAWN, INC. RELATIVE TO MAINTENANCE OF DISTRICT FACILITIES

The Board considered the review and approval of a proposal from Champions Hydro-Lawn, Inc. ("Champions") relative to maintenance of District facilities. In connection therewith, Mr. Tufail informed the Board that the project will most likely be in excess of \$50,000 and requested that the Board consider authorizing VVEI to advertise for bids on the project. After discussion, the Board concurred that VVEI be authorized to advertise for public bids on the project.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred the issuance of utility commitments, as no requests for same had been received.

DISTRICT WEBSITE

There ensued a discussion regarding updates to the District's website. No action was taken by the Board on the matter at this time.

ATTORNEY'S REPORT

Mr. Skinner advised the Board that he had nothing more of a legal nature to report at this time.

DISCUSSIONS REGARDING NO. 110 JOINT DRAINAGE FACILITIES

The Board deferred discussions regarding maintenance of the joint drainage facilities with No. 110.

DISTRICT SECURITY ISSUES

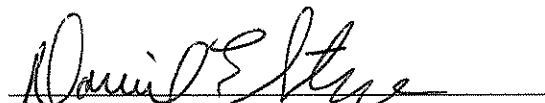
The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office's call sheet summary for July 2009, a copy of which is attached hereto as Exhibit G.

CHANGE IN MEETING LOCATION

The Board discussed the possibility of changing the location of Board meetings. No action was taken by the Board on the matter at this time.

ADJOURN

There being no further business to come before the meeting, upon motion made by Director Hodge seconded by Director Cox and carried unanimously, the meeting was adjourned.

  
Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A - Tax Assessor-Collector's Report

Exhibit B - Delinquent Tax Report

Exhibit C- Bookkeeper's Report

Exhibit D- Correspondence from Division of Emergency  
Management

Exhibit E - Engineer's Report

Exhibit F - Operator's Report

Exhibit G - District Security Report

EXHIBIT A