

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Special Meeting of Board of Directors
June 19, 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 June 19, 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 Directors Moore and Hodge, 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 residents Cindy Adamek and Doreen Wells; 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 May 18, 2017. A revision to said minutes was noted. After discussion of the minutes presented, Director Adamek moved that the May 18, 2017, minutes be approved, as revised. 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 security report for May 2017, a copy of which is attached hereto as **Exhibit A**.

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 May 2017, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Palermo 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 Adamek seconded said motion, which unanimously carried.

Ms. Hendershot informed the Board that the Harris County Appraisal District has determined the District's 2017 preliminary taxable value prior to protests to be \$290,392,238.

DELINQUENT TAX REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated June 15, 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 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 June 19, 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 May 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 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 nos. 7208 and 7211 issued to Directors Moore and Hodge, which were voided. Director Adamek seconded the motion, which carried unanimously.

LANDSCAPING WITHIN THE DISTRICT

The Board next discussed landscaping within the District. 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 E**. Mr. Murr then informed the Board that he plans to request approximately 250 additional trees from Trees for Houston for planting within the District next year.

Mr. Murr next reminded the Board that, at the last meeting, District resident Debra Westphal informed the Board that her residence backs up to certain District property and that there are several trees on the District's property that are encroaching over her fence and requested that the Board consider removing or severely cutting back the trees. In connection therewith, Mr. Murr informed the Board that he and Mr. Thiry met on-site to investigate the matter further and determined that the trees are not causing any damage to Ms. Westphal's fence and/or other structures. Mr. Murr reminded the Board that the District has no jurisdiction over what a

resident does with the branches and limbs that are encroaching on their property. Mr. Murr then advised the Board that the estimated cost to trim the overhang limbs would be approximately \$450. After discussion, the Board concurred not to take any action on the matter and requested that Mr. Thiry advise Ms. Westphal of the Board's decision.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred consideration of a Drainage Facilities Report after noting that no representative was present at the meeting.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated June 19, 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 informed the Board that Langford previously discussed with Mr. Mike Sperandio, the owner of Louetta Crossing Business Park, regarding erosion that is occurring on the west side of Harris County Flood Control Unit K120-03-00 due to improper construction of the outfall drainage pipe. Mr. Davis noted that Mr. Sperandio indicated that he needed some time to research his files and discuss the matter with his engineer. Mr. Davis further noted that he has tried contacting Mr. Sperandio regarding the status of the matter but that no response has been received to date. A discussion then ensued regarding same.

Mr. Davis next informed the Board that North Lexington Realty, LLC ("NLR") currently owns two buildings that are served by one water tap and sanitary sewer line and noted that NLR is requesting an additional water tap but not an additional sanitary sewer line, which is not standard practice in accordance with the District's Rate Order. A discussion then ensued regarding the District possibly entering into an agreement with NLR in connection therewith. After further discussion on the matter, the Board concurred that SPH be authorized to prepare an agreement between the District and NLR related to the construction of an additional water line connection, subject to (i) the agreement allowing for the Board, at its own discretion, to require the construction of an additional sanitary sewer line upon transfer of title of any portion of the property and (ii) NLR paying all costs associated with the preparation of said agreement.

RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT

The Board next considered the status of the District's application to the Texas Commission on Environmental Quality for the renewal of the District's Waste Discharge Permit due to expire February 1, 2018. Mr. Davis advised the Board that Langford has prepared a draft of the application and presented and reviewed same with the Board. Mr. Davis noted that the Board's formal approval of said application will be requested at the July meeting.

BAYER PARK WASTEWATER CONVEYANCE PROJECT

With respect to the Bayer Park wastewater conveyance project, the Board deferred approval of an Interlocal Agreement between the District and Harris County for the project pending receipt of approval of the draft agreement from Harris County.

