

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
April 19, 2012

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 April 19, 2012, 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 and Cathy Wheeler, who later entered the meeting after it had been called to order as noted herein, of Wheeler & Associates, Inc. ("Wheeler"); Eric Thiry of Environmental Development Partners L.L.C. ("EDP"); John Davis of Langford Engineering Inc. ("Langford"); Cindy Adamek a resident of the District; Andy Dean of Environmental Allies ("EA"); 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 reviewed the draft minutes of its meeting held on March 15, 2012. Several revisions to the draft minutes were requested. After discussion of the minutes presented, Director Adamek moved that the March 15, 2012, minutes be approved, as revised. Director Albright seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

The Board considered comments from the public. Mr. Dean introduced himself to the Board and discussed the various storm water detention and drainage facilities maintenance services offered by Environmental Allies. The Board then asked various questions to which Mr. Dean responded. After discussion, the Board requested that an item be paced on the next Board meeting agenda for its consideration of a proposal from EA for maintenance services. No other action was taken by the Board at this time.

CONTINUING DISCLOSURE REPORT

With respect to the District's outstanding bonds, Mr. Skinner advised the Board that McCall, Parkhurst & Horton L.L.P. ("McCall") is in the process of completing the District's annual continuing disclosure report at this time and requested that the Board authorize McCall to file same upon completion prior to the June 30, 2012 due date. After discussion, the Board concurred that McCall be authorized to file said report upon completion prior to the June 30, 2012 due date.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Fortner presented to and reviewed with the Board the tax assessor-collector's report, dated as of March 31, 2012, including the checks presented for payment from the District's tax account, as listed therein, historical valuation and collection data, and the Delinquent Collections Listing as of March 31, 2012, copies of which are attached hereto as **Exhibit A**. After discussion, Director Stage 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 Adamek seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys' Report, dated April 19, 2012, 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 specific Board action was required at this time with respect to any of the accounts listed in such report.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Skinner advised that the Board is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Stage, seconded by Director Palermo and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board.

BOOKKEEPER'S REPORT

Mr. Burton presented to and reviewed with the Board the bookkeeper's report dated April 19, 2012, 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 March 2012 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule,

copies of which are attached hereto as **Exhibit D**. Mr. Burton additionally presented check no. 5163 in the amount of \$18,260 to Neal Technical Services ("NTS") relative to the chloramine disinfection conversion project, which is not reflected on the current bookkeeper's report. After discussion, it was moved by Director Hodge the bookkeeper's report be approved and that the various checks identified therein be approved for payment, including check no. 5163 in the amount of \$18,260 to NTS. Director Adamek seconded the motion, which carried unanimously.

Ms. Wheeler entered the meeting at this time.

ENGINEERING REPORT

Mr. Davis presented and reviewed with the Board a written engineering report, dated April 19, 2012, 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 NTS in the amount of \$18,260, and recommended that the Board concur in the payment of same. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Albright and unanimously carried, that the Board concur in the payment of Pay Estimate No. 1 and Final in the amount of \$18,260 to NTS, as recommended by the District's engineer.

Mr. Davis next advised the Board that a request has been received from Zaxby's Restaurant for water and sanitary sewer service and noted that Langford is in the process of reviewing the plans and specifications for same at this time. After discussion, the Board requested that SPH prepare a Utility Commitment Letter for its approval at its next meeting, subject to Langford's approval of the plans and specifications.

Mr. Davis next discussed in detail with the Board the investigation work conducted at the Harris County Water Control and Improvement District No. 110 ("No. 110") wastewater treatment plant in connection with certain operational problems with No. 110's lift station.

RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT

The Board next considered the status of the District's application to the Texas Commission on Environmental Quality (the "TCEQ") for the renewal of the District's Waste Discharge Permit due to expire February 1, 2013. Mr. Davis advised the Board that said application is being prepared at this time.

OPTIONS FOR EROSION REPAIRS OF AMENITY/DETENTION PONDS

There next ensued a discussion regarding the various options available to remedy the District's amenity/detention ponds erosion issues. The Board then requested that SPH conduct research to determine who is contractually responsible for maintenance of the north and south detention ponds.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred the Detention and Drainage Facilities Report after noting that no Champions Hydro-Lawn, Inc. representative was present at the meeting.

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, at last month's meeting, it approved a petition to the City of Houston for consent to annex 19.810 acres into the boundaries of the District and authorized SPH to submit said Petition to the City of Houston, subject to the execution of same by all owners of the land to be annexed. Mr. Skinner then informed the Board that SPH is still waiting to receive the executed documents from the owners at this time and noted that same is expected to be received in the near future.

OPERATIONS AND MAINTENANCE REPORT

The Board considered the Operations and Maintenance Report. Mr. Thiry presented and reviewed in detail with the Board a written Operations Report prepared by EDP dated as of April 19, 2012, a copy of which is attached hereto as **Exhibit F**.

