

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Special Meeting of Board of Directors  
June 10, 2009

The Board of Directors ("Board") of Harris County Municipal Utility District No. 249 ("District") met in special session at the Board's regular meeting place on June 10, 2009, in accordance with the duly posted Notice of Special 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 Stage, thus constituting a quorum.

Also present were Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MA&C"); Ryan Fortner of Wheeler & Associates, Inc. ("Wheeler"); Scott Novosad of Van De Wiele Engineering Incorporated ("VEI"); Edward Wade, a resident of the District; Richard Marriott of SouthWest Water Company, Inc. ("SWWC"); Anthea Moran of First Southwest Company ("First Southwest"); 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 May 21, 2009. After discussion of the minutes presented, Director Adamek moved that the May 21, 2009, minutes be approved, as written. Director Hodge seconded said motion, which passed unanimously.

**COMMENTS FROM THE PUBLIC**

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

**REQUEST FROM RECORDS MANAGEMENT OFFICER FOR APPROVAL OF DESTRUCTION OF CERTAIN DISTRICT RECORDS PURSUANT TO RECORDS MANAGEMENT PROGRAM**

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes of Board meetings from February 15, 2008, to February 19, 2009, a copy of which request is attached hereto as Exhibit A. After discussion on the matter, Director Haude moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Adamek seconded said motion, which unanimously carried.

**POSSIBLE ISSUANCE OF REFUNDING BONDS**

Ms. Moran addressed the Board regarding the proposed issuance of refunding bonds for the District. She presented and reviewed in detail with the Board a proposed Plan of Financing, a copy of which is attached hereto as Exhibit B. She noted that, based on today's current market conditions, the refunding bond transaction would result in a net present value savings on the District's current debt of approximately 2.164031%, which is below the 3% net present value savings required by the City of Houston, and therefore, the refunding bonds are not feasible at this time. She then inquired as to what level of savings the Board would like to obtain in a possible future refunding bond issue. After discussion, the Board concurred that it would like to see the District receive at least 5% or \$250,000 in net present value savings for any future refunding bond issues.

Ms. Moran next presented to and reviewed with the Board a revised preliminary tax rate analysis relative to the District's taxable value, a copy of which analysis is attached hereto as Exhibit C.

**SUPPLEMENT TO AGREEMENT FOR LEGAL SERVICES**

The Board deferred the approval and execution of a Supplement to Agreement for Legal Services in connection with the Series 2009 Refunding Bonds at this time.

**SPECIAL TAX COUNSEL**

The Board deferred the engagement of special tax counsel relative to the Series 2009 Refunding Bonds at this time.

**DESIGNATION OF PAYING AGENT/REGISTRAR**

The Board deferred the designation of a Paying Agent/Registrar in connection with the Series 2009 Refunding Bonds at this time.

**DESIGNATION OF ESCROW AGENT**

The Board deferred the designation of an Escrow Agent relative to the District's Series 2009 Refunding Bonds at this time.

**VERIFICATION AGENT**

The Board deferred the designation of a Verification Agent relative to the District's Series 2009 Refunding Bonds at this time.

**APPROVAL OF UNDERWRITER FOR THE PURCHASE OF THE DISTRICT'S SERIES 2009 REFUNDING BONDS**

The Board deferred the approval of an underwriter for the purchase of the District's Series 2009 Refunding Bonds at this time.

**FINAL OFFICIAL STATEMENT**

The Board deferred the approval of an Official Statement in connection with the issuance of the District's Series 2009 Refunding Bonds at this time.

**ORDER AUTHORIZING ISSUANCE OF BONDS**

The Board deferred the approval and execution of an Order Authorizing the Issuance, Sale and Delivery of the District's Series 2009 Refunding Bonds at this time.

**BOND PURCHASE AGREEMENT**

The Board deferred the approval and execution of a Bond Purchase Agreement in connection with the purchase of the Series 2009 Refunding Bonds at this time.

**ESCROW AGREEMENT**

The Board deferred the approval of a form of Escrow Agreement with The Bank of New York Mellon Trust Company, N.A. relative to the issuance of the District's Series 2009 Refunding Bonds at this time.

**PAYING AGENT/REGISTRAR AGREEMENT**

The Board deferred the approval and execution of a Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. in connection with the sale of the District's Series 2009 Refunding Bonds at this time.

