

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
August 20, 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 August 20, 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 of Environmental Development Partners, LLC ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Mario Ipina, Jr. of DAC Engineering ("DAC"); Michael Murr of Murr Incorporated ("MI"); Todd Edmonds of Colliers International ("Colliers"); Blake Kridel of Storm Water Solutions, LP ("SWS"); 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 June 25, 2015. Director Adamek recommended several revisions to said draft minutes. After discussion of the minutes presented, Director Palermo moved that the June 25, 2015 minutes be approved, as revised. Director Hodge 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 of Colliers regarding the proposed annexation and construction of a senior living center or a business park on the property located at 708 E. Cypresswood, Spring, Texas. He further reminded the Board that it was previously presented with an informational packet regarding the proposed annexation. In connection therewith, Mr. Davis presented to and

reviewed with the Board correspondence from DAC Engineering on behalf of LARG Management Group, LLC requesting a utility commitment letter for 32,000 gallons per day of water and sanitary sewer capacity, a copy of which correspondence is attached hereto as **Exhibit A**. Mr. Ipina then addressed the Board on behalf of the potential buyer of the property and discussed the proposed development for said property. Mr. Edmonds next addressed the Board on behalf of the seller of the property. After a lengthy discussion on the matter, the Board concurred that Langford be authorized to provide certain District information to DAC Engineering, as requested in the correspondence, to allow further due diligence by DAC Engineering and LARG Management Group, LLC on the proposed project, possible annexation of the property and utility services for same. The Board took no action regarding the request for a utility commitment letter.

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 July 2015, a copy of which summary is attached hereto as **Exhibit B**.

RECEIVE FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION

The Board deferred consideration of the Financial Advisor's 2015 tax rate recommendation until the next Board meeting pending receipt of the certified 2015 tax roll for the District from the Harris County Appraisal District.

CONFIRMATION REGARDING REGISTERED MUNICIPAL ADVISOR STATUS

The Board next considered authorizing correspondence to the District's Financial Advisor requesting confirmation of its status as a registered municipal advisor. Mr. Skinner informed the Board that Section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") amended Section 15B of the Securities Exchange Act of 1934 to require municipal advisors to register with the Securities and Exchange Commission, and that the District is now required following passage of the Act, in certain circumstances, to represent that the District has engaged the services of a registered municipal advisor within the meaning of the Act and the Municipal Securities Rulemaking Board's rules promulgated under the Act (the "Rules"). Mr. Skinner recommended that the Board direct correspondence to the District's Financial Advisor requesting that it confirm in writing that it is a registered municipal advisor within the meaning of the Act and the Rules. Following discussion, Director Stage moved that such correspondence be sent to the District's Financial Advisor, and that the President be authorized to sign such correspondence on behalf of the Board and the District. Director Adamek seconded said 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 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 months of June 2015 and July 2015, which reports are attached hereto as **Exhibit C**. After discussion on the report presented, Director Adamek 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.

HOME OF HOPE TAP FEE REFUND

Mr. Skinner next informed the Board that Home of Hope-Texas ("HOH") has requested a refund of its tax-exempt tap fees since it lost its tax exempt status and is currently paying District taxes on the property. Mr. Burton confirmed that the refund amount would be \$28,000. After discussion on the matter, Director Palermo moved that the Board grant HOH's request for said refund and that the District's Bookkeeper be authorized to issue a check for said amount subject to HOH executing a mutual termination or appropriate amendment of the annexation agreement between HOH and the District, and that said refund check not being released to HOH until said termination or amendment has been received and approved by the Board. Director Albright seconded the motion, which carried unanimously.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated August 20, 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 August 20, 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 July 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 June 30, 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 Stage, seconded by Director Hodge 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.

Mr. Burton requested that an item be added to the next agenda to consider an amendment to the District's current contract with MAC relative to a fee increase.

STATUS OF ARBITRAGE REBATE REPORT

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

Mr. Kridel presented to and reviewed with the Board a Detention and Drainage Facilities Report for August 2015 prepared by SWS, a copy of which report is attached hereto as **Exhibit F**.

ENGINEERING REPORT

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated August 20, 2015, a copy of which report is attached hereto as **Exhibit G**, relative to the status of various projects within the District.

Mr. Skinner next presented to and reviewed with the Board a Sanitary Sewer Easement and Water Line Easement from North Lexington Realty, LLC. Mr. Skinner then requested that the Board consider approving said easements and authorizing the President to execute same on behalf of the Board and the District. After discussion, Director Hodge moved that the Board approve said easements 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.

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 has heard back from

the probate attorney for the estate as to the result of said hearing. Mr. Skinner then informed the Board that the estate has agreed to grant the Force Main Easement and Water Line Easement (collectively, the "Easements") to the District for compensation in the amount of \$10,623.00. After discussion on the matter, Director Hodge moved that (i) the amount of \$10,623.00 be approved; (ii) the District's bookkeeper be authorized to issue a check in said amount; and (iii) the Easements be approved and the President be authorized to execute same on behalf of the Board and the District. Director Stage seconded the motion, which carried unanimously.

