

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
June 21, 2012

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met at the Board's regular meeting place on June 21, 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, except Director Albright, thus constituting a quorum.

Also present were Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Ryan Fortner, of Wheeler & Associates, Inc. ("Wheeler"); Eric Thiry of Environmental Development Partners L.L.C. ("EDP"); John Davis of Langford Engineering Inc. ("Langford"); Jamey Ulrich, President of the Board of Directors of Spring Lakes Homeowner's Association and a resident of the District; Cindy Adamek, a resident of the District; 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 May 22, 2012. Several revisions to the draft minutes were noted. After discussion of the minutes presented, Director Adamek moved that the May 22, 2012, minutes be approved, as revised. Director Stage seconded said motion, which carried unanimously.

DESTRUCTION OF CERTAIN DISTRICT RECORDS

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes of Board meetings from March 17, 2011 to March 15, 2012, a copy of which request is attached hereto as **Exhibit A**. After discussion on the matter, Director Stage moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Hodge seconded said motion, which unanimously carried.

COMMENTS FROM THE PUBLIC

Ms. Ulrich introduced herself to the Board and advised that she is the newly elected President of the Board of Directors of the Spring Lakes Homeowners' Association ("HOA") and expressed her interest on behalf of the HOA working cooperatively with the Board and the District in the future. Director Adamek then requested that EDP verify that the water rates being charged to the HOA are in accordance with the District's Rate Order.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Fortner presented to and reviewed with the Board the tax assessor-collector's report, dated as of May 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 May 31, 2012, copies of which are attached hereto as **Exhibit B**. After discussion, Director Adamek 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 Palermo seconded said motion, which carried unanimously.

Mr. Skinner next discussed with the Board the District's current agreement with START, a division of Wheeler, and noted that there currently is not a provision regarding the transfer of the District's records in the event of termination of services. After discussion, the Board requested that SPH prepare an amendment to the District's agreement with START to add such a provision for its approval at the next Board meeting.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys' Report, dated June 21, 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 C**. Mr. Skinner noted that no specific Board action was required at this time with respect to any of the accounts listed in such report.

BOOKKEEPER'S REPORT

Mr. Burton presented to and reviewed with the Board the bookkeeper's report dated June 21, 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 May 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**. A discussion then ensued regarding the North Harris County Regional Water Authority expenses versus the revenues reflected in the bookkeeper's report. Mr. Thiry noted that he would research the matter further and report back at a future meeting. After discussion, it was moved by Director Hodge the bookkeeper's report be approved and that the various disbursements identified therein be approved for payment. Director Adamek seconded the motion, which carried unanimously.

Mr. Burton then requested that the Board consider placing an item on the next agenda to amend the District's contract with MA&C for a fee increase. The Board agreed to consider the request.

AUTHORIZE PREPARATION OF UNCLAIMED PROPERTY REPORT

The Board considered authorizing the preparation of an Unclaimed Property Report as of June 30, 2012, for the period ended June 30, 2009, and the filing of same with the State Comptroller prior to November 1, 2012. After discussion on the matter, Director Adamek 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, 2012. Director Hodge seconded said motion, which unanimously carried.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board a written engineering report, dated June 21, 2012, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Mr. Davis reminded the Board that certain piping and valves leading to the District's wastewater treatment plant need to be retrofitted in order to alleviate problems with No. 110's lift station. He then presented to and reviewed with the Board two (2) bids that were received for the project, copies of which are included with **Exhibit E**. Mr. Davis then recommended that the Board award the contract to the low bidder, NTS, at a cost of \$22,640.00. After discussion, Director Adamek moved that the project be awarded to the low bidder, NTS, at a cost of \$22,640.00. Director Stage seconded the motion, which carried unanimously.

RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT

The Board next considered the status of the District's application to the Texas Commission on Environmental Quality ("TCEQ") for the renewal of the District's Waste Discharge Permit due to expire February 1, 2013. Mr. Davis advised the Board that Langford has prepared a draft Permit application and provided same to SPH and EDP for review and comment.

APPLICATION FOR TYPE I RECLAIMED WATER PERMIT

There next ensued a discussion regarding the possibility of submitting an application to the TCEQ to obtain a permit for use of reclaimed water from the wastewater treatment plant for irrigational purposes. The Board requested that Langford submit a proposal for the preparation and submittal of said application for its consideration at the next Board meeting. No action was taken by the Board 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. No action was taken by the Board on the matter at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred consideration of a Detention and Drainage Facilities after noting that no representative from Champions Hydro-Lawn, Inc. ("Champions") was present at the meeting.