**AUTHORIZATION OF SUBSCRIPTION FOR AND PURCHASE OF REFUNDING BONDS**

The Board deferred authorizing the subscription for and purchase of U. S. Government Securities in connection with the District's Series 2009 Refunding Bonds at this time.

**OTHER BOND MATTERS**

The Board deferred consideration of acting upon any other matters relative to the issuance of the District's Series 2009 Refunding Bonds at this time.

**TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Fortner presented and reviewed with the Board the tax assessor-collector's report dated as of May 31, 2009, including the checks and wire transfers presented for payment from the tax account, as listed therein, historical valuation and collection data, and a Delinquent Collections Listing as of May 31, 2009, copies of which are attached hereto as Exhibit D. After discussion, Director Adamek moved that the tax assessor-collector report be approved and that the checks and wire transfers identified therein be approved for payment. Director Haude seconded said motion, which carried unanimously.

**DELINQUENT TAX COLLECTION ATTORNEY'S REPORT**

Mr. Skinner presented and reviewed with the Board a Delinquent Tax Collections Report, dated June 10, 2009, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collection attorneys; a copy of the Report is attached hereto as Exhibit E. Mr. Skinner noted that no Board action was required at this time with respect to the accounts listed in such report.

**AUTHORIZE DELINQUENT TAX COLLECTIONS ATTORNEY TO PURSUE THE COLLECTION OF DELINQUENT TAXES FOR 2008**

The Board considered authorizing Perdue to proceed with the collection of delinquent taxes for 2008 and prior years, including the filing of lawsuits, as necessary. After discussion on the matter, Director Hodge moved that Perdue be

authorized to proceed with the collection of the District's 2008 and prior years' delinquent tax accounts beginning on July 1, 2009, including filing of lawsuits, as necessary. Director Adamek seconded said motion, which carried unanimously.

#### **BOOKKEEPER'S REPORT**

Ms. Hernandez presented and reviewed with the Board the bookkeeper's report dated June 10, 2009, including (i) the checks presented for payment from the General Operating Fund, Capital Projects Fund and the Sewage Treatment Plant Account, (ii) a Fund Balance Report, (iii) a Pledged Securities Report, (iv) an Actual versus Budget Comparison for May 2009 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit F**. 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. 4121, which was voided. Director Adamek seconded the motion, which carried unanimously.

#### **AUTHORIZE PREPARATION OF UNCLAIMED PROPERTY REPORT AS OF JUNE 30, 2009, FOR THE PERIOD ENDING JUNE 30, 2006**

The Board considered authorizing the preparation of an Unclaimed Property Report as of June 30, 2009, for the period ended June 30, 2006, and the filing of same with the State Comptroller prior to November 1, 2009. After discussion on the matter, Director Haude moved that the District's consultants be authorized to prepare an Unclaimed Property Report, if necessary, and that MA&C be authorized to file same with the State Comptroller prior to November 1, 2009. Director Hodge seconded said motion, which unanimously carried.

#### **VOTING SYSTEM ANNUAL FILING FORM**

The Board considered authorizing the completion, execution and filing of a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. Mr. Skinner advised that, pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's Office. After discussion on the Form, Director Cox moved that same be approved and that SPH be authorized to file same with the Secretary of State's Office, as required by law. Director Haude seconded said motion, which unanimously carried.

#### **CAPITAL IMPROVEMENT PLAN**

The Board deferred review and approval of a Capital

Improvement Plan relative to future District construction and renovation projects until next month's meeting.

**STATUS OF APPLICATIONS TO FEDERAL EMERGENCY MANAGEMENT AGENCY FOR REIMBURSEMENT OF ELEIGIBILE 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 and are still under review by FEMA at this time.

**ENGINEERING REPORT**

Mr. Novosad presented and reviewed with the Board a written engineering report dated June 10, 2009, a copy of which report is attached hereto as **Exhibit G**, 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. Novosad reminded the Board that, as discussed at last month's meeting, VEI inspected the drainage swale in the area and that the swale meets the 100-year rain event standards. The Board requested that VEI 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. After discussion on the matter, Director Adamek moved that VEI be authorized, if necessary, to repair or re-work said swale at a cost not to exceed \$2,500. Director Hodge seconded the motion, which carried unanimously.

