

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors June 20, 2013

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 20, 2013, 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, Assistant Secretary

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

Also present were Mick Helfrich of Langford Engineering Inc. ("Langford"), who later entered the meeting after it had been called to order, as noted herein; Jim Ferguson of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests, Inc. ("BLI"); Gene Krejci of Stormwater Solutions, LP ("SWS"); Cindy Adamek, a resident of the District; and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SP&H").

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 16, 2013. After discussion of the minutes presented, Director Adamek moved that the May 16, 2013, minutes be approved, as written. Director Albright 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 15, 2012 to February 15, 2013, 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 Palermo seconded said motion, which unanimously carried.

COMMENTS FROM THE PUBLIC

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

PROPOSED SERIES 2013 UNLIMITED TAX REFUNDING BONDS (

The Board discussed the possible issuance of the District's Series 2013 Unlimited Tax Refunding Bonds. Mr. Skinner informed the Board that interest rates have increased, and, therefore, issuance of the proposed refunding bonds is not economically feasible at this time. A discussion then ensued regarding a possible cash defeasance of a portion of the District's Series 2004 Unlimited Tax Bonds. After further discussion, the Board requested that the District's financial advisor prepare various analyses relative to the proposed cash defeasance for its consideration at the next meeting. No action was taken by the Board at this time.

The Board deferred taking any action on agenda items five through seventeen in connection with the proposed refunding bonds at this time.

Mr. Helfrich entered the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. McLaughlin presented to and reviewed with the Board the tax assessor-collector's report for the month of May 2013, which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Hodge moved that the tax assessor-collector's report be approved and that the disbursements identified in said report be approved for payment from the District's tax account. Director Adamek seconded said motion, which unanimously carried.

Ms. McLaughlin next informed the Board that a written request had been received from District taxpayer Terry Abdullah to enter into an installment payment agreement for the payment of his delinquent 2012 taxes. After discussion, Director Palermo moved that Mr. Abdullah's request be granted, subject to said delinquent taxes being paid within a four (4) month period. Director Adamek seconded said motion, which carried by a vote of four (4) in favor and one (1) abstention with Directors Adamek, Hodge, Palermo and Albright being in favor and Director Stage abstaining.

Ms. McLaughlin next advised that the District's 2013 preliminary estimate of taxable value from the Harris County Appraisal District is \$182,642,276.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board a delinquent tax collection attorneys' report, dated June 20, 2013, 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 Board action was required at this time with respect to any of the accounts listed in such report.

BOOKKEEPER'S REPORT

Mr. Skinner presented to and reviewed with the Board the bookkeeper's report dated June 20, 2013, including (i) the disbursements 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 2013 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 disbursements identified therein be authorized for payment. Director Albright seconded the motion, which carried unanimously.

LANDSCAPING AND STREET LIGHTING ALONG LEXINGTON ROAD AND POSSIBLE WASTEWATER SERVICE TO BAYER PARK

There next ensued a discussion regarding the design and installation of landscaping and street lighting along Lexington Road and the status of communications with Harris County regarding the provision of wastewater collection and treatment service to Bayer Park. Mr. Skinner reminded the Board that SP&H previously prepared and forwarded correspondence to Harris County Precinct 4 Commissioner Cagle's office outlining the proposed terms upon which the District would provide wastewater collection and treatment service to Bayer Park. Mr. Skinner additionally reminded the Board that e-mail correspondence was previously received summarizing recent conversations with Commissioner Cagle's office regarding the County's response to SP&H's proposal and that it authorized SP&H and Langford to meet with representatives of Harris County Precinct 4 to discuss the District's proposal and the County's response in further detail. In connection therewith, Mr. Skinner advised the Board that since the last Board meeting, SP&H and Langford met with representatives of Harris County Precinct 4 on May 20, 2013 and discussed the results of that meeting with the Board. Mr. Skinner then presented to and reviewed with the Board draft correspondence prepared by SP&H further summarizing the terms upon which the District would provide wastewater collection and treatment service to Bayer Park based on SP&H's recent conversations with Harris County Precinct 4. Mr. Skinner then requested that the Board (i) approve said correspondence and authorize SP&H to forward said correspondence to Harris County Precinct 4 and (ii) authorize SP&H to prepare an agreement for Phase I in connection with the proposed project(s) related thereto. After discussion on the matter, Director Adamek moved that (i) said correspondence be approved and that SP&H be authorized to forward same to Harris County Precinct 4 and (ii) SP&H be authorized to commence preparation of an agreement for Phase I of the proposed project(s) related thereto. Director Hodge seconded the motion, which carried unanimously.

