

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Special Meeting of Board of Directors
June 25, 2015

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 25, 2015, in accordance with the duly posted Notice of Special 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 Director Adamek, thus constituting a quorum.

Also present were John Davis of Langford Engineering Inc. ("Langford"); Eric Thiry and Damon Brown of Environmental Development Partners, LLC ("EDP"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Philip Rife of The Finial Group ("Finial"); District resident Cindy Adamek; 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 first reviewed the draft minutes of its meeting held on May 21, 2015. After discussion of the minutes presented, Director Albright moved that the May 21, 2015 minutes be approved, as written. Director Stage seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

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

ISSUANCE OF UTILITY COMMITMENTS

Mr. Skinner addressed the Board regarding the request for a utility commitment letter for the proposed apartment project to be located in the Louetta Business Park. Mr. Skinner reminded the Board that it previously granted a Utility Commitment Letter to Finial in connection with the development of the Louetta Business Park and that a portion of the Louetta Business Park has been completed but that Finial Group has received an offer for purchase of the remaining undeveloped property for the construction of an apartment project. Mr. Skinner

further reminded the Board that Mr. Mike Sperandio of Finial has requested that the District grant a Utility Commitment Letter for the remaining undeveloped property for the proposed apartment project. Mr. Skinner additionally reminded the Board that it previously authorized Langford to move forward with the preparation of a feasibility study for the property. In connection therewith, Mr. Davis informed the Board that Langford has prepared the feasibility study and presented and reviewed same with the Board. After discussion on the matter, the Board deferred taking any action at this time.

DISTRICT SECURITY ISSUES

The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office call sheet summary for May 2015, a copy of which summary is attached hereto as **Exhibit A**.

PROPOSED SERIES 2015 REFUNDING BOND ISSUE ("SERIES 2015 REFUNDING BONDS")

The Board next discussed the status of the District's proposed Series 2015 Refunding Bonds. Mr. Skinner noted that the District's financial advisor is waiting to receive certain cost information for various projects from the District's engineer before a proposed Plan of Financing can be prepared. After discussion, the Board deferred taking any action on the matter at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Hendershot next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of May 2015, 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 Albright seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated June 18, 2015, 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**. Mr. Skinner noted that no Board action was required with respect to any of the accounts listed in the report.

BOOKKEEPER'S REPORT

Mr. Skinner next presented to and reviewed with the Board the Bookkeeper's Report dated June 25, 2015, 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 May 2015 for the Operating Fund and the STP Account, (v) a Debt

Service Payments Schedule, and (vi) a Sales Tax Revenue History Report, copies of which are attached hereto as **Exhibit D**. After discussion, it was moved by Director Stage that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check no. 6360 issued to Director Adamek, which was voided. Director Hodge seconded the motion, which carried unanimously.

UNCLAIMED PROPERTY REPORT

The Board next considered the approval of an Unclaimed Property Report as of March 1, 2015, and authorizing the filing of same with the State Comptroller. Mr. Skinner informed the Board that correspondence was received from MA&C indicating that there is \$341.58 in unclaimed property to be reported at this time. After discussion on the matter, Director Hodge moved that the Unclaimed Property Report as of March 1, 2015, be approved, and that the Board authorize MA&C to file same with the State Comptroller prior to July 1, 2015. Director Stage seconded the motion, which carried unanimously.

ENGAGEMENT OF ARBITRAGE COMPLIANCE SPECIALISTS

The Board next considered the status of the 5th Year Arbitrage Rebate Report for the District's Series 2010 Unlimited Tax Refunding Bonds being prepared by Arbitrage Compliance Specialists ("ACS"). Mr. Skinner informed the Board that ACS is in the process of preparing said report at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred consideration of a Detention and Drainage Facilities Report after noting that no representative of Storm Water Solutions, LP was present at the meeting.

ENGINEERING REPORT

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated June 25, 2015, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Mr. Davis informed the Board that Langford is in the process of revising the property descriptions for the easements through Splashtown.

Mr. Davis next reminded the Board that it previously authorized Langford to prepare a feasibility study for the proposed annexation of an approximately 23-acre tract of land on Cypresswood into the boundaries of the District. Mr. Davis then informed the Board that Langford has now finalized said feasibility study and presented and reviewed same with the Board. After discussion, the Board deferred taking any action on the matter at this time.

