

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
August 18, 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 August 18, 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, except Director Adamek, thus constituting a quorum.

Also present were Michael Murr of Murr Incorporated ("MI"), who entered the meeting after it had been called to order, as noted herein; 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 and Richard Chesney; 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 July 21, 2016. After discussion of the minutes presented, Director Albright moved that the July 21, 2016, 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.

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 July 2016, a copy of which summary is attached hereto as **Exhibit A**.

RECEIVE FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION

The Board deferred consideration of the financial advisor's 2016 tax recommendation until next month's meeting pending receipt of the certified tax roll from the Harris County Appraisal District.

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 July 2016, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Hodge 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.

Mr. Kridel entered the meeting at this time.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated August 18, 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 August 18, 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 July 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 Stage that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check no. 6864 issued to Director Adamek, which was voided. Director Albright seconded the motion, which carried unanimously.

Mr. Murr entered the meeting during the Bookkeeper's 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 are currently on hold due to the weather conditions.

The Board next requested that SWS survey the detention pond to determine if excess silt or other materials has reduced the volume of the pond and report back to the Board at the next meeting regarding same. Mr. Kridel concurred with the request.

ENGINEERING REPORT

The Board deferred consideration of an Engineering Report after noting that no representative was present at the meeting.

Relative to the construction of the Waterline and Sanitary Sewer along Spring-Cypress Road, Director Palermo discussed with the Board a proposed change order from C.E. Barker, Ltd. ("CEB") relative to removal of asphalt in the Spring Baptist Church parking lot. After discussion, the Board deferred taking any action on the matter at this time.

Mr. Skinner next presented two Water Meter Easements from Haven at Louetta, LP, for the Board's acceptance relative to the proposed apartment project. After review, the Board concurred to accept said Easements and that the President be authorized to execute same on behalf of the Board and the District.

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.

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 ("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. Skinner informed the Board that Langford is waiting to receive the final survey for the location of the lift station site. Mr. Skinner also informed the Board that SPH is working with the County's attorney on the Agreement.

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 will be providing said comments to Quadvest's attorney accordingly.

OPERATION AND MAINTENANCE PLAN RELATIVE TO DISTRICT'S USE OF TYPE I RECLAIMED WATER FROM WASTEWATER TREATMENT PLANT

Mr. Skinner informed the Board that SPH is in the process of preparing a draft operation and maintenance plan relative to the District's use of Type I reclaimed water from the District's wastewater treatment plant to provide to the operator and engineer for review and comment.

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 18, 2016; a copy of the Report is attached hereto as **Exhibit F**. Mr. Thiry requested that the Board consider authorizing the addition of bollards around the Subway meter vaults that are currently being constructed to prevent parking on top of said meters, as necessary. After discussion, Director Stage moved that EDP be authorized to install bollards around the Subway meter vaults that are currently being constructed to prevent parking on top of said meters, as necessary. Director Palermo seconded the motion, which carried unanimously.

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

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 G**.

LANDSCAPING FOR LEXINGTON ROAD MEDIAN

The Board next discussed the Lexington Road Median landscaping project. In connection therewith, Mr. Murr advised that the irrigation bores are being installed. He has advised the Board that the contractor is obtaining the statutory payment bond, as required by statute.

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.

WEBSITE PROVIDER

The Board next discussed website compliance relative to legal requirements. No updates to the website were noted at this time.

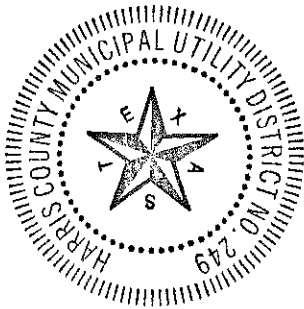
ATTORNEY'S REPORT

Mr. Skinner informed the Board that he had nothing more of a legal nature to report 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 – Drainage Facilities Report

Exhibit F – Operations and Maintenance Report

Exhibit G – Progress Report-Landscape Projects