

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
November 17, 2011

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met in regular session at the Board's regular meeting place on November 17, 2011, 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
Willie Hodge, Vice President
Daniel Stage, Secretary
Ralph V. Palermo, Assistant Secretary
Charles Albright, Director

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

Also present were Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Ryan Fortner of Wheeler & Associates, Inc. ("Wheeler"); Damon Brown and Karl Skarboszewski of Environmental Development Partners L.L.C. ("EDP"); John Davis of Langford Engineering Inc. ("Langford"); Dennis Tiff of Champions Hydro-Lawn, Inc. ("Champions"); Cindy Adamek and Edward Wade, who later entered the meeting, 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 reviewed the draft minutes of its meeting held on October 20, 2011. Several revisions to said draft minutes were noted by Director Adamek. After discussion of the minutes presented, Director Hodge moved that the October 20, 2011, minutes be approved, as revised. Director Stage seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

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

RATIFICATION OF PRIOR ACTION RELATIVE TO APPROVAL OF NOTICE OF REDEMPTION

The Board next considered ratification of its prior action relative to the approval of a Notice of Redemption in connection with defeasance of the \$1,200,000 remaining outstanding Series 2001 Unlimited Tax Bonds. After discussion, Director Hodge moved that the Board's

prior action be ratified in all respects. Director Palermo seconded the motion, which carried unanimously.

RATIFICATION OF PRIOR ACTION RELATIVE TO ENGAGEMENT OF AUDITOR

The Board next considered ratification of its prior action relative to engagement of an auditor for preparation of the District's audit report for fiscal years ending December 31, 2011, and December 31, 2012. After discussion, Director Palermo moved that the Board's prior action be ratified in all respects. Director Albright seconded the motion, which carried unanimously.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Tiff next presented to and reviewed with the Board a Drainage Facilities Report, a copy of which Report is attached hereto as **Exhibit A**.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Fortner presented to and reviewed with the Board the tax assessor-collector's report dated as of October 31, 2011, 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, 2011, copies of which are attached hereto as **Exhibit B**. After discussion, Director Albright moved that the tax assessor-collector report be approved, and that the checks identified therein be approved for payment from the District's tax account. Director Stage seconded said motion, which carried unanimously.

Mr. Tiff exited the meeting and Mr. Wade entered the meeting during the Tax Assessor-Collector's Report.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys' Report, dated November 17, 2011, 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 here to as **Exhibit C**. Mr. Skinner noted that no Board action was required at this time with respect to the accounts listed in the Report.

BOOKKEEPER'S REPORT

Mr. Burton presented to and reviewed with the Board the bookkeeper's report dated November 17, 2011, 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 September 2011 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit D**. After discussion, it was moved by Director Adamek 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.

Mr. Burton next presented to and reviewed with the Board a draft operating budget for the District's fiscal year ending December 31, 2012, a copy of which is attached to the bookkeeper's report. He requested that any comments regarding the budget be provided to MA&C prior to the next Board meeting so that the budget could be revised if necessary and presented in final form at the meeting.

ENGINEERING REPORT

Mr. Davis presented and reviewed with the Board a written engineering report dated November 17, 2011, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Relative to the chloramine disinfection conversion project at the Water Plant, Mr. Davis presented to and reviewed with the Board Pay Estimate No. 1 and Final received from Derrick Systems in the amount of \$20,000, a copy of which Pay Estimate is included with **Exhibit E**, and recommended that the Board concur in the payment of same. Following discussion on the matter, it was moved by Director Stage, seconded by Director Palermo and unanimously carried, that the Board concur in the payment of Pay Estimate No. 1 and Final in the amount of \$20,000 to Derrick Systems, as recommended by the District's engineer.

Mr. Davis next reminded the Board that, at last month's meeting, it authorized Derrick Systems to replace the chlorine gas detector at the Water Plant at a cost of \$1,860.00. Mr. Davis then advised the Board that said installation has been completed and presented and reviewed an invoice received from Derrick Systems for same, a copy of which invoice is included with **Exhibit E**. After discussion, Director Stage moved that said invoice be approved for payment. Director Palermo seconded the motion, which carried unanimously.