Mr. Thiry reminded the Board that it previously authorized EDP to perform a flow test on each of the District's fire hydrants. In connection therewith, Mr. Thiry informed the Board that EDP has repaired three (3) non-functional hydrants at an estimated cost of \$2,500, and is requesting authorization to (i) repair nine (9) hydrants that are hard to operate at an estimated cost of \$200 each, (ii) raise three (3) hydrants at an estimated cost of \$750.00 each, and (iii) locate twenty-one (21) secondary valves at an estimated cost of \$100.00 each, for a total cost of \$8,650. After discussion, the Board concurred with EDP's request.

Mr. Thiry next informed the Board that the District's estimated water use from September 1, 2012 through August 31, 2013 has been submitted to the North Harris County Regional Water Authority and noted that said estimated amount is 190,000,000 gallons.

Mr. Thiry next advised the Board that, as authorized at last month's meeting, EDP has completed the 2012 TCEQ Homeland Security Contact Information and noted that same has been submitted to the TCEQ accordingly.

The Board next requested that EDP place No Trespassing Signs on various District facilities, as previously discussed.

There next ensued a discussion regarding the graffiti on the District's wastewater treatment facilities and the lift station fence. After discussion, the Board concurred that EDP be authorized to paint over the graffiti accordingly.

AUTHORIZATION OF CONSUMER CONFIDENCE REPORT ("CCR")

The Board considered authorizing EDP to prepare the District's CCR, the format of which is dictated by the TCEQ. Mr. Thiry then informed the Board that EDP has prepared a draft CCR and noted that same will be provided to SPH for review. No action was taken by the Board at this time.

LANDSCAPING OF LEXINGTON ROAD MEDIAN

There next ensued a discussion regarding landscaping of the median located on Lexington Road and the possibility of contacting Harris County regarding an improved maintenance program for said median and increasing the lighting in the area. Mr. Skinner then discussed with the Board the legal options for installing landscaping and street lighting in the Lexington median. After further discussion on the matter, the Board requested that SPH prepare correspondence to the appropriate Harris County Commissioner requesting that street lighting be installed on Lexington Road from Spring Cypress to Cypresswood Dr.

ANNUAL REVIEW OF THE DISTRICT'S IDENTITY THEFT PREVENTION PROGRAM

The Board considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Thiry presented EDP's annual report, a copy of which is included with Exhibit F, and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Mr. Thiry recommended that no changes be made to the Program. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

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. Director Adamek noted a couple of changes that needed to be made to the website.

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 March 2012, a copy of which summary is attached hereto as Exhibit G.

ATTORNEY'S REPORT

Mr. Skinner next advised the Board that a voluntary 2012 Census of Governments Survey of Public Employment & Payroll 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 received from the TCEQ regarding a 2012 Public Drinking Water Conference to be held August 7-8, 2012, a copy of which correspondence is attached hereto as **Exhibit H**.

Mr. Skinner next informed the Board that e-mail correspondence was received from Acclaim Energy Advisors ("Acclaim") requesting an opportunity to attend a future Board meeting to make a presentation regarding Acclaim's Demand Response Program. Mr. Burton then generally explained the program to the Board. After further discussion, the Board concurred that it is not interested in the program at this time and requested that SPH relay the Board's decision to the appropriate Acclaim representative.

Mr. Skinner next reminded the Board that the Directors Election is scheduled for Saturday, May 12, 2012 and noted that early voting for said Election will commence on Monday, April 30, 2012.

DISCUSSION REGARDING BILLING DISPUTE BETWEEN WHEELER AND THE DISTRICT

Ms. Wheeler next discussed with the Board the Wheeler billing matters that were previously brought to the Board's attention. She reminded the Board that, as discussed at last month's meeting, Wheeler has deposited \$4,703.22 into the District's tax account for amounts erroneously charged by Wheeler to the District, as previously agreed to by the Board. She then informed the Board that Wheeler has issued a check to the District in the amount of \$2,107 for the reimbursement of auditing fees and legal fees incurred by the District in connection with the investigation of the matter.

APPROVAL OF AMENDMENT TO DISTRICT'S AGREEMENT FOR SERVICES OF TAX ASSESSOR COLLECTOR AGREEMENT WITH WHEELER

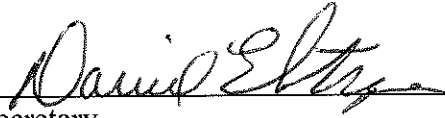
Mr. Skinner next presented to and reviewed with the Board a Second Amendment to Agreement for Services of Tax Assessor and Collector. After discussion on the matter, Director Adamek moved that said Amendment be approved and the President be authorized to execute same on behalf of the Board and the District. Director Albright seconded the motion, which carried unanimously.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board deferred convening in Closed Session at this time.

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 – Tax Assessor-Collector's Report

Exhibit B – Delinquent Tax Report

Exhibit C – Resolution Authorizing an Additional Penalty on Delinquent Real Property
Taxes

Exhibit D– Bookkeeper's Report

Exhibit E – Engineer's Report

Exhibit F– Operator's Report

Exhibit G – District Security Report

Exhibit H – Correspondence regarding 2012 Public Drinking Water Conference