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 be authorized to submit said information on the District's behalf. Mr. Thiry then informed the Board that EDP has completed said submission on the District's behalf.

STATUS OF ACQUISITION OF EASEMENTS TO SERVE NORTHLAND SHOPPING CENTER

Mr. Skinner next updated the Board on the status of acquisition of the various easements necessary for the District to provide water and sanitary sewer service to Northland Shopping Center. In connection therewith, Mr. Skinner advised the Board on the status of acquisition of the Force Main Easement and Water Line Easement from the last remaining landowner. Mr. Skinner reminded the Board that said property was included in a probate proceeding and advised that a probate hearing was previously held, and that condemnation counsel is waiting to hear back from the probate attorney for the estate as to the result of said hearing.

PROPOSED ANNEXATION

Mr. Skinner reminded the Board that he was previously in receipt of a voicemail from Mr. Todd Edmonds regarding the proposed construction of a senior living center or a business park on the golf driving range property. He further reminded the Board that, at the last meeting, it was presented with an informational packet regarding the proposed annexation and uses for the property. Mr. Skinner then informed the Board that he had nothing new to report on the matter at this time.

BAYER PARK WASTEWATER CONVEYANCE AND TREATMENT PROJECT

With respect to the Bayer Park wastewater conveyance and treatment project, Mr. Skinner reported on the status of the Interlocal Agreement between the District and the County for the project.

STATUS OF COMMUNICATION WITH QUADVEST, L.P. ("QUADVEST") RELATIVE TO EMERGENCY WATER SUPPLY AGREEMENT

Mr. Skinner reminded the Board that it previously concurred that Quadvest be authorized to have its attorney prepare a new Emergency Water Supply Agreement and updated the Board on the status of same. Mr. Thiry then informed the Board that Quadvest is currently on the District's delinquent list for non-payment of its water bill. After discussion on the matter, the Board requested that EDP notify Quadvest of the issue accordingly.

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 June 25, 2015; a copy of the Report is attached hereto as **Exhibit F**.

Mr. Thiry informed the Board that return pump no. 6 at the wastewater treatment plant is in need of replacement. After discussion, Director Palermo moved that EDP be authorized to replace said return pump. Director Albright seconded the motion, which carried unanimously.

Mr. Thiry next informed the Board that during the recent major rain and flooding event that occurred on May 30, 2015, an overflow of sanitary sewer occurred at the lift station site during the power outage. Mr. Thiry advised that the District's generator did not kick-on because it was out of fuel and noted that power was out for approximately 3 to 4 days. Mr. Thiry further informed the Board that EDP was not aware at the time that the generator was out of fuel and noted that the auto-dialer was not working properly and failed to notify EDP of any issues. Mr. Thiry further noted that the overflow incident has been reported to the Texas Commission on Environmental Quality. He then advised the Board that EDP is going to assume all the District's costs related to the incident. A discussion next ensued regarding same. The Board then requested that EDP determine whether additional remedial measures need to be taken.

Mr. Thiry next informed the Board that Old Town Spring's water consumption has been higher than usual over the last several months.

LANDSCAPING AT WASTEWATER TREATMENT PLANT

The Board deferred discussions regarding landscaping at the wastewater treatment plant until the next meeting.

ALTERNATIVES FOR LANDSCAPING OPTIONS FOR LEXINGTON ROAD MEDIAN

The Board deferred discussion regarding alternatives for the Lexington Road Median until the next meeting.

WEBSITE PROVIDER

Several updates to the District's website were noted.

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 Hodge 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.

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 20, 2014 to March 4, 2015, a copy of which request is attached hereto as **Exhibit G**. After discussion on the matter, Director Adamek moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Albright seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

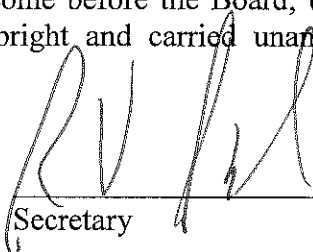
Mr. Skinner informed the Board that he had nothing more of a legal nature to report at this time.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072

The Board deferred convening in Closed Session, as authorized pursuant to Texas Government Code Sections 551.071 and 551.072 at this time.

ADJOURN

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


Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Security 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 – Operations and Maintenance Report

Exhibit G – Records Destruction Request