

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Board of Directors Special Meeting
November 1, 2008

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met at the District's Joint Sewage Treatment Plant Site located at 931 E. Cypresswood Drive, Spring, Texas, 77373, on November 1, 2008, in accordance with the duly posted notice of special meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Norman C. Adamek, President
Sue Cox, Vice President
Daniel Stage, Secretary
Willie Hodge, Assistant Secretary
Douglas Haude, Assistant Secretary

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

Also present were Asim Tufail and Bob Bulian of Van DeWiele Engineering Incorporated ("VEI"), Rick Marriott and Steve Dewey of Southwest Water Company, Inc. ("SWWC"), Jeannie Satterwhite, a member of the Board of Directors of Harris County Water Control and Improvement District No. 110 ("No. 110"), Eric Thiry and Andy Phelps of EDP Water Utility Services, No. 110's operator, and Edward Wade, a resident of the District.

The President called the meeting to order and declared it open for such business as might regularly come before it.

TOUR OF WASTEWATER TREATMENT PLANT

The Board first conducted a tour of the Wastewater Treatment Plant ("WWTP") facilities. In connection therewith, the following items were addressed:

Director Adamek discussed the brief history of the headworks located at the Wastewater Treatment Plant ("WWTP"). Mr. Tufail then reminded the Board that five (5) public bids had been received for the construction of WWTP Headworks Rehabilitation (the "Project") on October 16, 2008, with the low bid in the amount of \$232,000 being submitted by N & S Construction Co., LLC ("N&S"). Mr. Tufail then advised the Board that VEI recommends that the contract for the Project be awarded to the low bidder, N&S, and that the Board execute the construction contract for the Project. A discussion ensued regarding installation and maintenance procedures. After due deliberation and consideration, upon motion

made by Director Stage, seconded by Director Adamek, and unanimously carried, the contract for the construction of the Project was awarded to N&S ("Contractor") at the price of \$232,000, subject to the District's attorneys' review of the payment and performance bonds and insurance certificate submitted in connection with the contract to determine if the payment and performance bonds and insured meet the requirements of the bid specifications, the Texas Insurance Code, the rules of the Texas Commission on Environmental Quality and the provisions of the Texas Water Code. Mr. Thiry then queried Mr. Tufail as to whether the headworks failure was covered by catastrophic insurance. Mr. Tufail advised that an insurance claim had been submitted in connection therewith and noted that he would follow up on the matter and report back at the District's next meeting.

Ms. Satterwhite and Mr. Phelps exited the meeting at this time.

Director Adamek next requested that Mr. Marriott provide the Board with a summary of the various issues surrounding Hurricane Ike. Mr. Marriott informed the Board that there was one (1) tree in need of removal at the WWTP and that No. 110 is in need of some electrical cables in order to provide for a secondary power source to serve the lift station.

Mr. Dewey next informed the Board that clarifier no. 1 at the WWTP was shut down due to a clogged return siphon and noted that the clarifier will need to be pumped out in order to be repaired. Mr. Dewey further noted that the last cleaning of said clarifier was performed three (3) years ago.

Mr. Marriott next advised that the water pressure alarm at the Water Plant was operating satisfactory. Director Adamek noted that he recently made SWWC aware of the alarm when the water pressure became low.

Mr. Marriott next advised the Board that, relative to the recoating of Water Plant No. 1 ("Project"), an inspection of the condition of the tank coating was completed last Tuesday and noted that he will report back to the Board on the matter and make a recommendation regarding same at the next meeting.

There next ensued a discussion regarding the tree replacement on the east side of Lexington Road along Spring Lakes, Section 8. Upon noting that there was no representative from Houston Area Development Corporation ("HADC") present, the Board deferred further discussion on the matter. Director Adamek advised the Board that he was informed that a HADC representative would also

not be able to be present at the Board's next regularly scheduled meeting to discuss the issue.

Mr. Marriott next advised the Board that two (2) 5-horsepower pumps and one (1) 10-horsepower pump at Lift Station No. 1 recently ragged-up simultaneously. Mr. Marriott then advised the Board that new 10-horsepower pumps are on order and due to arrive for installation on November 6, 2008. Director Stage then queried Mr. Marriott as to why the 10-horsepower pump ragged up when the Board was under the impression that that additional horsepower would grind up the rags. Mr. Bulian then explained that the 10-horsepower pumps do not grind up the material, but rather that they provide greater flow to pass more material. Mr. Thiry then informed the Board that No. 110 is looking into installing cutter pumps to handle issues such as this. Mr. Marriott then informed the Board that SWWC would investigate same and follow up on the matter.

OTHER MATTERS

The Board next advised Mr. Marriott and Mr. Tufail that a District resident, Mr. Sixto Ortiz, has reported a serious settlement issue at his property and requested that Mr. Marriott and Mr. Tufail inspect the area. Mr. Marriott and Mr. Tufail concurred with the request.

FUTURE AGENDA ITEMS

The Board next considered items for placement on future agendas. After consideration on the matter, no specific agenda items, other than discussion of the sidewalk settlement and other routine and ongoing matters, were requested.

ADJOURNMENT

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

Secretary