

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors July 16, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met in regular session, open to the public on July 16, 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
Norman Adamek, Secretary
Willie Hodge, Assistant Secretary
Diana Moore, Assistant Secretary

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

Also attending the meeting via telephone conference call were: Omar Rodriguez and 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"); Ryan Herzog of Touchstone District Services, LLC ("Touchstone"); Cindy Adamek, Doreen Wells and James McConville, residents of the District; and Rick Barker and Maranda Lawson of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom joined the meeting after the call order, as noted below.

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

EXPLANATION OF TELEPHONE CONFERENCE CALL MEETING PROCEDURES AND CALL TO ORDER

Mr. Barker explained to the Board the procedures to be used during the telephone conference call meeting. In connection therewith, she 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. Barker further explained that she 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. Barker stated that a full roll call of all participants would be conducted at the start of each telephone conference call meeting for attendance purposes.

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.

MINUTES

The Board next reviewed the draft minutes of its meeting held on June 18, 2020. After discussion of the minutes presented, Director Palermo 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. Barker distributed the Harris County Sheriff's Office ("HCSO") security patrol report for May 2020, a copy of which report is attached hereto as **Exhibit A**.

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 June 2020, a copy of which report is attached hereto as **Exhibit B**. After discussion of the report presented, Director Palermo 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 Adamek seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Barker presented to and reviewed with the Board the Delinquent Tax Report, dated July 16, 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 C**. Mr. Barker 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 July 16, 2020, a copy of which is attached hereto as **Exhibit D**. After discussion, it was moved by Director Palermo that the Bookkeeper's Report be approved and that the disbursements identified therein be authorized for payment. Director Adamek seconded the motion, which carried unanimously.

Mr. Davis joined the meeting at this time.

LANDSCAPING WITHIN THE DISTRICT

The Board next discussed landscaping within the District. In connection therewith, Mr. Barker presented to the Board a Progress Report-Landscape Projects prepared by Murr Incorporated, a copy of which report is attached hereto as **Exhibit E**. It was noted that no action was being requested 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 July 16, 2020, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Relative to the construction of the Spring Source Place Sidewalk and Drainage Improvements project, Mr. Davis presented to and reviewed with the Board Change Order No. 1 and Final in the amount of \$2,187.50 and Pay Estimate No. 1 and Final in the amount of \$64,571.50 and from Excel Construction Company ("Excel"), and recommended that the Board concur in the payment and approval of same. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Palermo and unanimously carried, that the Board approve the payment of said Change Order No. 1 and Final and Pay Estimate No. 1 and Final, as recommended by the District's engineer, subject to receipt of a TEC Form 1295 from Excel for the Change Order.

Mr. Davis next advised the Board that the pedestrian gate is in need of replacement and that it is his understanding that the cost is going to be split between the District and the Spring Lakes Homeowners Association, Inc. ("HOA") He then advised that the estimated cost for the gate replacement is \$3,275.00. After discussion, Director Adamek moved that the Board authorize MAC to issue a check to the HOA for fifty percent (50%) of the pedestrian gate replacement costs. Director Palermo seconded the motion, which carried unanimously.

INTERLOCAL AGREEMENT (REMOVAL OF BERM)

The Board deferred the approval and execution of an Interlocal Agreement between the District, Harris County Water Control and Improvement District No. 110 and Harris County Flood Control District for the removal of the berm between detention basins at this time.

INTERLOCAL AGREEMENT (CYPRESSWOOD STORMWATER DETENTION BASIN)

The Board deferred the approval and execution of an Interlocal Agreement between the District and Harris County Flood Control District for the Cypresswood Stormwater detention basin project at this time.

STATUS OF ACQUISITION OF PROPERTY FOR REMOTE WATER WELL SITE

Mr. Barker updated the Board relative to the status of acquisition of property for the Remote Water Well site.

ISSUANCE OF UTILITY COMMITMENTS

The Board next deferred action regarding the issuance of utility commitments, as no requests for same had been received by the District.

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 July 16, 2020; a copy of the report is attached hereto as **Exhibit G**.

Mr. Thiry next presented to and reviewed with the Board a Write Off Report describing a list of aged receivables, a copy of which is included with **Exhibit G**. After discussion, Director Adamek moved that EDP be authorized to write off the aged receivables reflected on said list and send them to the third-party collections firm engaged by EDP for the collection of such accounts. Director Hodge seconded the motion, which carried unanimously.

A discussion next ensued regarding the District's handling of delinquent utility accounts during the pendency of the COVID-19 pandemic. After discussion on the matter, the Board concurred that EDP be authorized to (i) reinstate 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, and (ii) place door tags to advise customers that the District is lifting the suspension of penalties and late fees and to contact EDP to arrange payment of the delinquent accounts to avoid disruption of service.

AMENDMENT TO RATE ORDER

The Board next considered amending the District's Rate Order. Mr. Barker reminded the Board that, effective July 1, 2020, the North Harris County Regional Water Authority (the "Authority") increased its groundwater pumpage fee from \$3.85 to \$4.25 per 1,000 gallons. After discussion, it was moved by Director Adamek, seconded by Director Palermo, and passed unanimously, that the District's Rate Order be amended to 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 be effective July 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.

OTHER MATTERS

Additional discussion ensued regarding the replacement of the pedestrian gate that was discussed earlier in the meeting. In connection therewith, Director Palermo informed the Board that he received email communications from an HOA representative that the HOA was only amenable to paying fifty percent (50%) of the repair cost for the gate controller and not the gate itself. Director Adamek then recommended that the District pay for the entire repair cost for the pedestrian gate. After discussion, Director Adamek moved that (i) the District's previous

authorization for MAC to issue a check to the HOA for fifty (50%) of the repair costs be revoked and (ii) MAC be authorized to issue a check to the HOA in the total amount of \$3,275.00 to cover the entire cost for the repair of the pedestrian gate. Director Palermo seconded the motion, which carried unanimously.

COMMUNICATIONS

The Board next discussed District communications. Mr. Herzog presented to and reviewed with the Board a Communications Meeting Report, a copy of which report is attached hereto as **Exhibit H**.

ATTORNEY'S REPORT

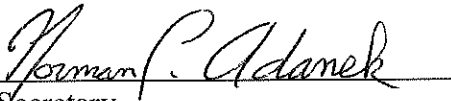
Mr. Barker advised the Board that he had nothing more of a legal nature to report at this time.

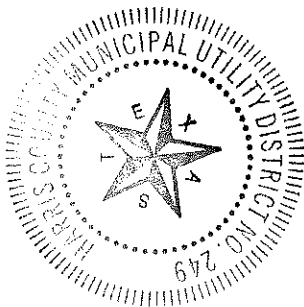
CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND/OR SECTION 551.072

The Board deferred convening in closed session at this time.

ADJOURN

There being no further business to come before the Board, upon motion duly made by Director Palermo seconded by Director Adamek 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 – Operator's Report
- Exhibit H – Communications Meeting Report