

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
April 16, 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 April 16, 2015, 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:

Willic 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 Stage, who entered the meeting after it was called to order, as noted herein, thus constituting a quorum.

Also present were John Davis 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"); Mark Roth of Roth & Eyring, PLLC; 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 March 24, 2015. After discussion of the minutes presented, Director Adamek moved that the March 24, 2015 minutes be approved, as written. Director Albright seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

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

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 March 2015, a copy of which summary is attached hereto as **Exhibit A**.

AUDIT REPORT

Mr. Roth reviewed with the Board a draft of the District's audit report prepared in connection with the audit of the District's financial statements for the fiscal year ended December 31, 2014, a copy of which report is attached hereto as **Exhibit B**. After discussion concerning the audit report presented, Director Adamek moved that the audit report for the fiscal year ended December 31, 2014, be approved, subject to review and comment by SPH, that the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality (the "TCEQ"). Director Albright seconded said motion, which unanimously carried.

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, 2015, deadline. After discussion, Director Adamek moved that McCall be authorized to file said report upon completion prior to the June 30, 2015, deadline. Director Albright seconded the motion, which carried unanimously.

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 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. McLaughlin next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of March 2015, which report is attached hereto as **Exhibit C**. After discussion on the report presented, Director Albright 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.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated April 16, 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 D**. Mr. Skinner noted that no Board action was required with respect to any of the accounts listed in the report.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit E**. Mr. Skinner advised that the District 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 real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Hodge, seconded by Director Adamek and unanimously carried, that the attached Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes be adopted by the Board, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated April 16, 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 March 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 F**. 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 Palermo seconded the motion, which carried unanimously.

Director Stage entered the meeting during the presentation and discussion of the Bookkeeper's Report.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred review of a Detention and Drainage Facilities Report as no representative of Storm Water Solutions, LP was present at the meeting.

Director Adamek next informed the Board that there is an area consisting of approximately 58 square feet along the sloped embankment of one of the lakes where grass is not growing. After discussion, Director Adamek informed the Board that he would inform SWS of the issue and request that they investigate the matter and look for remedies to same.

There next ensued a discussion regarding the need for maintenance work on the plants located along Lexington Boulevard. After discussion, the Board requested that Mr. Thiry contact Mr. Michael Murr of Murr Incorporated to inquire as to the current maintenance schedule for said area. Director Adamek noted that he would also contact Mr. Murr regarding the matter.

ENGINEERING REPORT

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated April 16, 2015, a copy of which report is attached hereto as **Exhibit G**, relative to the status of various projects within the District.

Relative to the construction of the Emergency Waterline through Splashtown, Mr. Davis presented to and reviewed with the Board Pay Estimate No. 1 received from Reliance Construction Services, L.P. ("Reliance") in the amount of \$221,116.50, 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 Palermo and unanimously carried, that the Board concur in the payment of Pay Estimate No. 1 in the amount of \$221,116.50 to Reliance, as recommended by the District's engineer.

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. Skinner reminded the Board that the annexation application had been submitted to the City of Houston and advised the Board that said consent has been granted and that SPH has received the City Ordinance reflecting same.

Mr. Skinner next presented and reviewed with the Board an Order adding to the District the 23.204-acre tract of land described therein, and redefining the boundaries of the District. Said Order was reviewed and fully considered, whereupon it was moved by Director Stage, seconded by Director Palermo and unanimously carried, that (i) said Order be passed and adopted, and (ii) same be recorded in the Official Records of Real Property of Harris County, and that said Order be attached to these minutes as **Exhibit H** upon its return from the Harris County Clerk.

Mr. Skinner next presented for the Board's review and consideration the Fourth Amended and Restated District Information Form relative to the annexation of the subject 23.204-acre tract. Mr. Skinner reviewed the various provisions of the Fourth Amended and Restated District Information Form with the Board. After discussion of the matter, Director Adamek moved that (i) the Fourth Amended and Restated District Information Form be approved, (ii) all Board members in attendance at the meeting be authorized to execute same, and (iii) said instrument be filed in the Official Records of Real Property of Harris County and with the TCEQ. Director Palermo seconded said motion, which carried unanimously.

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 held yesterday, but that condemnation counsel had not heard back from the probate attorney for the estate as to the status of said hearing.

PROPOSED ANNEXATION

Mr. Skinner reminded the Board that he was 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 and noted that Mr. Edmonds will give a presentation regarding same at a future Board meeting.

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

Mr. Davis reminded the Board that, as discussed earlier in the meeting, the project has commenced and noted that the project is expected to be completed in May 2015.

