

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
July 21, 2016

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 July 21, 2016, 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:

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

and all of said persons were present, thus constituting a quorum.

Also present were John Davis of Langford Engineering Inc. ("Langford"), who entered the meeting after it had been called to order, as noted herein; Michael Murr of Murr Incorporated ("MI"); Eric Thiry of Environmental Development Partners, LLC ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Blake Kridel of Storm Water Solutions, LP ("SWS"), who entered the meeting after it had been called to order, as noted herein; District residents Cindy Adamek, Doreen Wells and James McConville; 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 16, 2016. After discussion of the minutes presented, Director Stage moved that the June 16, 2016, minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Ms. Wells and Mr. McConville next addressed the Board and expressed their appreciation relative to the District's removal of several trees along the greenbelt that were growing next to their respective residences and damaging their fences.

DISTRICT SECURITY ISSUES

The Board next considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office call sheet summary for June 2016, a copy of which summary is attached hereto as **Exhibit A**.

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 June 2016, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Palermo 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 July 21, 2016, 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 delinquent tax accounts listed in the report.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated July 21, 2016, 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 June 2016 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 Hodge 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.

Mr. Davis entered the meeting during the Bookkeeper's Report.

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, 2016, a copy of which Report is included with **Exhibit D**. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Hodge, seconded by Director Palermo 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. Kridel entered the meeting after presentation of and discussion concerning the Bookkeeper's and Quarterly Investment Inventory Report.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Kridel presented to and reviewed with the Board a Drainage Facilities Report prepared by Storm Water Solutions, LP, a copy of which is attached hereto as **Exhibit E**. Mr. Kridel reminded the Board that it previously authorized SWS to repair several erosion areas along and in the District's drainage channels and noted that said repairs will commence tomorrow.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated July 21, 2016, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Relative to the construction of the Waterline and Sanitary Sewer along Spring-Cypress Road, Mr. Davis presented to and reviewed with the Board Pay Estimate No. 5 in the amount of \$7,222.41 from C.E. Barker, Ltd. ("CEB"), and recommended that the Board concur in the payment of same. Following discussion on the matter, it was moved by Director Hodge, seconded by Director Stage and unanimously carried, that the Board approve the payment of said Pay Estimate No. 5 to CEB, as recommended by the District's engineer.

Mr. Davis next informed the Board that the District has received approval from the TCEQ to use Type I reclaimed water from the District's wastewater treatment plant for irrigation purposes. After discussion, Director Hodge moved that Langford, EDP and SPH be authorized to work with MI in establishing an operation and maintenance plan for use of Type I reclaimed water to irrigate the landscape and greenbelts within the District.

There next ensued a discussion regarding the possible annexation of the Choice Tee property into the boundaries of the District. Following discussion, the Board authorized Langford to conduct additional due diligence in connection with the matter and to report back to the Board at the next meeting.

PROVISION OF WATER AND SANITARY SEWER SERVICE TO NORTHLAND SHOPPING CENTER

Mr. Skinner updated the Board on the status of provision of water and sanitary sewer to the Northland Shopping Center.

AMENDED AND RESTATED ANNEXATION AND UTILITY SERVICE AGREEMENT

The Board next considered the approval and execution of an Amended and Restated Annexation and Utility Service Agreement by and between the District and Northland Joint Venture (the "Agreement"). Mr. Skinner reviewed the terms of the Agreement with the Board. After discussion, Director Hodge moved that said Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District, subject to receipt of TEC

Form 1295 from Northland Joint Venture. Director Adamek seconded the motion, which carried unanimously.

The Board next considered execution of correspondence to McDonald's Real Estate Company regarding the provision of water and sanitary sewer services to Northland Joint Venture pursuant to the Agreement. After discussion on the matter, Director Palermo moved that said correspondence be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Albright seconded the motion, which carried unanimously.

BAYER PARK WASTEWATER CONVEYANCE AND TREATMENT PROJECT

With respect to the Bayer Park wastewater conveyance and treatment project, the Board deferred approval of an Interlocal Agreement between the District and Harris County for the project pending conveyance of the lift station site from Bringing Hope, Inc. d/b/a Home of Hope-Texas to the District. Mr. Davis informed the Board that Langford has submitted the proposed location of the lift station site and metes and bounds description to the City of Houston ("City") for its review and approval and noted that the preliminary site was approved by the City on July 14, 2016, but that the metes and bounds description is still under review.

