

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
October 16, 2014

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 October 16, 2014, 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:

Willie Hodge, President
Daniel Stage, Vice President
Ralph V. Palermo, Secretary
Charles Albright, Assistant Secretary
Norman C. Adamek, Assistant Secretary

and all of said persons were present, except Directors Hodge and Adamek, thus constituting a quorum.

Also present were Blake Kridel of Storm Water Solutions, LP ("SWS"); Juan Fresaquez Chief Operating Officer of the Houston Northwest Medical Center and Chairman of the Board of Directors of the Houston Northwest Chamber of Commerce ("HNWCC"); John Davis and Mick Helfrich of Langford Engineering Inc. ("Langford"); Eric Thiry of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Deputy Herman Hoffschneider of the Harris County Sheriff's Office ("HCSO"); Jamie Ulrich, President of the Spring Lakes Homeowner's Association ("SLHOA"); Cindy Adamek, a resident of the District; and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

Director Stage was recognized as Presiding Officer of the Board in the absence of the Board President. Director Stage then 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 September 18, 2014. After discussion of the minutes presented, Director Palermo moved that the September 18, 2014, minutes be approved, as written. Director Albright seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Ms. Ulrich, President of the Board of Directors of SLHOA addressed the Board regarding the Austin Springs road subsidence problem. Mr. Thiry noted that pictures of the subsidence area are included in the Operations and Maintenance Report. He further reported that EDP

televised the sanitary sewer line and found no problems. A discussion then ensued regarding the likely cause of the problem. Mr. Davis suggested that the problem may have resulted from the improper backfilling of the fill dirt over the sanitary sewer line during construction. After discussion, the Board concurred to authorize EDP to prepare a proposal to remediate the problem for discussion at the November Board meeting.

DISTRICT SECURITY ISSUES

The Board next considered the report regarding District security issues. Mr. Skinner noted that no written report was received from the Harris County Sheriff's Office this month.

PRESENTATION BY HOUSTON NORTHWEST CHAMBER OF COMMERCE

Mr. Skinner next introduced Mr. Fresquez who then addressed the Board regarding the proposed Houston-Galveston Area Council Livable Center Study Grant program. In connection therewith, Mr. Fresquez explained the funding details of the Grant program. Mr. Fresquez then answered questions from the Board. After discussion, the Board declined to further consider participation in the program.

PUBLIC HEARING REGARDING THE ADOPTION OF THE DISTRICT'S 2014 TAX RATES

The Board next considered conducting a public hearing regarding adoption of the District's proposed 2014 tax rates. After noting that the member of the public present at the meeting did not wish to offer comments regarding the proposed tax rates, the hearing was closed.

LEVY OF THE DISTRICT'S 2014 TAXES

The Board next discussed the setting of the District's 2014 tax rates. Ms. McLaughlin confirmed that the notice regarding the Board's intention to adopt the District's 2014 tax rates had been published in *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its previous meeting. After discussion on the matter, Director Palermo moved that: (i) the Board adopt the tax rates proposed at the District's September 18, 2014, meeting and as reflected in the notice; (ii) the Board levy a 2014 debt service tax rate of \$0.61 per \$100 of valuation and a maintenance tax rate of \$0.27, resulting in a 2014 total tax rate of \$0.88 per \$100 of valuation; and (iii) an Order Levying Taxes be adopted in connection therewith and the Presiding Officer be authorized to execute and the Secretary to attest same on behalf of the Board and the District; the Order is attached hereto as **Exhibit A**. Director Stage seconded said motion, which carried unanimously.

AMENDED DISTRICT INFORMATION FORM

Mr. Skinner next presented to and discussed with the Board an Amendment to the Third Amended and Restated District Information Form relative to the levy of the District's 2014 taxes. After discussion on the matter, Director Palermo moved that the Amendment be approved and that all Board members present be authorized to execute same on behalf of the Board and the

District. Director Albright seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. McLaughlin next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of September 2014, which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Stage 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 Palermo seconded said motion, which unanimously carried.

The Board then discussed the tax status of the Home of Hope ("HOH") property. Ms. McLaughlin reported that the HOH has paid its 2013 property taxes in full.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated October 16, 2014, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys; a copy of such report is attached hereto as **Exhibit C**. He noted that no Board action was required with respect to any of the accounts listed in the report.

BOOKKEEPER'S REPORT

Mr. Burton presented to and reviewed with the Board the Bookkeeper's Report dated October 16, 2014, including (i) the disbursements presented for payment from the District's 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 2014 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 Palermo that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, with the exception of check numbers 6078 payable to Director Adamek and 6080 payable to Director Albright, which were voided. Director Albright seconded the motion, which carried unanimously.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Kridel presented to and reviewed with the Board the Detention and Drainage Facilities Report for October 2014 prepared by SWS, a copy of which report is attached hereto as **Exhibit E**.

