

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
August 19, 2010

The Board of Directors ("Board") of Harris County Municipal Utility District No. 249 ("District") met in regular session at the Board's regular meeting place on August 19, 2010, 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:

Norman C. Adamek, President
Sue Cox, Vice President
Daniel Stage, Secretary
Willie Hodge, Assistant Secretary
Ralph V. Palermo, Assistant Secretary

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

Also present were Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MA&C"); Ryan Fortner of Wheeler & Associates, Inc. ("Wheeler"); Juliana Bihlet of Van De Wiele & Vogler Incorporated ("VVI"); Eric Thiry and Karl Skarboszewski of Environmental Development Partners L.L.C. ("EDP"); Cindy Adamek a resident of the District; and Christopher T. 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 reviewed the draft minutes of its meeting held on July 15, 2010. After discussion of the minutes presented, Director Stage moved that the July 15, 2010, minutes be approved, as written. Director Cox seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

The Board deferred consideration of comments from the public, as none were presented.

RECEIVE FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION

The Board next deferred consideration of the financial advisor's 2010 tax rate recommendation until next month's meeting

pending receipt of the District's certified taxable values from the Harris County Appraisal District.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Fortner presented to and reviewed with the Board the tax assessor-collector's report dated as of July 31, 2010, including the checks presented for payment from the tax account, as listed therein, historical valuation and collection data, and the Delinquent Collections Listing as of July 31, 2010, copies of which are attached hereto as **Exhibit A**. After discussion, Director Cox moved that the tax assessor-collector report be approved and that the checks identified therein be approved for payment. Director Stage seconded said motion, which carried unanimously.

APPROVAL AND EXECUTION OF AMENDMENT TO AGREEMENT FOR SERVICES OF TAX ASSESSOR AND COLLECTOR BETWEEN THE DISTRICT AND WHEELER

Mr. Skinner next presented to and reviewed with the Board an Amendment to Agreement for Services of Tax Assessor and Collector by and between the District and Wheeler (the "Amendment"). The Amendment is attached hereto as **Exhibit B**. After discussion on the matter, Director Adamek moved that the Amendment be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Cox seconded the motion, which carried unanimously.

DELINQUENT TAX COLLECTION ATTORNEYS REPORT

Mr. Skinner presented to and reviewed with the Board a Delinquent Tax Collection Attorneys Report, dated August 19, 2010, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collection attorneys; a copy of the Report is attached hereto as **Exhibit C**. Mr. Skinner noted that no Board action was required at this time with respect to the accounts listed in such report.

BOOKKEEPER'S REPORT

Ms. Hernandez presented to and reviewed with the Board the bookkeeper's report dated August 19, 2010, including (i) the checks presented for payment from the 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 2010 for the Operating Fund and the STP Account, and (v) a Debt Service Payments Schedule, copies of which are attached hereto as **Exhibit D**. After discussion, it was moved by Director Palermo that the bookkeeper's report be approved and that the various checks identified therein

be approved for payment. Director Hodge seconded the motion, which carried unanimously.

Ms. Hernandez also presented 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, 2010, a copy of which Report is attached hereto as Exhibit E. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Palermo, 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.

ENGINEERING REPORT

Ms. Bihlet presented and reviewed with the Board a written engineering report dated August 19, 2010, a copy of which report is attached hereto as Exhibit F, relative to the status of various projects within the District.

There next ensued a discussion regarding the current capacity utilization of the District's wastewater treatment plant (the "Plant"). In connection therewith, Ms. Bihlet reminded the Board that it previously authorized VVI to proceed with submitting an application to the Texas Commission on Environmental Quality ("TCEQ") for re-rating of the wastewater treatment plant in an effort to increase the authorized number of utility connections capable of service from the Plant. Following a lengthy discussion, the Board requested VVI to provide a comprehensive analysis of the Plant's current capacity utilization.

