

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Special Meeting of Board of Directors  
March 26, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met in special session, open to the public on March 26, 2020, 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  
Daniel Stage, Vice President  
Diana Moore, Secretary  
Willie Hodge, Assistant Secretary  
Norman Adamek, Assistant Secretary

all of whom participated in the meeting via telephone conference call, thus constituting a quorum.

Also attending the meeting via telephone conference call were: John Davis of Langford Engineering, Inc. ("Langford"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MAC"); Odett McMullen of Bob Leared Interests, Inc. ("BLI"); Michael Willett, Simon Van Dyk and Ryan Herzog of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, a resident of the District; and Christopher Skinner and Maranda Lawson of Schwartz, Page & Harding, L.L.P. ("SPH").

**EXPLANATION OF TELEPHONE CONFERENCE CALL MEETING PROCEDURES  
AND CALL TO ORDER**

Mr. Skinner explained to the Board the procedures to be used during the telephone conference call meeting. In connection therewith, he informed the participants that the meeting would be recorded, and requested that each participant clearly state his or her name before speaking, including when making or seconding a motion. Mr. Skinner further explained that he would conduct a roll call vote for all motions and that Board members should wait to vote on a motion until his or her name has been called. Similarly, Mr. Skinner stated that a full roll call of all participants would be conducted at the start of each telephone conference meeting for attendance purposes.

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

## **PUBLIC COMMENTS**

The Board began by opening the meeting for public comments. There being no public comments presented, the Board continued to the next item of business.

## **RESOLUTION ADOPTING TEMPORARY POLICIES AND PROCEDURES IN RESPONSE TO COVID-19 PANDEMIC**

Mr. Skinner stated that the Governor of Texas issued a proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. As a result of such proclamation, effective March 16, 2020, the Governor suspended certain provisions of the Texas Open Meetings Act (the "Act") pursuant to Section 418.016, Texas Government Code, to allow the governing boards of political subdivisions, such as the District, to meet via telephone conference call during the pendency of the COVID-19 pandemic. Accordingly, Mr. Skinner counseled the Board regarding the adoption of temporary policies and procedures for conducting Board meetings and other District administrative matters during the COVID-19 pandemic and presented a Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic (the "Resolution"), attached hereto as **Exhibit A**. He then explained the provisions of the Resolution in detail with the Board. Following discussion, Director Moore moved that the Resolution be adopted as presented. Director Palermo seconded the motion which unanimously carried.

## **MINUTES**

The Board next reviewed the draft minutes of its meeting held on February 20, 2020. After discussion of the minutes presented, Director Stage moved that said minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

## **DISTRICT SECURITY**

The Board next considered the report regarding District security matters. Mr. Skinner distributed the Harris County Sheriff's Office ("HCSO") security patrol report for February 2020, a copy of which report is attached hereto as **Exhibit B**.

Director Adamek informed the Board that two (2) of the deputies that patrol the District are currently under quarantine related to COVID-19 and that the third deputy who patrols the District shares a car with another deputy who tested positive for COVID-19, but that said deputy is not currently under quarantine.

## **AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

The Board deferred the review and approval of the District's audit report for the fiscal year ended December 31, 2019, after noting that said audit report was still being prepared.

## **CONTINUING DISCLOSURE REPORT**

The Board deferred consideration of the status of the District's continuing disclosure report due June 30, 2020.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. McMullen next presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month of February 2020, a copy of which report is attached hereto as **Exhibit C**. After discussion of the report presented, Director Moore moved that the Tax Assessor-Collector's Report be approved and that the disbursements identified in said report be authorized for payment from the District's tax account. Director Hodge seconded said motion, which unanimously carried.

## **DELINQUENT TAX REPORT**

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated March 19, 2020, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys; a copy of the report is attached hereto as **Exhibit D**. Mr. Skinner noted that no Board action was necessary in connection with any of the accounts reflected in the report.

## **BOOKKEEPER'S REPORT**

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated March 19, 2020, a copy of which is attached hereto as **Exhibit E**. Mr. Weyand additionally presented check nos. 8269 through 8273 issued to each Director for attendance at the Board meeting and check no. 8274 issued to EDP for operating expenses, which are not listed on the Report. After discussion, it was moved by Director Adamek that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, including check nos. 8269 through 8274, as discussed. Director Palermo seconded the motion, which carried unanimously.

