

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
March 18, 2010

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 March 18, 2010, 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 Directors Hodge and 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"); Scott Novosad of Van De Wiele & Vogler Incorporated ("VVI"); Karl Skarboszewski of Environmental Development Partners L.L.C. ("EDP"); Edward Wade, Cindy Adamek and Vic Palermo, residents 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 February 18, 2010. There ensued a discussion regarding various revisions to pages 6 and 8 of the draft minutes. After discussion of the minutes presented, Director Cox moved that the February 18, 2010, minutes be approved, as revised. Director Adamek seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Mr. Skinner presented to and reviewed with the Board an open records request received from District resident Edward Wade requesting copies of the District's legal invoices for the prior twenty-four (24) months, a copy of which open records request is attached hereto as Exhibit A, and discussed same in detail with the Board. A discussion then ensued regarding the District's policy

regarding responses to open records requests and costs regarding same. Mr. Skinner informed the Board that SPH will respond to the request on the District's behalf, as appropriate.

**POSSIBLE CASH DEFEASANCE OF A PORTION OF DISTRICT'S OUTSTANDING SERIES 1999 UNLIMITED TAX BONDS**

There next ensued a discussion regarding the possible early cash defeasance of the \$780,000 term bond maturing September 1, 2022 from the District's outstanding Series 1999 Unlimited Tax Bonds. In connection therewith, Mr. Skinner presented to and reviewed with the Board an analysis prepared by the District's financial advisor, First Southwest Company, a copy of which analysis is attached hereto as **Exhibit B**. Director Adamek noted that, for various reasons, he believes that the defeasance would be beneficial to the District and discussed same in detail with the Board. After discussion on the matter, Director Adamek moved that SPH be authorized to prepare the required notices and other documents for the early defeasance of the \$780,000 term bond maturing September 1, 2022 from the District's Series 1999 Unlimited Tax Bonds. Director Stage seconded the motion, which carried unanimously. Following discussion regarding the sources of funds for the cash defeasance, the Board concurred that such funds should be spent from the District's operating account.

**TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Fortner presented and reviewed with the Board the tax assessor-collector's report dated as of February 28, 2010, 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 February 28, 2010, copies of which are attached hereto as **Exhibit C**. 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.

**DELINQUENT TAX COLLECTION ATTORNEYS REPORT**

Mr. Skinner presented and reviewed with the Board a Delinquent Tax Attorneys Collections Report, dated March 18, 2010, 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 D**. Mr. Skinner noted that no Board action was required at this time with respect to the accounts listed in such report.

**AUTHORIZATION OF DELINQUENT TAX COLLECTIONS ATTORNEY TO PURSUE DELINQUENT PERSONAL PROPERTY TAXES FOR 2009**

The Board considered authorizing Perdue to proceed with the collection of 2009 delinquent personal property taxes, including the filing of lawsuits, as necessary. After discussion on the matter, Director Cox moved that Perdue be authorized to proceed with the collection of the District's 2009 and prior years' delinquent tax accounts on April 1, 2010, 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 March 18, 2010, 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 February 2010 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit E**. After discussion, it was moved by Director Cox that the bookkeeper's report be approved and that the various checks identified therein be approved for payment, except for check nos. 4342 and 4345. Director Adamek seconded the motion, which carried unanimously.

**ENGINEERING REPORT**

Mr. Novosad presented and reviewed with the Board a written engineering report dated March 18, 2010, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

There next ensued a discussion regarding access to the bar screen at the District's wastewater treatment plant. Director Adamek requested that VVI and EDP conduct research regarding access door options for same.

There next ensued a discussion regarding the District's emergency water interconnect with Harris County Water Control and Improvement District No. 110 ("No. 110") and the District's ability to use the interconnect upon No. 110's conversion to a chloramines disinfection system. The Board requested that Mr. Skinner research the Emergency Water Supply Contract between the District and No. 110 and contact the attorney for No. 110 regarding same.