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, as previously authorized, SPH has prepared and forwarded correspondence to Quadvest requesting that a deposit of \$20,000 be submitted to the District to cover the costs for the preparation of a new Emergency Water Supply Agreement (the "Agreement") between the District and Quadvest. In connection therewith, Mr. Skinner informed the Board that he spoke to a Quadvest representative regarding the matter and noted that Quadvest is requesting that its legal counsel prepare a draft of the Agreement in lieu of submitting a \$20,000 deposit. Mr. Skinner further informed the Board that Quadvest has also agreed to fully reimburse the District for its legal fees associated with the review and negotiation of the Agreement. There additionally ensued a discussion regarding the need to relocate certain water lines. After a lengthy discussion on the matter, the Board concurred that (i) Quadvest be authorized to have its attorney prepare the Agreement subject to (a) SPH's review and approval of same and Quadvest paying all of the District's legal expenses associated with the Agreement and (b) SPH, Langford and EDP be authorized to meet with Quadvest representatives to work out an agreement on the relocation of certain facilities and the costs associated therewith, subject to Director Hodges approval of said 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 April 16, 2015; a copy of the Report is attached hereto as **Exhibit I**.

Mr. Thiry next informed the Board that the District's commercial meters were last tested in March 2014 and recommended the Board consider authorizing Southern Flowmeter to conduct an annual test on said meters at an estimated cost of \$4,000. After discussion on the matter, the concurred that Southern Flowmeter be authorized to conduct said annual testing, but that EDP analyze the data from 2014 and 2015 to determine if annual testing is warranted on a going forward basis.

AUTHORIZATION OF CONSUMER CONFIDENCE REPORT

The Board considered authorizing EDP to prepare the District's Consumer Confidence Report in the format promulgated by the TCEQ. Mr. Skinner advised the Board that, pursuant to Consumer Confidence Report requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2015. After discussion on the matter, Director Hodge moved that EDP be authorized to prepare said Consumer Confidence Report for the Board's and SPH's review. Director Albright seconded the motion, which carried unanimously.

ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

The Board next considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Thiry presented EDP's annual report regarding administration of the Program 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

Mr. Skinner reminded the Board that it previously granted a Utility Commitment Letter to Finial Group 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 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, subject to (i) receipt of a \$5,000 deposit from Finial Group to cover the costs of said study, and (ii) Langford having said study ready for presentation at the June 2015 meeting. Mr. Skinner noted that said deposit has been received and that Langford is in the process of preparing the study at this time.

Mr. Skinner reminded the Board that, as discussed at last month's meeting, it previously issued a Utility Commitment Letter to Wayne C. Fox, Trustee ("Fox") for sanitary sewer

capacity of 2,000 gallons per day, average daily flow, and related water capacity to serve a 3.017 acre tract of land ("Tract"), which is located next to the District's water plant. Mr. Skinner then informed the Board that Fox has contracted with Dhanani Investment Inc. ("Dhanani") to sell the Tract to Dhanani. Mr. Skinner noted that Dhanani plans to construct a retail/commercial center on the Tract and is requesting a utility commitment letter for 8,000 gallons per day of water and sanitary sewer capacity. Mr. Skinner then reminded the Board that a District sanitary sewer line and water line are located within the property, and noted that said utility commitment letter will require that Dhanani grant said easements to the District once Dhanani has closed on the property. After discussion on the matter, Director Hodge moved that the District grant Dhanani's request for a utility commitment letter allocating 8,000 gpd of water and wastewater treatment capacity to the Tract, subject to the requirements set forth in the Utility Commitment Letter, 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.

WEBSITE PROVIDER

No updates to the website were requested at this time.

ATTORNEY'S REPORT

Mr. Skinner reminded the Board that, at the last meeting, he presented to and reviewed with the Board correspondence dated February 24, 2015 received from Jerry Homan, General Manager of Harris County Fresh Water Supply District No. 61 notifying the Board of two public meetings being held, and requesting the District's support of the Water Users Coalition formed for the purposes of establishing a constructive dialogue with the North Harris County Regional Water Authority ("NHCRWA"), independent review of NHCRWA actions, and purposeful discussions regarding surface water. In connection therewith, Director Adamek informed the Board that he attended one of the meetings regarding the matter and discussed same in detail with the Board. After further discussion, the Board concurred that it is not interested in participating in the Water Users Coalition at this time.

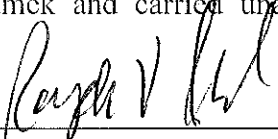
Mr. Skinner next discussed with the Board the status of House Bill 2389 and Senate Bill 1000 relative to Strategic Partnership Agreements and noted that said Bills have been relinquished. A discussion then ensued regarding same. After discussion on the matter, the Board requested SPH to prepare a letter to Mr. Clint Moore to be signed by the Board, extending its appreciation and gratitude for Mr. Moore's efforts in expressing opposition to the proposed legislation.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072

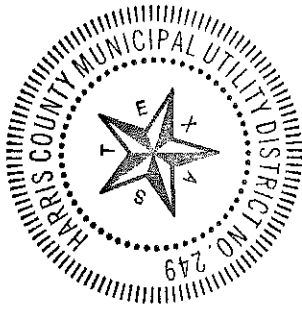
The Board deferred convening in Closed Session, as authorized pursuant to Texas Government Code Sections 551.071 and 551.072 at this time.

ADJOURN

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



Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Security Report

Exhibit B - Audit Report; Management Letter

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

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

Exhibit F – Bookkeeper's Report

Exhibit G – Engineer's Report

Exhibit H – Order Adding Land

Exhibit I – Operations and Maintenance Report