## **UNCLAIMED PROPERTY REPORT**

The Board considered authorizing the preparation of an Unclaimed Property Report as of March 1, 2020, which is to be filed with the State Comptroller prior to July 1, 2020. After discussion on the matter, Director Moore moved that the District's consultants be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's approval, and that the District's Bookkeeper file the approved report with the State Comptroller prior to July 1, 2020. Director Stage seconded said motion, which unanimously carried.

## **LANDSCAPING WITHIN THE DISTRICT**

The Board deferred discussion on landscaping within the District until later in the meeting after noting that Mr. Murr had not yet joined the meeting.

## **UNLAWFUL CLEARING OF DISTRICT PROPERTY AND EMERGENCY SERVICES DISTRICT NO. 7 ("ESD NO. 7") PROPERTY**

In connection with the unlawful clearing of a portion of District property located adjacent to ESD No. 7's property, Mr. Skinner reminded the Board that ESD No. 7 hired Next Generation Landscaping and Lighting, without the District's consent, to perform the rehabilitation of such property and that the work has been completed. Mr. Skinner further reminded the Board that, as previously requested, SPH has contacted ESD 7 requesting payment for the costs of creating and revising the District's landscaping plans. Mr. Skinner then informed the Board that he had nothing new to report at this time.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

The Board deferred consideration of a Drainage Facilities Report after noting that a representative of Storm Water Solutions, LP was not present at the meeting.

## **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated March 26, 2020, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Mr. Davis stated that Langford has advertised for bids for the Spring Source Place Sidewalk and Drainage Improvements project (the "Project"), that three (3) bids were received with the lowest qualified bid being received from Excel Construction ("Excel") in the amount of \$62,384.00, and that Langford recommends the District award the contract for the Project to Excel. After discussion, Director Palermo moved that the Board award the contract to Excel in the bid amount subject to the approval of the payment and performance bonds, and review of workers compensation insurance coverage by SPH and receipt of all required regulatory approvals. Director Adamek seconded said motion, which unanimously carried.

A discussion next ensued regarding the status of locating a proposed site for the proposed new remote water well. Mr. Davis informed the Board that Langford is looking at two (2) potential sites and noted that Langford will have more information concerning the sites at the April Board meeting. Director Adamek then informed the Board that, as previously requested and authorized by the Board, Colliers International ("Colliers") has reached out to the owner of the tract located at the southwest corner of Louetta Road & Lexington Boulevard and advised that the owner is asking approximately \$166,000 for the tract. Director Adamek then recommended that the Board consider authorizing Colliers to make an offer of \$140,000 for the tract on the District's behalf. After discussion on the matter, Director Palermo moved that the

Board authorize Collier's to make an offer to purchase the property for \$140,000 to the owner on the District's behalf. Director Stage seconded the motion, which carried unanimously.

Mr. Davis next informed the Board that Splashtown recently requested to open the water interconnect so that Splashtown could make some necessary repairs to its hydro tank and noted that it is his understanding that the interconnect is still open.

Mr. Skinner reminded the Board that, at the last meeting, EDP advised that it believes the sanitary sewer lines in the Northland Shopping Center potentially have stormwater inflow and infiltration issues, and recommended the smoke testing and televising of such lines. In connection therewith, Mr. Skinner informed the Board that, as requested, EDP prepared cost estimates for the smoke testing and televising of the lines, and SPH prepared and forwarded correspondence to Northland Joint Venture ("Northland") providing notification of the situation pursuant to the terms of the Amended and Restated Annexation and Utility Service Agreement. Mr. Skinner then informed the Board that he was advised by Northland's attorney that Northland is willing to pay for the first phase of testing, but that Northland is requesting that the testing be postponed until the COVID-19 pandemic has rescinded. Messrs. Thiry and Davis each recommended that the Board move forward with the smoke testing now in an effort to take advantage of the low public population and to determine if there is a catastrophic failure and then make a determination on how to proceed. After discussion, the Board concurred with said recommendation and requested that Mr. Skinner advise Northland that it would like to move forward with the smoke testing. Mr. Skinner noted that he would advise Northland accordingly.

Mr. Murr joined the meeting during presentation of the Engineer's Report.

