

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Special Board of Directors December 14, 2017

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 December 14, 2017, in accordance with the duly posted Notice of Special Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Ralph V. Palermo, President
Daniel Stage, Vice President
Diana Moore, Secretary
Willie Hodge, Assistant Secretary
Norman Adamek, Assistant Secretary

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

Also present were John Davis of Langford Engineering, Inc. ("Langford"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Michael Murr of Murr Incorporated ("MI"); Stephanie Hendershot of Bob Leared Interests ("BLI"); District resident Cindy Adamek; Sam Patel, representing investors interested in developing a motel on the Davenport property; and Rick Barker 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 November 16, 2017. A revision to said minutes was noted. After discussion of the minutes presented, Director Stage moved that the November 16, 2017, 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.

LANDSCAPING WITHIN THE DISTRICT

The Board next discussed landscaping within the District. In connection therewith, Mr. Murr presented and reviewed with the Board a Lexington Road Median Landscape Plan, a copy of which is attached hereto as **Exhibit A**. Mr. Murr then informed the Board that two hundred and forty trees were recently delivered by Trees for Houston. A discussion then ensued regarding erosion around the lakes. After discussion, the Board requested that Mr. Murr research the matter further and provide additional information and erosion control options for its consideration at the next meeting.

Mr. Murr exited the meeting at this time.

DISTRICT SECURITY ISSUES

The Board next considered the report regarding District security issues. Mr. Barker distributed the Harris County Sheriff's Office security report for November 2017, a copy of which is attached hereto as **Exhibit B**. Mr. Barker next advised the Board that the District received a renewal Interlocal Agreement for Law Enforcement Services between Harris County and the District to be effective March 1, 2018, through February 28, 2019 (the "Agreement") and advised that SPH had reviewed same. It was noted that the boundary map attached to the Agreement may need to be updated. After further discussion, Director Adamek moved to (i) approve the Agreement, as presented, and (ii) authorize the President and Secretary to execute same on behalf of the Board and the District, subject to final review by SPH. Director Palermo seconded said motion, which carried unanimously.

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 November 2017, a copy of 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 Palermo seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Barker presented to and reviewed with the Board the Delinquent Tax Report, dated December 14, 2017, 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. Barker 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 December 14, 2017, 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) an Account Balance Report, (iii) a Summary of Pledged Securities Report, (iv) an Actual versus Budget Comparison for November 2017 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 Palermo that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check no. 7427, which was voided. Director Adamek seconded the motion, which carried unanimously.

OPERATING BUDGET

Mr. Burton next reviewed with the Board draft budgets for the District's General Operating Fund and the Sewage Treatment Plant Operations Account for the fiscal year ending December 31, 2018, copies of which draft budgets are included with **Exhibit E**. It was noted that the projected expenses for publication costs to be expended during the 2018 fiscal year needed to be added to the budget pursuant to Senate Bill 622. After discussion on the matter, Director Palermo moved that the Board approve the District's General Operating Fund and Sewage Treatment Plant Operations Account budgets for the fiscal year ending December 31, 2018, subject to the projected publication costs being added to the budget. Director Adamek seconded said motion, which carried unanimously.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred consideration of the Detention and Drainage Facilities Report after noting that no representative of Storm Water Solutions, LLC, was present at the meeting.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated December 14, 2017, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Mr. Davis next requested that the Board consider authorizing Langford to advertise for bids for construction of the Bayer Park lift station and Northland Shopping Center lift station subject to approval and execution of the Interlocal Agreements between the District and Harris County. Mr. Barker noted that said Agreements are scheduled to be on the agenda of the County Commissioner's Court for approval next week. After discussion, Director Palermo moved that Langford be authorized to advertise for bids for the Bayer Park lift station and Northland Shopping Center lift station subject to receipt of notification from Harris County of the Commissioner's Court's approval and execution of the Interlocal Agreements between the District and Harris County. Director Stage seconded the motion, which carried unanimously.

BAYER PARK WASTEWATER CONVEYANCE PROJECT

With respect to the Bayer Park wastewater conveyance project, Mr. Barker reminded the Board that, at the last meeting, it approved (i) an Interlocal Agreement for the construction of the Bayer Park Lift Station and Facilities and (ii) an Interlocal Agreement for the Operation and Maintenance of the Bayer Park Lift Station and Facilities between the District and Harris County (collectively, the "Agreements") and advised that, as previously noted, said Agreements are scheduled to be on the Commissioner's Court's agenda next week for approval. Mr. Barker also discussed coordination of payment by Harris County upon their approval and execution of said Agreements.

RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT

The Board next considered the status of the District's application to the TCEQ for the renewal of the District's Waste Discharge Permit due to expire February 1, 2018. Mr. Davis

reminded the Board that said application is complete and has been submitted to the TCEQ for review.

UTILITY COMMITMENT

The Board deferred consideration of utility commitment requests, as none were presented.

REQUEST FOR POSSIBLE ANNEXATION OF PROPERTY

Mr. Langford reminded the Board that, as discussed at the last meeting, Heights Engineering LLC ("HE") has submitted a request on behalf of Mr. Mahesh Patel for a utility commitment letter ("UCL") for water and wastewater treatment capacity to serve a proposed motel/hotel on Spring Cypress Road outside the boundaries of the District. Mr. Patel then addressed the Board regarding the possible annexation of the property into the District's boundaries. After discussion, the Board concurred not to take any action on the matter at this time.

Ms. Hendershott and Messrs. Burton and Patel exited the meeting at this time.

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

Mr. Barker reminded the Board that as previously authorized, SPH provided notice of the prospective disconnection of the interconnection facilities to County Commissioner Cagle and Chief Seifert with the Spring Fire Department and noted that no response has yet been received. Mr. Thiry then informed the Board that EDP will disconnect the interconnect facilities on January 2, 2018, in accordance with said notice.

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 Operator's Report prepared by EDP, dated as of December 14, 2017; a copy of the report is attached hereto as **Exhibit G**. Director Adamek noted that he has noticed large debris at the Wastewater Treatment Plant site. Mr. Thiry noted that he would check on the matter and report back at the next meeting.

AMENDMENT TO THE FOURTH AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Barker next presented to and discussed with the Board an Amendment to the Fourth Amended and Restated District Information Form, relative to the District's form of Notice to Purchaser. After discussion regarding same, Director Adamek moved that the Amendment to the Fourth Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Hodge seconded said motion, which carried unanimously.

WEBSITE PROVIDER

The Board next discussed website compliance relative to legal requirements. It was noted that no updates to the website were being recommended at this time.

MATTERS RELATED TO MAY 2018 DIRECTORS ELECTION

Mr. Barker reported on issues related to the District's Directors Election (the "Election") to be held on May 5, 2018. Mr. Barker noted that Section 49.111 of the Texas Water Code provides the District an exemption from the requirement to provide certain electronic voting systems at the Election if: (1) the Election is a confirmation election or is held jointly in connection with a confirmation election and no federal office appears on the ballot, (2) the District's previous Directors Election was canceled in accordance with the provisions of the Texas Election Code, or (3) fewer than 250 voters voted in the District's previous Directors Election. Mr. Barker noted that the District is exempt because the District's previous Directors Election was canceled in accordance with the provisions of the Texas Election Code. Mr. Barker advised that the District must provide public notice if it determines not to provide electronic voting systems at the Election. Mr. Barker discussed the options for providing such notice and noted that such notice must be given prior to the date for the possible cancellation of an uncontested Directors Election. After discussion, Director Hodge moved that the District authorize SPH to provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District. Director Stage seconded the motion, which unanimously carried.

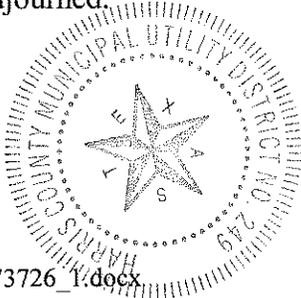
Mr. Barker advised the Board that the Texas Water Code and the Texas Election Code require that the District provide public notice of the period for filing an application to appear on the ballot as a candidate for Director in the Election to be held on May 5, 2018. Following discussion, Director Hodge moved that the District authorize SPH to post the required notice of the candidate filing period. Director Stage seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

Mr. Barker presented to and reviewed with the Board an unsolicited proposal from Residential Recycling & Refuse of Texas ("RRRT") for solid waste collection and recycling services, a copy of which proposal is attached hereto as **Exhibit H**. After discussion, the Board concurred that it is not interested in receiving services from RRRT at this time.

ADJOURN

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



Dionna Moore
Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Lexington Road Median Landscape Plan

Exhibit B – Security Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Bookkeeper's Report

Exhibit F – Engineer's Report

Exhibit G – Operator's Report

Exhibit H – Proposal from Residential Recycling & Refuse of Texas