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

Mr. Skinner reminded the Board that Quadvest previously authorized its attorney to prepare a proposed Emergency Water Supply Agreement ("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, SPH 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 proposed revisions to the Agreement from Quadvest's attorney and noted that SPH has provided comments to Quadvest's attorney accordingly. Mr. Thiry additionally reminded the Board that EDP conducted research to determine if the District is providing emergency water supply to Old Town Spring Improvement District ("OTSID") and that, according to Quadvest, the valve to the emergency interconnect is closed and no water is being provided to OTSID. In connection therewith, Mr. Skinner informed the Board that, as previously authorized, SPH prepared and forwarded a letter to Quadvest on the District's behalf demanding Quadvest provide additional information and execute the proposed Agreement and noted that no information or executed Agreement had been received to date. A discussion then ensued regarding same.

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 June 15, 2017; a copy of the report is attached hereto as **Exhibit G**.

Mr. Thiry next presented to and reviewed with the Board a proposal from NTS Rentals, LLC ("NTS"), a copy of which proposal is attached hereto as **Exhibit H**, for a stand-by lease option for a generator for the District's wastewater treatment plant. Mr. Thiry noted that he recommended that the Board accept the proposal from NTS. After discussion on the matter, Director Palermo moved that the Board accept NTS' proposal for a stand-by lease of an 180 kilowatt emergency generator for use at the District's wastewater treatment plant facility and approve said lease agreement, subject to SPH's review and approval of same and receipt of a Texas Ethics Commission Form 1295 from NTS. Director Adamek seconded the motion, which carried unanimously.

Mr. Thiry next informed the Board that EDP has completed its annual fire hydrant flow testing and noted that all the hydrants are operational, but that EDP is recommending that certain repairs be made at a total estimated cost of \$8,502.75. After discussion on the matter, Director Adamek moved that EDP be authorized to make said repairs at an estimated cost of \$8,502.75. Director Palermo seconded the motion, which carried unanimously.

VOTING SYSTEM ANNUAL FILING FORM

The Board next considered authorizing the completion, execution and filing with the Texas Secretary of State of a Voting System Annual Filing Form relative to District elections. Mr. Skinner advised that, pursuant to Section 123.061 of the Texas Election Code, each political

subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's office. After discussion, Director Adamek moved that: (i) SPH be authorized to complete and execute the Voting System Annual Filing Form; and (ii) SPH be authorized to file the Form with the Texas Secretary of State's Office on behalf of the Board and the District. Director Stage seconded said motion, which unanimously carried.

DESTRUCTION OF CERTAIN DISTRICT RECORDS

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes of Board meetings from February 18, 2016, to March 16, 2017, a copy of which request is attached hereto as **Exhibit I**. After discussion on the matter, Director Adamek moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Stage seconded said motion, which unanimously carried.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board deferred convening in Closed Session at this time.

PROVISION OF WATER AND SANITARY SEWER SERVICE TO NORTHLAND SHOPPING CENTER AND AMENDED AND RESTATED ANNEXATION AND UTILITY SERVICES AGREEMENT

Mr. Skinner updated the Board on the status of provision of water and sanitary sewer to the Northland Shopping Center. In connection therewith, Mr. Skinner requested that the Board consider (i) approval and execution of First Amendment to Amended and Restated Annexation and Utility Service Agreement between the District and Northland Joint Venture ("Northland"); (ii) approval and execution of Release of Temporary Wastewater Treatment Plant and Access Easement and (iii) acceptance of Special Warranty Deed for lift station site from Northland. After discussion on the matter, Director Adamek moved that the Board approve said First Amendment to Amended and Restated Annexation and Utility Service Agreement between the District and Northland 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. Director Stage then moved that the Board approve the Release of Temporary Wastewater Treatment Plant and Access Easement and accept the Special Warranty Deed for lift station site from Northland and that the President be authorized to execute same on behalf of the Board and the District. Director Adamek seconded the motion, which carried unanimously.

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.

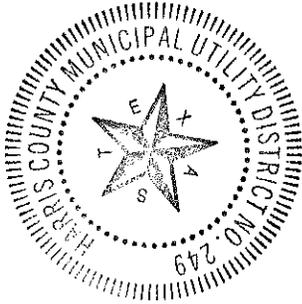
ATTORNEY'S REPORT

Mr. Skinner advised 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 Palermo, 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 – Progress Report-Landscape Projects
- Exhibit F – Engineer's Report
- Exhibit G – Operations and Maintenance Report
- Exhibit H– Proposal from NTS Rentals, LLC
- Exhibit I – Records Destruction Request