### **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 G**. No action was taken by the Board.

### **CRITICAL LOAD**

Mr. Skinner reported that Section 13.1396 of the Texas Water Code requires the District to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status. After discussion on the matter, Director Palermo moved that EDP be authorized to make such annual filings on behalf of the District. Director Moore seconded the motion, which carried unanimously.

### **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 March 19, 2020; a copy of the report is attached hereto as **Exhibit H**.

Mr. Thiry informed the Board that EDP recently performed an annual inspection of the District's fire hydrants and noted that there were some minor repairs in the total amount of \$3,967.50 being recommended. After discussion, Director Moore moved that said repairs in the amount of \$3,967.50 be approved. Director Palermo seconded the motion, which carried unanimously.

Mr. Thiry next advised the Board that he would follow up with Splashtown to determine when repairs to its water plant will be completed to determine when interconnect can be closed.

A discussion next ensued regarding the District's disposition of delinquent utility accounts during the pendency of the COVID-19 pandemic. After a lengthy discussion on the matter, Director Hodge moved that the District authorize EDP to waive the provisions in the District's Rate Order relative to the levying of penalties and interests on delinquent accounts and termination of water service during the COVID-19 pandemic. Director Adamek seconded the motion, which carried unanimously. The Board requested that EDP defer sending out any delinquent notices or door tags during this time. Mr. Thiry concurred with said request.

### **AMENDMENT TO RATE ORDER**

The Board next considered amending the District's Rate Order. Mr. Skinner reminded the Board that, as discussed at the previous meeting, effective April 1, 2020, there will be a CPI rate adjustment for garbage collection, disposal and recycling services by Best Trash, Inc., increasing such rate from \$16.66 to \$17.20 per month for each District customer. Mr. Skinner then advised the Board that, effective April 1, 2020, the North Harris County Regional Water Authority (the "Authority") will increase its groundwater pumpage fee from \$3.85 to \$4.25 per 1,000 gallons. After discussion, it was moved by Director Palermo, seconded by Director Moore and passed unanimously, that the District's Rate Order be amended to: (i) increase the District's monthly residential sanitary sewer fee from \$26.65 to \$27.19 to account for the CPI rate increase for garbage collection, disposal and recycling services, and (ii) increase the pumpage fee from \$3.97 to \$4.38 for each 1,000 gallons of water billed to each District customer to account for the increase in the fee assessed by the Authority, with said amended Rate Order to become effective April 1, 2020, that any and all rate orders heretofore adopted by the Board be revoked and that the amended Rate Order be passed and adopted as of that date.

### **COMMUNICATIONS**

The Board next discussed District communications. Mr. Willett presented to and reviewed with the Board a Communications Meeting Report, a copy of which Report is attached hereto as **Exhibit I**. Mr. Willett recommended posting articles to the website regarding (i) "What Not to Flush"; and (ii) a notice about District water quality during the COVID-19 pandemic. After discussion, the Board concurred that Touchstone be authorized to post the first article to the website.

**ATTORNEY'S REPORT**

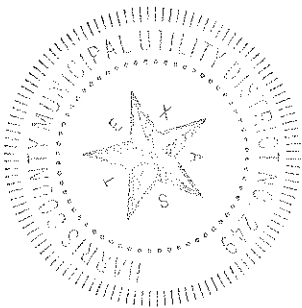
Mr. Skinner advised the Board that he had nothing more of a legal nature to report at this time.

**SUPPLEMENTAL AGENDA**

The Board considered cancellation of the Directors Election called for May 2, 2020. Mr. Skinner advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 21, 2020. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Skinner then presented to and reviewed with the Board the Order Declaring Candidates Elected, attached hereto as **Exhibit J**. After discussion, Director Palermo moved that the Order be adopted by the Board declaring Diana Moore, Daniel Stage and Willie Hodge elected Directors of the District, each to serve a term of four (4) years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 2, 2020, be cancelled. Director Adamek seconded said motion, which unanimously carried.

**ADJOURN**

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



*Diana S. Moore*  
Secretary

## **LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A – Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic
- 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 – Progress Report-Landscape Projects
- Exhibit H – Operator's Report
- Exhibit I – Communications Meeting Report
- Exhibit J – Order Declaring Candidates Elected