Mr. Novosad reminded the Board that Mr. Sixto Ortiz of 25527 Myrtle Spring previously addressed the Board regarding the subsidence of the sidewalk in front of his house and portions of his driveway. Mr. Novosad further reminded the Board that, as previously requested, VEI engaged Geo-Tech to investigate the matter further and that the test results indicated that the problem appears to be a soil compaction issue related to the original construction of a sanitary sewer line. Mr. Novosad additionally reminded the Board that Geo-Tech has indicated that it appears that the problem extends beyond the Ortiz residence. In connection therewith, Mr. Novosad informed the Board that bids were received for repairs to the sanitary sewer line and sidewalk and noted that the low bid was received from Clearwater Utilities, Inc. in the amount of \$35,188.00. Mr. Novosad then advised the Board that Reddico Construction Company ("Reddico"), the contractor who

constructed the sanitary sewer line facilities in front of Mr. Ortiz's residence, has offered to do the repairs with labor and materials being provided to the District at no cost. After discussion on the matter, Director Haude moved that the Board accept Reddico's offer to repair said sidewalk and offer a \$5,000 performance bonus to Reddico provided that Reddico can start the repairs within the next fourteen (14) days and complete said repairs within thirty (30) days. Director Adamek seconded the motion, which carried unanimously.

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

Mr. Skinner reminded the Board that VEI had prepared a revised annexation feasibility study for proposed service to the tract south of Cypresswood for Home-of-Hope, Texas ("HOH") and forwarded same to HOH for review and requested a \$10,000 deposit to cover the costs associated with said annexation and that said check has been received. Mr. Skinner then advised the Board that he had spoken with Mark Palmer of HOH to discuss the required District tap fee. Mr. Palmer stated that he would attend the next District Board meeting to discuss the annexation and tap fee further with the Board.

#### **DISCUSSION REGARDING HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110 LIFT STATION SITE**

There ensued a discussion regarding the No. 110 Lift Station site. Mr. Skinner reminded the Board that there is an existing easement for the area in which the lift station is situated, but VEI has advised that the fence recently installed by No. 110 does not exactly match the boundaries of said existing easement. Mr. Skinner also reminded the Board that VEI previously prepared and reviewed with the Board an overlay of the easement area versus the fenced area to determine the scope of any discrepancy. Mr. Skinner further reminded the Board that, as previously discussed, VEI and SWWC have researched the matter and concluded that the District does not need future access to the lift station site. Mr. Skinner then informed the Board that he had contacted the attorney for No. 110 to discuss the possibility of conveying the site to No. 110 and noted that SPH has provided a copy of the metes and bounds description of the Lift Station site for No. 110's preparation of a deed conveying the site to No. 110. Mr. Skinner further noted that said deed is under preparation at this time.

#### **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 May 2009, a copy of which is attached hereto as Exhibit H.

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

The Board deferred the review and approval of a proposal from Champions Hydro-Lawn, Inc. ("Champions") relative to maintenance of District facilities after noting that a proposal had not yet been received. Mr. Novosad noted that Mr. Asim Tufail of VEI and Mr. Dennis Tiff of Champions have prepared a proposal and noted that a survey needs to be conducted to determine the silt levels of the District's facilities. After discussion, Director Haude moved that VEI be authorized to conduct a survey to determine silt levels of the District's facilities. Director Cox seconded the motion, which carried unanimously.

**ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred the issuance of utility commitments, as no other 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 May 2009, a copy of which is attached hereto as Exhibit I.

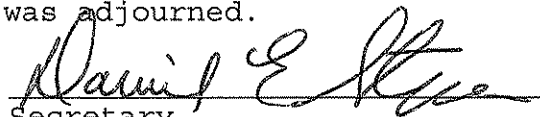
**CHANGE IN MEETING LOCATION**

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 Haude seconded by Director Cox and carried unanimously, the meeting was adjourned.

  
Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A - Records Destruction Requet
- Exhibit B - Plan of Financing
- Exhibit C - Tax Rate Anlaysia
- Exhibit D - Tax Assessor-Collector's Report
- Exhibit E - Delinquent Tax Report
- Exhibit F- Bookkeeper's Report
- Exhibit G - Engineer's Report
- Exhibit H - Operator's Report
- Exhibit I - District Security Report