ENGINEERING REPORT

Mr. Helfrich presented to and reviewed with the Board a written engineering report, dated June 20, 2013, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

AUTHORIZE SUBMISSION OF INFORMATION TO ELECTRIC UTILITY PROVIDERS

The Board next considered authorizing submission to each electric utility that provides transmission and distribution service to the District and each retail provider for determination of

District facilities that qualify for critical load status. After discussion, the Board concurred that EDP and/or Langford be authorized to submit said information on the District's behalf.

APPLICATION FOR TYPE I RECLAIMED WATER PERMIT

There next ensued a discussion regarding the status of submission of an application to the Texas Commission on Environmental Quality to obtain a permit for use of reclaimed water from the wastewater treatment plant for irrigational purposes. Mr. Helfrich informed the Board that the final application has been prepared, but noted that Langford would be deferring submittal of the application until the Bayer Park wastewater treatment matter is resolved.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Krejci presented to and reviewed with the Board a Detention and Drainage Facilities Report for June 2013 prepared by SWS a copy of which report is attached hereto as **Exhibit F**. A discussion next ensued regarding the maintenance schedule for mowing along Lexington Road and the Board noted that SWS is required to mow said area twice per month.

OPERATIONS AND MAINTENANCE REPORT

The Board considered the Operations and Maintenance Report. Mr. Ferguson presented to and reviewed in detail with the Board a written Operations Report prepared by EDP, dated as of June 18, 2013; a copy of the Report is attached hereto as **Exhibit G**.

CONSUMER CONFIDENCE REPORT

The Board considered the approval of a 2012 Consumer Confidence Report and authorizing the distribution of same to the District's customers prior to July 1, 2013, as required by law. Mr. Ferguson presented to the Board a draft of the 2012 Consumer Confidence Report, and requested that the Board authorize EDP to distribute same to the District's customers, subject to SP&H's final review and approval. After discussion on the matter, Director Stage moved that such Report be approved by the Board, subject to SP&H's final review and approval, and that EDP be authorized to distribute same to the District's customers prior to July 1, 2013. Director Albright seconded said motion, which carried unanimously.

ISSUANCE OF UTILITY COMMITMENTS

Mr. Skinner next advised the Board that SP&H was in receipt of a request from Alchemy Holdings Venture, Ltd. ("Alchemy") for a utility commitment letter ("UCL") for water and wastewater treatment capacity to serve a planned retail/commercial shopping center. Mr. Skinner informed the Board that Alchemy has not yet determined what amount of sewer capacity will be required to serve the property. Mr. Skinner then presented to and reviewed with the Board a draft UCL prepared by SP&H. After discussion, the Board deferred taking any action on the matter at this time.

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 several revisions and updates 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 May 2013, a copy of which summary is attached hereto as Exhibit H.

VOTING SYSTEM ANNUAL FILING FORM

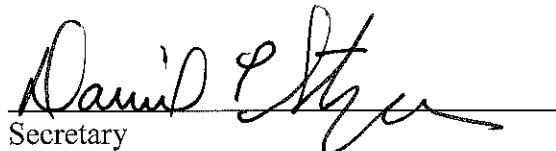
The Board next considered authorizing the completion, execution and filing with the Texas Secretary of State of a Voting System Annual Filing Form relative to District elections. Mr. Skinner advised that, pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's office. After discussion, Director Adamek moved that: (i) SPH be authorized to complete and execute the Voting System Annual Filing Form; and (ii) SPH be authorized to file the Form with the Texas Secretary of State's Office on behalf of the Board and the District. Director Albright seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

Mr. Skinner next presented to and reviewed with the Board an informational packet received from Finial Group regarding the proposed plan for the Louetta Business Park, a copy of which informational packet is attached hereto as Exhibit I.

ADJOURN

There being no further business to come before the Board, upon motion duly made by Director Hodge seconded by Director Adamek 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 – Detention and Drainage Facilities Report
- Exhibit G – Operations and Maintenance Report
- Exhibit H – District Security Report
- Exhibit I – Information packet regarding Louetta Business Park