STATUS OF PROPOSED ANNEXATION OF TRACT FOR HOME-OF-HOPE, TEXAS

The Board considered the status of the annexation of a tract of land for Home-of-Hope, Texas ("HOH"). In connection therewith, Mr. Skinner stated that SPH is working to finalize the annexation agreement. No action was taken by the Board on the matter at this time.

PROPOSED ANNEXATION OF COMMERCIAL TRACT

There next ensued a discussion regarding the possible annexation of a commercial tract of land located at the southeast corner of Highway 2920 and Interstate 45 frontage road. Mr. Skinner informed the Board that he had nothing new to report on the matter at this time.

PROPOSED ANNEXATION OF SPLASHTOWN PROPERTY

Mr. Skinner reminded the Board that, at last month's meeting, it was presented with a verbal request from SplashTown Waterpark/PARC Management, LLC ("SplashTown") for sanitary sewer treatment services, and the Board discussed the possibility of annexing the SplashTown property into the boundaries of the District as a condition precedent to the provision of sanitary sewer treatment services. In connection therewith, Mr. Skinner informed the Board that he spoke with the General Manager of SplashTown regarding the proposed annexation and discussed same in detail with the Board. After further discussion, the Board instructed that SPH ask for a formal written request from SplashTown and, upon receipt of same, prepare and forward a response to SplashTown regarding the matter.

OPERATIONS AND MAINTENANCE REPORT

The Board considered the Operations and Maintenance Report. Mr. Thiry presented and reviewed in detail with the Board a written Operations Report prepared by EDP dated as of August 17, 2010, a copy of which is attached hereto as Exhibit G.

Mr. Thiry discussed with the Board EDP's inspection of the aeration basins at the Plant. Mr. Thiry then requested that the Board consider authorizing Magna Flow Environmental ("Magna Flow") to clean out aeration basin no. 2 and to ratify EDP's prior authorization from Magna Flow to clean out aeration basin no. 3 for a total cost of approximately \$12,000. After discussion, the Board concurred that Magna Flow be authorized to clean out aeration nos. 2 and 3 at a cost not to exceed \$12,000.

Mr. Thiry next informed the Board that EDP inspected the clarifiers at the Plant. He advised that some of the seals are in need of replacement and noted that the estimated cost for same is \$1,640, to which the Board concurred.

There next ensued a discussion regarding emergency interconnect protocol and notification to District residents of the possible future delivery of surface water to the District via its emergency interconnects.

Mr. Thiry next advised the Board that District customer Peggy Freeman is requesting that the Board grant an adjustment to her water bill account and discussed the matter in detail with the Board including the results of EDP's investigation indicating there are no problems with the meter or leaks in District facilities. After discussion, the Board concurred not to grant Ms. Freeman's

request and that EDP be authorized to advise Ms. Freeman of the Board's decision.

Mr. Thiry next advised the Board that, as authorized at last month's meeting, EDP replaced District resident Edward Wade's water meter and sent the original water meter for testing. Mr. Thiry noted that the testing results indicate that the original meter is operating satisfactorily.

Mr. Thiry advised the Board that EDP is researching various options for additional fuel storage at the District's Plant.

PROPOSAL FROM CHAMPIONS HYDRO-LAWN, INC. FOR EROSION REPAIRS OF AMENITY PONDS

The Board deferred consideration of a proposal from Champions Hydro-Lawn, Inc. ("Champions") for erosion repairs around the District's amenity ponds at this time after noting that no Champions representative was present at the meeting.

COMMUNICATIONS REGARDING SURFACE WATER CONVERSION POLICIES AND PRICING STRUCTURE

There next ensued a discussion regarding communications with the North Harris County Regional Water Authority ("NHCRWA"), Harris-Galveston Subsidence District and the Texas State Legislature relative to surface water conversion policies and pricing structure. In connection therewith, Director Adamek reminded the Board that, at last month's meeting, he presented to and reviewed with the Board draft correspondence to the NHCRWA. Director Adamek then advised the Board that said correspondence was distributed in accordance with the Board's prior authorization and noted that no official response has been received to date.