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. Mr. Davis advised the Board that he has a meeting scheduled with Dennis Johnson of Harris County Precinct 4 to discuss same.

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

Mr. Skinner reminded the Board that he had previously reported that Quadvest authorized its attorney to prepare a proposed Emergency Water Supply Agreement for the District's review and approval and noted that he is waiting on a draft of said agreement from Quadvest's attorney.

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 August 20, 2015; a copy of the Report is attached hereto as **Exhibit H**.

Mr. Thiry informed the Board that the electronic controller at the water plant is in need of replacement. After discussion, Director Palermo moved that EDP be authorized to replace said controller. Director Albright seconded the motion, which carried unanimously.

Mr. Thiry presented to and reviewed with the Board a list of aged receivables, a copy of which is included with **Exhibit H**. After discussion, the Director Adamek moved that EDP be authorized to write off the aged receivables reflected on said list. Director Hodge seconded the motion, which carried unanimously.

LANDSCAPING AT WASTEWATER TREATMENT PLANT

The Board next discussed landscaping at the wastewater treatment plant. In connection therewith, Director Stage discussed the view of the wastewater treatment plant from Cypresswood Drive. Mr. Murr then advised the Board of the possibility of having trees donated to the District through the "Trees for Houston" program. The District would be required to install and maintain said trees. After discussion, Mr. Murr informed the Board that he would request a proposal and additional information from the "Trees for Houston" program for the

Board's consideration at the next Board meeting. Mr. Murr noted that he would also look into irrigation options that would be required for the proposed landscaping.

ALTERNATIVES FOR LANDSCAPING OPTIONS FOR LEXINGTON ROAD MEDIAN

The Board next discussed landscaping alternatives for the Lexington Road median, including the possible use of donated trees through the "Trees for Houston" program for said project. Mr. Murr then presented to and reviewed with the Board pictures of various landscaping options, copies of said pictures being attached hereto as **Exhibit I**. A discussion then ensued regarding irrigation options for the median. It was noted that the District would have to obtain approval from Harris County Precinct 4 for the project. After further discussion, the Board requested that Mr. Murr prepare a cost estimate for the project for its consideration at the next Board meeting.

LANDSCAPING ALONG SPRING CYPRESS ROAD FROM I-45

The Board next discussed landscaping along Spring Cypress Road from I-45. In connection therewith, Mr. Davis informed the Board that Harris County has a landscaping plan for said area in place and presented and reviewed said plan with the Board. Mr. Davis then informed the Board that Harris County is requesting to be provided with two (2) District water taps for a two (2) year period for irrigation purposes and that the District assume irrigation and maintenance for the landscaping thereafter. After further discussion on the matter, the Board concurred that Director Stage be designated to work with Mr. Davis and Harris County in connection with the project on the District's behalf.

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 an affiliated entity of The Finial Group ("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 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, and the proposed purchaser of the property, Light Hill Partners, LLC ("Light Hill"), have 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 Langford prepared a feasibility study for the property, which was presented to the Board at its June 25, 2015 meeting. After discussion on the matter, the Board deferred taking any action at this time.

Mr. Skinner next reminded the Board that it previously issued a Utility Commitment Letter to Dhanani Investment Inc. ("Dhanani") for sanitary sewer capacity of 8,000 gallons per day, average daily flow, and related water capacity to serve a 3.017 acre tract of land ("Tract"). Mr. Skinner then informed the Board that Dhanani has advised SPH that a related entity purchased the Tract and requested a utility commitment letter be issued to the related entity,

North Lexington Realty, LLC since it is the current owner of the Tract. After discussion on the matter, the Board deferred taking any action at this time.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND/OR SECTION 551.072

The Board convened in Closed Session at 8:05 p.m., as authorized pursuant to Texas Government Code Section 551.071 and/or Section 551.072. Those in attendance, with the exception of the Board, and Mr. Skinner, exited at this time.

At 8:50 p.m., the Board reconvened in public session.

The Board deferred taking any action on the request received from both Light Hill Partners, LLC and North Lexington Realty, LLC for the District's issuance of utility commitment letters. Director Stage moved that Director Hodge be authorized to work with SPH in engaging outside legal counsel to advise the Board with respect to the matter. Director Adamek seconded said motion, which carried unanimously.

WEBSITE PROVIDER


No updates to the District's website were noted.

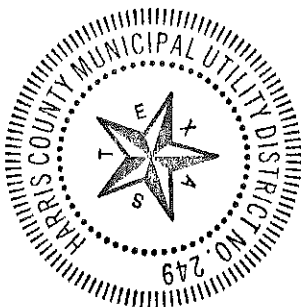
ATTORNEY'S REPORT

Mr. Skinner presented to the Board a Summary of the 84th Texas Legislative Session, a copy of which is attached hereto as **Exhibit J**.

ADJOURN

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


Assistant Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Correspondence from D&R Consulting

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 – Engineer's Report

Exhibit H – Operations and Maintenance Report

Exhibit I – Photographs of landscaping options for Lexington Road Median

Exhibit J – Legislative Summary