PROPOSAL FROM ENVIRONMENTAL ALLIES FOR DETENTION AND DRAINAGE FACILITIES MAINTENANCE SERVICES

The Board next considered a proposal from Environmental Allies for maintenance services for the District's detention and drainage facilities. Mr. Davis informed the Board that Langford is currently in the process of preparing the specifications for the District's detention and drainage facilities for bidding purposes for transmittal to both Environmental Allies and Champions at this time.

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 advised the Board that a fully executed Petition for said annexation has been submitted to the City of Houston for approval and noted that said application is still pending with the City at this time.

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 June 20, 2012, a copy of which is attached hereto as **Exhibit F**.

The Board next requested that EDP remove the dead trees around the District's water plant.

Mr. Thiry next informed the Board that, since the last Board meeting, a switch at the water plant was inadvertently left on by an employee of EDP causing the ground storage tank to overflow. He noted that EDP will be issuing a credit to the District for the NHCRWA pumpage fees for the additional water usage resulting from the overflow.

Mr. Thiry next informed the Board that the chlorine controller at the water plant is in need of replacement and that the cost for same is approximately \$3,400. After discussion, Director Stage moved that EDP be authorized to replace said controller at a cost not to exceed \$3,400. Director Hodge seconded the motion, which carried unanimously.

EMERGENCY BACK-UP GENERATOR

Mr. Skinner presented and reviewed with the Board a proposal from Stewart & Stevenson LLC ("Stewart"), a copy of which proposal is included with **Exhibit F**, for a stand-by lease option for a generator for the District's wastewater treatment plant. After discussion on the matter, Director Adamek moved that the Board accept Stewart's proposal for stand-by lease of a 180 kilowatt emergency generator for use at the District's wastewater treatment plant facility, subject to SPH's review and approval of the applicable lease documentation. Director Stage seconded the motion, which carried unanimously.

AMENDMENT OF DISTRICT RATE ORDER

Mr. Skinner advised the Board that Best Trash has notified the District that, effective May 2012, there was a CPI rate adjustment for garbage collection, disposal and recycling services. Mr. Skinner informed the Board that the rate for collection services increased from \$13.77 to \$14.11, which represents an increase of 2.5%. Mr. Skinner recommended the Board consider amending the Rate Order to reflect the CPI rate increase for garbage collection, disposal and recycling services. After discussion, it was moved by Director Hodge, seconded by Director Adamek and unanimously carried, that the Board amend the Rate Order to reflect the CPI rate increase for such services.

ELECTRONIC PAYMENT SERVICES

The Board next considered the approval and execution of (i) Addendum to Originator Agreement and (ii) Addendum to Operator Service Agreement relative to the District's Electronic Payment Services Program (collectively, the "Addendums"). After discussion on the matter, Director Stage moved that the Addendums be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Adamek seconded the motion, which carried unanimously.

LANDSCAPING AND STREET LIGHTING ALONG LEXINGTON ROAD

There next ensued a discussion regarding the design and installation of landscaping along Lexington Road and the possibility of contacting Harris County regarding an improved maintenance program for the area and adding street lighting. Mr. Skinner informed the Board that, as previously requested, SPH is in the process of preparing correspondence to Harris County Commissioner Cagle requesting a partnership for the installation of street lighting on Lexington Road from Spring Cypress to Cypresswood Dr. There then ensued a discussion regarding the landscaping and installation of trees and an irrigation system along Lexington and the quantity and types of trees to be planted. There additionally ensued a discussion regarding the possibility of the District assuming title to certain property along Lexington from the HOA. After further discussion, the Board requested that SPH (i) solicit a proposal from Murr Incorporated for the design of the trees and an irrigation system, and (ii) prepare and forward correspondence to the HOA regarding the possibility of the HOA deeding certain property along Lexington to the District. No formal action was taken by the Board on the matter 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

Director Adamek noted several revisions that needed to be made to the District's website and requested that SPH work with the website provider to update the website.

DISTRICT SECURITY ISSUES

The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff Office's ("HCSO") call sheet summary for May 2012, a copy of which summary is attached hereto as **Exhibit G**.

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 Adamek 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 Palermo seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

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

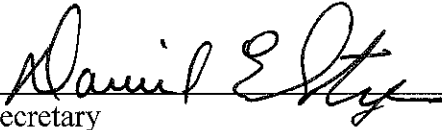
CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board convened in Closed Session at 8:39 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 8:55 p.m., the Board reconvened in public session.

ADJOURN

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


Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Records Destruction Request
- 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