

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
May 19, 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 May 19, 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"); Michael Murr of Murr Incorporated ("MI"); Eric Thiry of Environmental Development Partners, LLC ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Michelle Guerrero of Bob Leared Interests ("BLI"); Blake Kridel of Storm Water Solutions, LP ("SWS"); District residents Mark Child and Pamela Child, who both entered the meeting after it had been called to order, as noted herein, and Cindy Adamek; 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 April 21, 2016. After discussion of the minutes presented, Director Stage moved that the April 21, 2016, minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION AND AFFIDAVITS OF CURRENT DIRECTOR FOR DIRECTORS

The Board next considered the acceptance of Bonds, Qualification Statements of Elected Officer, Oaths of Office, Elections Not to Disclose Certain Information, and Affidavits of Current Director for Willie Hodge, Charles Albright and Daniel Stage. Messrs. Hodge, Albright and Stage each presented their respective Bond, Qualification Statement of Elected Officer, Oath of Office, Election Not to Disclose Certain Information and Affidavit of Current Director. After discussion on the matter, it was moved by Director Adamek, seconded by Director Albright and unanimously carried, that the Board approve said Bonds, accept said Qualification Statements of

Elected Officer, Oaths of Office, Elections Not to Disclose Certain Information and Affidavits of Current Director, and declare Willie Hodge, Charles Albright and Daniel Stage to be duly elected and qualified Directors of the District.

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 April 2016, a copy of which summary is attached hereto as **Exhibit A**. Director Hodge next discussed with the Board the possibility of the District purchasing a bicycle for the Deputy who patrols the District for the day shift in an effort to increase patrol visibility. Director Hodge informed the Board that he had discussed the matter with Deputy Naranjo and noted that Deputy Naranjo indicated that he was bike trained and would be willing to utilize a bicycle for part of his patrol time. After discussion on the matter, Director Stage moved that the District be authorized to purchase a bicycle for Deputy Naranjo's use subject to the cost for same not exceeding \$1,200. Director Palermo seconded the motion, which carried unanimously. Director Adamek indicated that he would coordinate acquisition of the bicycle with Deputy Naranjo.

Mark Child and Pamela Child entered the meeting during the security report.

COMMENTS FROM THE PUBLIC

Mr. Child next introduced himself to the Board. Mr. Child informed the Board that his residence located at 25735 Beckham Spring Ct. backs up to the District's greenbelt located on Lexington Boulevard and that there are two trees that are growing over his fence and advised that tree roots from the District's property are intruding onto his property. Mr. Child then presented and reviewed photographs of same with the Board. After discussion on the matter, the Board authorized Mr. Murr and Mr. Thiry to meet with Mr. Child's to examine the situation and to report back to the Board at the next meeting with a recommended course of action.

CONTINUING DISCLOSURE REPORT

With respect to the District's outstanding bonds, Mr. Skinner advised the Board that McCall, Parkhurst & Horton L.L.P. ("McCall"), the District's continuing disclosure counsel, is in the process of completing the District's annual continuing disclosure report at this time and requested that the Board authorize McCall to file same upon completion prior to the June 30, 2016, due date. After discussion, Director Hodge moved that McCall be authorized to file said report upon completion prior to the June 30, 2016, due date. Director Albright seconded the motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of April 2016, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Adamek 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 COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated May 19, 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 May 19, 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 April 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 Palermo that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment. Director Adamek seconded the motion, which carried unanimously.

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 March 31, 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 Adamek, 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.

A discussion next ensued regarding the status of the District's reimbursement from the North Harris County Regional Water Authority ("NHCRWA") relative to the District's chloramine conversion. After further discussion, the Board requested that Mr. Burton contact the NHCRWA regarding the status of said reimbursement and advise that the District is considering withholding payment for its pumpage fees until the matter is resolved.

