

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
November 19, 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 November 19, 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"); Ryan Fortner of Wheeler & Associates, Inc. ("Wheeler"); Asim Tufail of Van De Wiele & Vogler Incorporated ("VVEI"); Claudine Pacioni of SouthWest Water Company, Inc. ("SWWC"); Cindy Adamek, a resident of the District; and Christopher T. 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 October 15, 2009. After discussion of the minutes presented, Director Stage moved that the October 15, 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**

Mr. Fortner presented and reviewed with the Board the tax assessor-collector's report dated as of October 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 October 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 Adamek 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 November 19, 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.

#### BOOKKEEPER'S REPORT

Ms. Hernandez presented and reviewed with the Board the bookkeeper's report dated November 19, 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 October 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. Director Stage seconded the motion, which carried unanimously.

Ms. Hernandez next presented a draft operating budget and a draft budget for the Sewage Treatment Plant for the fiscal year ending December 31, 2010, copies of which are included with the Bookkeeper's Report. The Board and its consultants were requested to review the proposed operating and Sewage Treatment Plant budgets and submit their comments regarding same to the District's bookkeeper in advance of the Board's next meeting.

#### ENGINEERING REPORT

Mr. Tufail presented and reviewed with the Board a written engineering report dated November 19, 2009, a copy of which report is attached hereto as Exhibit D, relative to the status of various projects within the District.

There next ensued a discussion regarding the drainage problem that occurred in the District on Spring Source Place due to the

excessive rain event in April. In connection therewith, Mr. Tufail reminded the Board that, as previously discussed, VVEI has concluded that the only remedy for the drainage improvement is to lower the elevation of streets. Mr. Tufail also reminded the Board that VVEI researched the possibility of increasing the storm drainage pipe size in Spring Lakes, Section 2 and noted that VVEI is in the process of preparing a cost estimate for same. No action was taken by the Board at this time.

Relative to the Wastewater Treatment Plant Headworks Structure Rehabilitation project, Mr. Tufail presented and reviewed with the Board Pay Application No. 2 in the amount of \$87,183.00 and Change Order No. 1 in the amount of \$1,600.91 received from N&S Construction, LLC ("N&S"), and recommended that the Board authorize the payment of Pay Application No. 2 and Change Order No. 1. After discussion on the matter, Director Stage moved that the Board approve Pay Application No. 2 in the amount of \$87,183.00 to N&S and Change Order No. 1 in the amount of \$1,600.91. Director Adamek seconded the motion, which carried unanimously.

Mr. Skinner reminded the Board that SPH was in receipt of e-mail correspondence from District resident Steve Martin of 939 Sierra Spring, regarding subsidence of the sidewalk near the front of his house. In connection therewith, Mr. Tufail informed the Board that VVEI performed a dye test on the storm sewer line and discussed same in detail with the Board. After discussion, the Board concurred that VVEI and SWWC be authorized to evaluate the situation further and to make any necessary repairs.

Mr. Tufail next discussed with the Board the possibility of the District annexing a commercial tract of land located at the southeast corner of Highway 2920 and Interstate 45 frontage road into the boundaries of the District. A discussion then ensued regarding same and the Board noted that it is in favor of said annexation, but that it would like to be provided with more information. The Board instructed Messrs. Tufail and Skinner to contact the property owner and/or his representatives regarding the possible annexation.

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

The Board considered the status of the annexation of a tract of land for Home-of-Hope, Texas ("HOH"). In connection therewith,

Mr. Skinner informed the Board that SPH is waiting to receive a property description from HOH in order to finalize the annexation agreement.

#### OPERATIONS AND MAINTENANCE REPORT

The Board considered the Operations and Maintenance Report. Ms. Pacioni presented and reviewed in detail with the Board a written Operations Report prepared by SWWC for October 2009, a copy of which is attached hereto as Exhibit E.

Ms. Pacioni next advised the Board that, since its last meeting, an overflow occurred at one of the District's lift stations and noted that said overflow was caused by an electrical breaker failure and discussed same in detail with the Board. After discussion, the Board requested that VVEI analyze the mechanical and electrical systems at the lift station in an effort to minimize future system failures.

There next ensued a discussion regarding the possibility of including a notice in the next water bill to inform residents of North Harris County Regional Water Authority's groundwater reduction plan fees. After discussion on the matter, the Board concurred that SWWC be authorized to include such notice in the next water bill.

#### TRANSITION OF UTILITY SYSTEMS OPERATIONS AND MAINTENANCE

There next ensued a discussion regarding the District's transition of utility system and operations and maintenance from SWWC to Environmental Development Partners, L.L.C. ("EDP"). In connection therewith, Mr. Skinner presented to and reviewed with the Board an Agreement for Operating Services ("Agreement") between the District and EDP. There then ensued a discussion regarding and a proposed date for said transition. After further discussion, the Board deferred approval of the Agreement until next month's meeting and concurred that the transition date will be January 11, 2010.

#### ISSUANCE OF UTILITY COMMITMENTS

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

#### CHANGE IN MEETING LOCATION

The Board discussed the possibility of changing the location of Board meetings. Director Adamek reminded the Board that the Comfort Suites motel in the District has a meeting room available for use and that the cost for same would be \$150.00 per meeting.

After discussion, Director Adamek moved that SPH be authorized to contact a representative of Comfort Suites to obtain a contract for use of the motel's meeting room for the Board's consideration at next month's meeting. Director Cox seconded the motion, which carried unanimously.

**ATTORNEY'S REPORT**

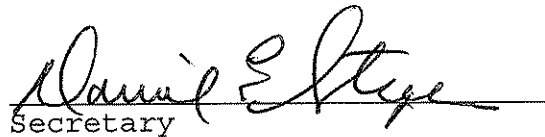
Mr. Skinner informed the Board that he had nothing more of a legal nature to report at this time.

**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 October 2009, a copy of which is attached hereto as **Exhibit F**.

**ADJOURN**

There being no further business to come before the meeting, upon motion made by Director Hodge seconded by Director Hodge 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 - Engineer's Report

Exhibit E - Operator's Report

Exhibit F - District Security Report