REVIEW OF PROPOSALS FOR SOLID WASTE COLLECTION/RECYCLING SERVICES

The Board deferred review of proposals for solid waste collection/recycling services until next month's meeting.

RATIFICATION OF PRIOR ACTION

The Board considered ratification of its prior action relative to authorizing solicitation of statements of qualification for engineering services. After discussion, Director Adamek moved that the Board's prior action be ratified in all respects. Director Stage seconded the motion, which carried unanimously.

REVIEW OF STATEMENTS OF QUALIFICATION FOR ENGINEERING SERVICES

Mr. Skinner next advised the Board that, as requested at last month's meeting, SPH solicited statements of qualification for engineering services from (i) AEI Engineering ("AEI"), (ii) Costello, Inc. ("Costello"), (iii) Sherrington, Inc. ("Sherrington"), (iv) Langford Engineering ("Langford"), and (v) Edminster, Hinshaw, Russ and Associates, Inc. ("EHRA") for the Board's consideration at today's meeting. Mr. Skinner then advised the Board that a conflict of interest exists in connection with EHRA and discussed same in detail with the Board. After discussion on the matter, Director Cox moved that (i) SPH advise the appropriate EHRA representative that, due to the conflict of interest, the Board will not be considering EHRA's proposal any further, and (ii) SPH be authorized to prepare correspondence to the appropriate representatives of AEI, Costello, Sherrington and Langford inviting each firm to deliver a presentation to the Board at its next meeting. Director Stage seconded the motion, which carried unanimously. The Board noted that it would like for the next meeting to commence at 5:30 p.m. and to allow thirty (30) minute time slots for each of the potential engineers' presentations.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred the issuance of utility commitments, as no requests for same had been received.

ATTORNEY'S REPORT

Mr. Skinner presented to and reviewed with the Board a brochure received from the Texas Rural Water Association regarding a Utility Regulations & Management Seminar, a copy of which is attached hereto as Exhibit H.

Mr. Skinner presented to and reviewed with the Board a brochure received from McCall Gibson Swedlund Barfoot PLLC regarding an Investment Training for Local Government Agencies to be held October 16, 2010, a copy of which is attached hereto as Exhibit I.

Mr. Skinner presented to and reviewed with the Board correspondence received from the Houston Parks Board requesting completion of a recreational facilities survey, a copy of which is attached hereto as Exhibit J. After discussion, the Board concurred not to participate in the survey.

COMMUNICATIONS WITH HARRIS COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT NO. 110 REGARDING MAINTENANCE COSTS

Mr. Skinner advised that he would contact the District's auditor to discuss this matter and report to the Board regarding same at a future meeting.

DISTRICT SECURITY ISSUES

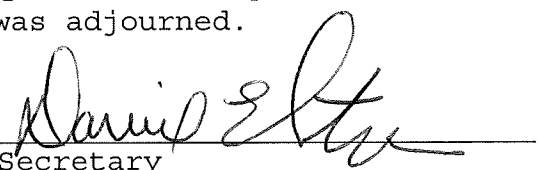
The Board considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff Office's call sheet summary for July 2010, a copy of which is attached hereto as Exhibit K. Mr. Skinner also presented to and reviewed with the Board a Harris County Alarm Detail notice, a copy of which notice is included with Exhibit K.

FUTURE AGENDA ITEMS

The Board next requested that an item be added to the next agenda regarding the District's website provider.

ADJOURN

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


Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A - Tax Assessor-Collector's Report
- Exhibit B - Amendment to Agreement for Services of Tax Assessor and Collector
- Exhibit C - Delinquent Tax Report
- Exhibit D- Bookkeeper's Report
- Exhibit E - Quarterly Investment Inventory Report
- Exhibit F - Engineer's Report
- Exhibit G - Operator's Report
- Exhibit H - Brochure from Texas Rural Water Association
- Exhibit I - Brochure received from McCall Gibson Swedlund Barfoot PLLC
- Exhibit J - Correspondence from Houston Parks Board
- Exhibit K - District Security Report