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 that a draft of said agreement had been received from Quadvest's attorney. Mr. Skinner then informed the Board that, as previously discussed, he advised Quadvest's attorney of the various provisions that the Board will require to be included in the Agreement to protect the District since Quadvest is not a governmental entity. Mr. Skinner then reminded the Board that SPH had received a copy of the revised Agreement from Quadvest's attorney and noted that SPH has reviewed same and discussed SPH's comments with the Board. Mr. Skinner noted that SPH will be providing said comments to Quadvest's attorney accordingly. There then ensued a discussion regarding the relocation of the water meter to the District's boundaries and the necessity of an easement in connection therewith. No action was taken by the Board at this time.

AMENDMENT TO WASTE DISPOSAL AGREEMENT

The Board deferred the approval of an amendment to the Waste Disposal Agreement by and between the District and Harris County Water Control and Improvement District No. 110 ("No. 110") at this time. After discussion on said matter, the Board requested that this item be removed from the agenda until resolution of the various proposed annexations in the District and No. 110.

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 July 21, 2016; a copy of the Report is attached hereto as **Exhibit G**. Mr. Thiry informed the Board that the return activated sludge pump no. 3 at the wastewater treatment plant has failed and is in need of replacement. He then advised that the cost for said replacement would be \$7,031. After discussion, Director Palermo moved that EDP be authorized to replace said pump at a cost not to exceed \$7,031. Director Albright seconded the motion, which carried unanimously.

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.

LANDSCAPING AT WASTEWATER TREATMENT PLANT

The Board next discussed landscaping at the wastewater treatment plant. In connection therewith, Mr. Murr presented to and reviewed with the Board a Progress Report-Landscape Projects, a copy of which Report is attached hereto as **Exhibit H**.

ALTERNATIVES FOR LANDSCAPING OPTIONS FOR LEXINGTON ROAD MEDIAN

The Board next discussed landscaping alternatives for the Lexington Road median. In connection therewith, Mr. Murr discussed with the Board the proposed design for the Lexington esplanade/median. Mr. Murr noted that MI will proceed with the project, but that he is planning to contact Trees for Houston to determine if any trees will be donated for said project.

LANDSCAPING ALONG SPRING-CYPRESS ROAD FROM I-45

The Board deferred discussion of landscaping along Spring-Cypress Road from I-45 until completion of the water line and sanitary sewer line along Spring-Cypress Road.

REMEDATION PLAN FOR UNAUTHORIZED CLEARING

Relative to the unauthorized clearing of District property located on the greenbelt along Lexington Road by District resident Tony Bunch, Mr. Murr informed the Board that MI would be performing work in the area in September or October of this year. The Board requested that this item be removed from future agendas.

WEBSITE PROVIDER

The Board next discussed website compliance relative to legal requirements. Mr. Skinner informed the Board the he would be discussing some conflict disclosure forms under the Attorney's Report that will need to be posted on the District's website accordingly.

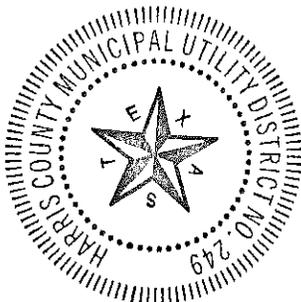
ATTORNEY'S REPORT

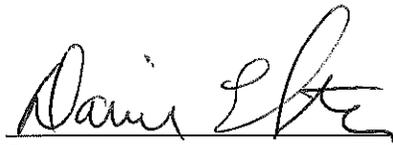
Mr. Skinner reminded the Board that, pursuant to recent amendments to Chapter 176 of the Texas Local Government Code ("Chapter 176"), the District is required to and does maintain a list of Local Government Officers ("LGOs"), which includes the members of the Board and the District's Investment Officers. Mr. Skinner also reminded the Board that pursuant to Chapter 176, certain business, personal and family relationships, as well as other matters, between the District's vendors and its LGOs must be disclosed to the Board. In this regard, Mr. Skinner reported to the Board that one of the District's Investment Officers, Mark Burton, recently married an employee of SPH. He explained that, under Chapter 176, their marriage creates a disclosable family and business relationship between a District vendor and a LGO. As such, SPH and Mr. Burton were each required to file the appropriate Texas Ethics Commission forms disclosing the relationship, which forms have been timely filed and received by the District on June 21, 2016, and copies of which are attached as **Exhibit I**.

Mr. Skinner next presented to and reviewed with the an open records request received from American Transparency requesting an electronic copy of all the District's employees' records for 2015, a copy of which correspondence is attached hereto as **Exhibit J**. Mr. Skinner then informed the Board that the District does not have employees and noted that SPH is preparing a response on behalf of the District advising of same.

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.




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 – Drainage Facilities Report
- Exhibit F – Engineer's Report
- Exhibit G – Operations and Maintenance Report
- Exhibit H – Progress Report-Landscape Projects
- Exhibit I – Conflict Disclosure Forms
- Exhibit J – Open Records Request