Mr. Kridel next discussed the grading work on the Cypresswood property. Mr. Kridel then requested the Board's approval to purchase and spread additional fill dirt at an estimated cost of \$3,200. After discussion, the Board concurred to authorize SWS to purchase and spread additional fill dirt at a cost not to exceed \$3,200.

Mr. Kridel next asked the Board to consider authorizing the posting of "No Trespassing" signs on the Cypresswood property. After discussion, the Board concurred to authorize SWS and/or EDP to install "No Trespassing" signs on the Cypresswood property.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated October 16, 2014, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Mr. Davis then discussed with the Board the request from Deloache Chiropractic Health Center for water and sanitary sewer service. The Board took no action on this matter at this time.

Mr. Davis next discussed a request from LGI Land ("LGI") for water and sanitary sewer service to serve a proposed detached unit townhome community. He noted that LGI is requesting 165 ESFCs which is more than previously requested by the Adkisson Group. A discussion then ensued regarding the preparation of a new Feasibility Study for the proposed project. After discussion, the Board requested Mr. Davis to contact LGI and obtain more details regarding the project, and report his findings to the Board at the November Board meeting.

NORTHLAND SHOPPING CENTER AND 6.867 ACRE TRACT ANNEXATION

The Board considered the status of annexation of the Northland Shopping Center and the 6.867 acre tract into the boundaries of the District. Mr. Davis informed the Board that Langford is preparing a revised boundary map for the Northland Shopping Center, and will provide same to SPH for review upon completion. Mr. Skinner provided a status report on the preparation and submission of the annexation application.

STATUS OF ACQUISITION OF EASEMENTS TO SERVE NORTHLAND SHOPPING CENTER

Mr. Skinner next updated the Board on the status of acquisition of various easements necessary for the District to provide water and sanitary sewer service to Northland Shopping Center. In connection therewith, Mr. Skinner reported that SPH is obtaining the ownership/lienholder information on each of the subject easements, preparing the appraisals and the form of easement.

PROVISION FOR SECONDARY WATER SOURCE FOR WET 'N' WILD SPLASH TOWN ("SPLASH TOWN")

The Board next discussed the recent request from Splash Town for the District to provide a temporary emergency water supply to Splash Town. Mr. Davis and Mr. Skinner discussed meeting with Jody Kneupper, General Manager of Splash Town, regarding the request. Mr. Davis explained that, as previously discussed with the Board, Splash Town has recently experienced problems with its water well resulting in Splash Town utilizing the current water interconnect it has with the water system serving the Northland Shopping Center. This recent

experience prompted Splash Town to contact Mr. Davis to explore the possibility of the District providing an emergency backup water supply to Splash Town. Mr. Skinner then stated that Splash Town was amenable to entering into an agreement with the District whereby the District would provide a secondary water supply source for Splash Town to utilize on a temporary basis, if needed, for some period of time. In exchange, Splash Town would agree to grant to the District a permanent water line easement across the Splash Town property to allow the District to both connect to Splash Town's water system and to provide a source of supply to the Northland Shopping Center. After discussion, the Board authorized SPH to prepare a proposed Temporary Emergency Water Supply Agreement and negotiate the terms and conditions of such Agreement provided any such Agreement did not extend beyond two years.

BAYER PARK WASTEWATER CONVEYANCE AND TREATMENT PROJECT

With respect to the Bayer Park wastewater conveyance and treatment project, Mr. Skinner reported that the District has received the initial \$50,000 payment from Harris County for the engineering design work associated with the project. Additionally, Mr. Skinner stated that the County has requested that the District provide to the County a draft of the Construction Agreement between the District and the County for the project. Mr. Skinner reported that SPH would begin work on the Construction Agreement.

OPERATIONS AND MAINTENANCE REPORT

The Board next considered the Operations and Maintenance Report. Mr. Thiry presented to and reviewed in detail with the Board a written Operations Report prepared by EDP, dated as of September 21, 2014; a copy of the Report is attached hereto as **Exhibit G**.

ISSUANCE OF UTILITY COMMITMENTS

The Board next deferred action regarding the issuance of utility commitments, as no requests for same had been received by the District.

WEBSITE PROVIDER

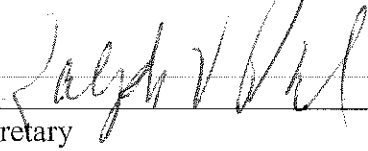
There next ensued a discussion regarding the District's website provider and working with said provider to improve the District's website. The Board requested that the District's amended Rate Order be placed on the website.

ATTORNEY'S REPORT

Mr. Skinner reported that, per the Board's instruction, a letter was sent to the District resident who was caught trespassing on District property, while riding his four-wheeler, informing him that the use of all-terrain vehicles on said District property is prohibited.

ADJOURN

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



Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Order Levying Taxes

Exhibit B – Tax Assessor-Collector's Report

Exhibit C – Delinquent Tax Report

Exhibit D – Bookkeeper's Report

Exhibit E – Detention and Drainage Facilities Report

Exhibit F – Engineer's Report

Exhibit G – Operations and Maintenance Report