

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors May 21, 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 May 21, 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:

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, 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"); Michael Murr of Murr Incorporated ("MI"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Mick Helfrich of Langford Engineering ("Langford"); Blake Kridel of Storm Water Solutions, LP ("SWS"); Michelle Soderberg of Colliers International ("Colliers"); 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 April 16, 2015. After discussion of the minutes presented, Director Adamek moved that the April 16, 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.

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. Ms. Soderberg then introduced herself to the Board and presented and discussed an informational packet regarding the proposed annexation and uses for

the property. A copy of the informational packet is attached hereto as **Exhibit A.** 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 April 2015, a copy of which summary is attached hereto as **Exhibit B.**

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 April 2015, which report is attached hereto as **Exhibit C.** 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 Adamek seconded said motion, which unanimously carried.

Ms. McLaughlin next advised the Board that the Harris County Appraisal District has determined the District's 2015 preliminary taxable value is approximately \$246,000,000, an increase of approximately fifteen percent (15%) since last year. Ms. McLaughlin reminded the Board that said amounts reflect values prior to protests by taxpayers.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated May 21, 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.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated May 21, 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 April 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 E**. After discussion, it was moved by Director Hodge 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.

Mr. Burton also presented to and reviewed with the Board a Quarterly Investment Inventory Report, prepared by MA&C, relative to the District's various funds and accounts for the reporting period ending March 31, 2015, a copy of which Report is included with **Exhibit E**. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Hodge, seconded by Director Albright and carried unanimously, said Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

UNCLAIMED PROPERTY

The Board deferred the approval of an Unclaimed Property Report as of March 1, 2015 until the next meeting.

ENGAGEMENT OF ARBITRAGE COMPLIANCE SPECIALISTS

Mr. Burton next presented to and reviewed with the Board an engagement letter received from Arbitrage Compliance Specialists ("ACS") to prepare a 5th Year Arbitrage Rebate Report for the District's Series 2010 Unlimited Tax Refunding Bonds and advised that the fee for the report is approximately \$2,950.00. After discussion, Director Adamek moved that the engagement proposal be approved and that ACS be engaged to prepare a 5th Year Arbitrage Rebate Report for the bond issue described above as recommended by MA&C. Director Hodge seconded the motion, which carried unanimously.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Kridel presented to and reviewed with the Board a Detention and Drainage Facilities Report for May 2015 prepared by SWS, a copy of which report is attached hereto as **Exhibit F**. The Board instructed SWS to re-install the "No Trespassing" sign that had recently been removed in the District.

There next ensued a discussion regarding the need for maintenance work on the plants located along Lexington Boulevard. In connection therewith, Mr. Murr presented to and reviewed with the Board a Landscape Management Report, a copy of which Report is attached hereto as **Exhibit G**. After discussion, the Board requested that an item be added to the next agenda to discuss the alternatives for landscaping options for the Lexington Road Median. Mr. Murr noted that he would provide photographs of various median options for the Board's consideration at the next meeting.

ENGINEERING REPORT

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated May 21, 2015, a copy of which report is attached hereto as **Exhibit H**, 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. 2 & Final in the amount of \$81,798.50 and Change Order No. 1 in the amount of -\$7,460.30 to adjust and final quantities received from Reliance Construction Services, L.P. ("Reliance"), and recommended that the Board concur in the payment and approval of same. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Albright and unanimously carried, that the Board approve the payment of said Pay Estimate and Change Order, as recommended by the District's engineer.

Mr. Davis next reminded the Board that it previously entered into a Interlocal Agreement with Harris County relative to the relocation of the District's water line located at the intersection of Spring Cypress Road and Lexington Boulevard. In connection therewith, Mr. Davis advised that the new water line was constructed with all of the valves located underneath the street and noted that, if a line underneath the street breaks, there would be no way to repair it and the line would have to be replaced. After discussion on the matter, the Board requested that Langford prepare and forward correspondence to Harris County objecting to how the water line relocation was constructed.

Mr. Davis next distributed copies of the District's updated Emergency Preparedness Plan to the Board for its comment and review.

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

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 at the last meeting it concurred that Quadvest be authorized to have its attorney prepare a new Emergency Water Supply Agreement subject to (a) SPH's review and approval of same and (b) Quadvest paying all of the District's legal expenses associated with the Agreement and (ii) 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. Mr. Skinner then updated the Board on the status of same.

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 May 21, 2015; a copy of the Report is attached hereto as **Exhibit I**.

Mr. Thiry informed the Board that someone bored through the water line located on Wayne C. Fox's property and noted that the water leak went undetected for a long period of time. Mr. Thiry then noted that there is an estimated loss of approximately six million gallons of water over the last two months due to the leak. He then presented and reviewed with the Board a Performance Test Report from GM Services, a copy of which Report is included with **Exhibit I**. After discussion on the matter, Mr. Thiry informed the Board that EDP would recalibrate the flowmeter for accuracy.

There next ensued a discussion regarding sink holes along Buffalo Springs and Crisp Springs at the location of prior sanitary sewer repairs. After discussion, Mr. Thiry informed the Board that he would research the matter further and report back at the next meeting.

CONSUMER CONFIDENCE REPORT

The Board considered the approval of a 2014 Consumer Confidence Report and authorizing the distribution of same to the District's customers prior to July 1, 2015, as required by federal law. Mr. Thiry presented to the Board a draft of the 2014 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 Hodge moved that such Report be approved by the Board, subject to SPH's final review and approval, and that EDP be authorized to distribute same to the District's customers prior to July 1, 2015. Director Palermo seconded said motion, which carried unanimously.

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 for presentation at the Board's June 2015 meeting.

WEBSITE PROVIDER

No updates to the website were requested at this time.

ATTORNEY'S REPORT

Mr. Skinner informed the Board that, as previously requested, SPH has prepared a letter and a Certificate of Appreciation to Mr. Clint Moore to be signed by the Board, extending its appreciation and gratitude for Mr. Moore's efforts in expressing opposition to House Bill 2389 and Senate Bill 1000, both filed in the current legislative session.

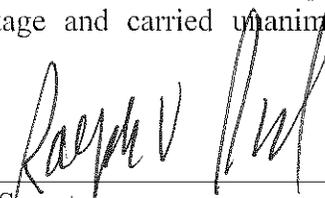
CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072

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 Adamck, seconded by Director Stage and carried unanimously, the meeting was adjourned.




Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Informational Packet regarding proposed annexation

Exhibit B – Security Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Bookkeeper's Report

Exhibit F – Detention and Drainage Facilities Report

Exhibit G – Landscape Management Report

Exhibit H – Engineer's Report

Exhibit I – Operations and Maintenance Report