OPTIONS FOR EROSION REPAIRS OF AMENITY PONDS

There next ensued a discussion regarding the various options available to remedy the District's amenity pond erosion issues. Mr. Davis discussed with the Board the option to repair the erosion problems by utilizing a specialty product based on rubber material from recycled tires. After discussion, the Board deferred taking any action at this time and requested that Mr. Davis conduct additional research regarding same.

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"). Mr. Skinner reminded the Board that it previously approved a Development, Financing and Annexation Agreement ("Agreement") and that HOH has executed said Agreement. He then advised the Board that SPH is in the process of preparing the various documentation that needs to be submitted to the City of Houston in connection with said annexation at this time.

PROPOSED ANNEXATION OF SPLASHTOWN PROPERTY

There next ensued a discussion regarding the proposed annexation of SplashTown Waterpark ("SplashTown") into the boundaries of the District. Mr. Skinner reminded the Board that Langford has prepared an annexation feasibility study. He noted that he has contacted a representative of SplashTown to determine if SplashTown remains interested in receiving wastewater treatment services from the District and being annexed into the District and has not yet received a response.

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 dated as of November 16, 2011, a copy of which is attached hereto as **Exhibit F**.

Mr. Skarboszewski advised the Board that the check valves on booster pump nos. 2 and 4 are in need of replacement and that the estimated cost for said replacements is \$5,000. After discussion, the Board concurred that EDP be authorized to replace said valves at a cost not to exceed \$5,000.

Director Adamek next requested that EDP inspect the District's fire hydrants and determine if any are in need of painting or any other regular maintenance.

Mr. Skarboszewski next advised the Board that various "No Trespassing" signs within the District are being replaced.

Director Adamek next requested that EDP paint over any graffiti within the District.

Mr. Skarboszewski next advised the Board that EDP inspected the interconnect valve with Harris County Water Control and Improvement District No. 110 and noted that some indications of possible minor leakage was detected. He then advised that EDP will continue monitoring the situation for the time being.

ISSUANCE OF UTILITY COMMITMENTS

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

WEBSITE PROVIDER

There next ensued a discussion regarding the District's website provider and working with said provider to improve the District's website. No changes or updates were requested by the Board at this time.

DISTRICT SECURITY ISSUES

The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff Office's call sheet summary for October 2011, a copy of which summary is attached hereto as **Exhibit G**.

Mr. Skinner next advised the Board that the District had received an Interlocal Agreement for Law Enforcement Services ("Agreement") between Harris County and the District to be effective January 1, 2012, through December 31, 2012 (the "Agreement") and advised that SPH had reviewed same. Mr. Skinner advised that the Agreement provides for one (1) deputy at a cost of \$63,952, which is the same cost as the current 2011 Agreement. After further discussion, Director Adamek moved to (i) approve the Agreement for security patrol services, to be effective January 1, 2012, and (ii) authorize the President and Secretary to execute same on behalf of the Board and the District. Director Albright seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Skinner next advised the Board that a voluntary 2011 Government Units Survey had been received from the U.S. Census Bureau and could be completed by SPH on behalf of the District if the Board so desired. After discussion on the matter, the Board concurred that the District not participate in the Survey.

Mr. Skinner next presented to and reviewed with the Board correspondence and a proposal for stormwater quality permit services received from Atkinson Engineers, a copy of which proposal is attached hereto as **Exhibit H**. The Board concurred that no action was required in connection with said correspondence.

Mr. Skinner next presented to and reviewed with the Board correspondence received from Mr. Kumar Bhattacharjee regarding his nomination as a candidate for the election of directors of the Harris County Appraisal District Board of Directors and requesting the Board's support and participation in said election, a copy of which correspondence is attached hereto as **Exhibit I**. After discussion, the Board concurred not to participate in said election.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board convened in Closed Session at 7:32 p.m., as authorized pursuant to Texas Government Code Section 551.071. Those in attendance, with the exception of the Board, and Mr. Skinner, exited at this time.

At 7:48 p.m., the Board reconvened in public session.

ADJOURN

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


Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Drainage Facilities Report

Exhibit B – Tax Assessor-Collector's Report

Exhibit C – Delinquent Tax Report

Exhibit D– Bookkeeper's Report

Exhibit E – Engineer's Report

Exhibit F– Operator's Report

Exhibit G – District Security Report

Exhibit H – Correspondence from Atkinson Engineers

Exhibit I – Correspondence from Kumar Bhattacharjee