UNCLAIMED PROPERTY

The Board deferred the approval of an Unclaimed Property Report until the next meeting, as requested by Mr. Burton.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Kridel reminded the Board that it previously authorized SWS to repair several erosion areas along the District's drainage channels and noted that said repairs have not yet been

commenced due to the recent heavy rains. The Board requested that SWS clean-up and remove any storm debris from the drainage channels.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated May 19, 2016, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Mr. Davis discussed with the Board the possibility of leasing to own a permanent 180 kilowatt generator for the wastewater treatment plant from World Wide Power Products. There then ensued a discussion regarding the possibility of an out-right purchase of a generator. After discussion, the Board requested that Mr. Davis obtain cost estimates for both options for its consideration at the next meeting.

Ms. Guerrero exited the meeting at this time.

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. 3 in the amount of \$85,501.41 from C.E. Barker, Ltd. ("CEB"), and recommended that the Board approve the payment of same. Following discussion on the matter, it was moved by Director Hodge, seconded by Director Albright and unanimously carried, that the Board approve the payment of said Pay Estimate, as recommended by the District's engineer.

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

Mr. Skinner informed the Board that, as previously discussed, SPH revised the Amended and Restated Annexation and Utility Service Agreement by and between the District and Northland Joint Venture and provided a copy of same to Mr. Jack Fields, legal counsel for Northland Joint Venture, for review and comment. Mr. Skinner then advised the Board that SPH has received comments back from Mr. Fields and is reviewing same, and noted that SPH is waiting to receive an exhibit from Mr. Davis for inclusion in said Agreement. No action was taken by the Board at this time.

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 the metes and bounds description for said site are currently being prepared, subject to approval by Harris County.

**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 informed the Board that SPH just received a copy of the revised Agreement from Quadvest's attorney earlier today and noted that SPH is in the process of reviewing same at this time.

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 May 19, 2016; a copy of the Report is attached hereto as **Exhibit F**.

ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

The Board next considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Thiry presented EDP's annual report regarding administration of the Program and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Mr. Thiry recommended that no changes be made to the Program. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

CONSUMER CONFIDENCE REPORT

The Board considered the approval of a 2015 Consumer Confidence Report and authorizing the distribution of same to the District's customers prior to July 1, 2016, as required by federal law. Mr. Thiry presented to the Board a draft of the 2015 Consumer Confidence Report, and requested that the Board authorize EDP to distribute same to the District's customers, subject to SP&H's final review and approval. After discussion on the matter, Director Adamek moved that such Report be approved by the Board, subject to SP&H's final review and approval, and that EDP be authorized to distribute same to the District's customers prior to July 1, 2016. Director Albright seconded said 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**.

ALTERNATIVES FOR LANDSCAPING OPTIONS FOR LEXINGTON ROAD MEDIAN

The Board next discussed landscaping alternatives for the Lexington Road median. In connection therewith, Mr. Murr presented to and reviewed with the Board a letter to the Harris County Public Infrastructure Department ("Harris County") notifying Harris County that the District agrees to provide the necessary maintenance for the landscaping in the Lexington Road Median. Mr. Murr noted that said letter is required by Harris County. After discussion, Director Hodge moved that said letter be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Stage seconded the motion, which carried unanimously.

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.

REMEDICATION 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 will be planting new trees in the area sometime this month.

WEBSITE PROVIDER

The Board next discussed website compliance relative to legal requirements. After discussion, on the matter, no further action was taken at this time.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND/OR SECTION 551.072

The Board deferred convening in Closed Session at as authorized pursuant to Texas Government Code Section 551.071 and/or Section 551.072 at this time.

ORDER ESTABLISHING POLICY OF DISTRICT'S ALLOCATION OF POTABLE WATER AND SANITARY SEWER CAPACITIES

The Board deferred the approval and execution of an Order Establishing Policy of District's Allocation of Potable Water and Sanitary Sewer Capacities 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 Adamek, seconded by Director Stage 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 – Engineer's Report

Exhibit F – Operations and Maintenance Report

Exhibit G – Progress Report-Landscape Projects