### EMERGENCY PREPAREDNESS PLAN

Mr. Skinner next informed the Board that the District's Emergency Preparedness Plan is exempt from the Public Information Act and noted that SPH will store said Plan in a secure location.

### CONSENT TO ENCROACHMENT AND INDEMNITY AGREEMENT

Mr. Skinner next advised the Board that Harris County Emergency Services District No. 7 will be constructing a volunteer fire station that will encroach on a District easement and presented and reviewed with the Board a Consent to Encroachment and Indemnity Agreement relative thereto. A copy of such Agreement is attached hereto as Exhibit G. After discussion on the matter, Director Adamek moved that the Board approve said Consent to Encroachment and Indemnity Agreement, that the President be authorized to execute same on behalf of the Board and District and that SPH be authorized to record said Encroachment in the Real Property Records of Harris County, Texas. Director Cox 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 EDP has had an opportunity to review the District's facilities and determine what future improvements may be required or advisable.

### 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 stated that SPH is working to finalize the annexation agreement. No action was taken by the Board on the matter at this time.

### PROPOSED ANNEXATION OF COMMERCIAL TRACT

There next ensued a discussion regarding the possible annexation of a commercial tract of land located at the southeast corner of Highway 2920 and Interstate 45 frontage road. There then ensued a discussion regarding a possible amendment to the District's Strategic Partnership Agreement with the City of Houston in connection therewith. No action was taken by the Board on the matter at this time.

## OPERATIONS AND MAINTENANCE REPORT

The Board considered the Operations and Maintenance Report. Mr. Skarboszewski presented and reviewed in detail with the Board a written Operations Report prepared by EDP for February 2010, a copy of which is attached hereto as Exhibit H. A discussion ensued regarding the Delinquent Account Report attached to the Operator's Report.

## RATIFICATION OF PRIOR ACTION

The Board next considered ratification of its prior action relative to the approval and execution of a First Amendment to Agreement for Operations Services by and between the District and EDP. After discussion, Director Stage moved that the Board's prior action be ratified in all respects. Director Cox seconded the motion, which carried unanimously.

## COMMUNICATIONS REGARDING SURFACE WATER CONVERSION POLICIES AND PRICING STRUCTURE

There next ensued a discussion regarding communications with the North Harris County Regional Water Authority ("NHCRWA"), Harris-Galveston Subsidence District and the Texas State Legislature relative to surface water conversion policies and pricing structure. In connection therewith, Director Adamek advised the Board of his recent discussions with a representative of the NHCRWA. Director Adamek then reminded the Board that, at last month's meeting he presented and reviewed draft correspondence to the NHCRWA. After discussion, Director Adamek moved that said correspondence be approved and forwarded to the NHCRWA accordingly. Director Cox seconded the motion, which carried unanimously. Director Adamek noted that such correspondence would clearly indicate that it was being sent on behalf of Directors Adamek, Stage and Cox, and not the entirety of the Board. The Board then requested that draft correspondence to the appropriate state representative and state senator regarding NHCRWA matters be prepared for its consideration at next month's meeting.

## COMMUNICATIONS WITH DISTRICT RESIDENTS REGARDING NHCRWA FEES

There next ensued a discussion regarding communications with District residents regarding the NHCRWA fees. In connection therewith, Director Adamek presented to and reviewed with the Board a draft insert, a copy of which is attached hereto as Exhibit I. After discussion, the Board requested that EDP include the language from the insert on the water bills for the next two (2) billing cycles.

**ISSUANCE OF UTILITY COMMITMENTS**

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

**ATTORNEY'S REPORT**

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

**DISTRICT SECURITY ISSUES**

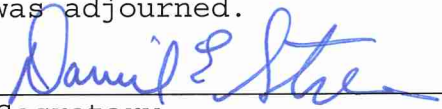
The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office's call sheet summary for January 2010 and February 2010, copies of which are attached hereto as **Exhibit J**.

**FUTURE AGENDA ITEMS**

The Board requested that an item regarding the possible implementation of recycling services in the District be added to the next agenda.

**ADJOURN**

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

  
Secretary