

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors August 17, 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 August 17, 2017, 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

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

Also present were John Davis of Langford Engineering, Inc. ("Langford"); Damon Brown and Bart Downum 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"); Blake Kridel of Storm Water Solutions, LP ("SWS"); District residents Cindy Adamek and James McConville; Christie Leighton of Best Trash ("BT"); and Rick Barker of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom entered the meeting following the call to 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.

MINUTES

The Board first reviewed the draft minutes of its meeting held on July 20, 2017. After discussion of the minutes presented, Director Stage moved that the July 20, 2017, minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Ms. Leighton addressed the Board and inquired whether the Board had any concerns to be addressed regarding solid waste collection and recycling services provided by BT. The Board noted that it was satisfied with BT's services at this time. Ms. Leighton then reminded the Board that it previously inquired regarding recycling utilization trends within the District and presented and reviewed a recycling report in connection therewith, a copy of which recycling report is attached hereto as **Exhibit A**. A discussion then ensued regarding same.

Mr. McConville next addressed the Board regarding a pot hole located at Lexington Boulevard and Louetta Road. The Board informed Mr. McConville that the streets are maintained by Harris County and that he would need to contact Harris County Precinct 4

regarding the repair of said pot hole. Mr. McConville then expressed his appreciation to the Board for re-painting the fire hydrants within the District.

DISTRICT SECURITY ISSUES

The Board next considered the report regarding District security issues. Mr. Barker distributed the Harris County Sheriff's Office security report for July 2017, a copy of which is attached hereto as **Exhibit B**. It was noted that the Harris County Sheriff's Office will be increasing its contract rate by three (3) percent next year.

RECEIVE FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION

The Board deferred consideration of the financial advisor's 2017 tax recommendation until next month's meeting pending receipt of the certified tax roll from the Harris County Appraisal District.

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 July 2017, a copy of which report is attached hereto as **Exhibit C**. 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.

DELINQUENT TAX REPORT

Mr. Barker presented to and reviewed with the Board the Delinquent Tax Report, dated August 17, 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 D**. Mr. Barker noted that no Board action was required with respect to any of the delinquent tax accounts listed in the report.

Mr. Murr entered the meeting at this time.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated August 17, 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 July 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 E**. After discussion, it was moved by Director Hodge that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check no. 7277 issued to Director Moore, which was voided. 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 MAC, relative to the District's various funds and accounts for the reporting period ending June 30, 2017, a copy of which report is included with **Exhibit E**. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Hodge, seconded by Director Adamek 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.

LANDSCAPING WITHIN THE DISTRICT

The Board next discussed landscaping within the District. In connection therewith, Mr. Murr presented a verbal report on the status of various landscaping projects in the District. Director Adamek informed Mr. Murr that a member someone has planted iron plants on District property without authorization and requested that MI remove said iron plants accordingly. Mr. Murr concurred with the request.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Kridel presented to and reviewed with the Board a Drainage Facilities Report prepared by SWS, a copy of which is attached hereto as **Exhibit F**. It was noted that no repairs were being recommended at this time.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated August 17, 2017, a copy of which report is attached hereto as **Exhibit G**, relative to the status of various projects within the District.

Mr. Davis next requested that the Board consider authorizing Langford to (i) advertise for bids for the Bayer Park lift station and Northland Shopping Center lift station subject to approval and execution of the Interlocal Agreement between the District and Harris County and (ii) file an application with the Texas Commission on Environmental Quality ("TCEQ") for renewal of the Waste Discharge Permit for the Northland Wastewater Treatment Plant. After discussion, the Director Adamek moved that Langford be authorized to (i) advertise for bids for the Bayer Park lift station and Northland Shopping Center lift station subject to approval and execution of the Interlocal Agreement between the District and Harris County and (ii) file an application with the TCEQ for renewal of the Waste Discharge Permit for the Northland Wastewater Treatment Plant. Director Stage seconded the motion, which carried unanimously. Director Stage seconded the motion, which carried unanimously.

RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT

The Board next considered the status of the District's application to the TCEQ for the renewal of the District's Waste Discharge Permit due to expire February 1, 2018. Mr. Davis informed the Board that said application is complete and has been submitted to the TCEQ for review.

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. Barker 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. Barker reminded the Board that, as previously authorized, SPH prepared and forwarded a letter (the "Demand Letter") to Quadvest on the District's behalf demanding Quadvest provide additional information and execute the proposed Agreement or the District would move forward with the disconnection of the interconnect facilities. Mr. Barker noted that no information or executed Agreement had been received to date. After discussion on the matter, Director Palermo moved to authorize SPH to move forward with the disconnection of the interconnect facilities in accordance with the Demand Letter. Director Adamek seconded the motion, which carried unanimously.

OPERATIONS AND MAINTENANCE REPORT

The Board next considered the Operations and Maintenance Report. Mr. Downum presented to and reviewed in detail with the Board a written Operator's Report prepared by EDP, dated as of August 17, 2017; a copy of the report is attached hereto as **Exhibit H**.

Mr. Downum next recommended that the Board consider authorizing EDP to move six (6) delinquent accounts in the total amount of \$891.68 to the uncollectible roll, such accounts being listed on the Write-Off Report, a copy of which is included with **Exhibit H**. After discussion on the matter, Director Adamek moved that such accounts be moved to the uncollectible roll as recommended by Mr. Downum. Director Stage seconded the motion, which carried unanimously.

Director Adamek distributed to the Board pictures of sidewalks within the District, portions of which have begun to sink. Copies of these pictures are included in **Exhibit H**. Mr. Davis noted that the District is only responsible for repair of the sidewalks if the sinking is related to the Sanitary Sewer facilities beneath them. Director Adamek requested that EDP investigate further. Mr. Downum concurred with such request.

RESOLUTION APPROVING TREASURY MANAGEMENT SERVICES AND AUTHORIZING OPERATOR

Mr. Barker next informed the Board that EDP has been working with Compass Bank ("Compass") to transfer their paper lock box program from their current bank and noted that Compass will not allow EDP to make that change until it receives resolutions from the underlying districts authorizing EDP to participate in treasury management services with Compass. In connection therewith, Mr. Barker presented to and reviewed with the Board a

Resolution Approving Treasury Management Services and Authorizing Operator, a copy of which Resolution is attached hereto as **Exhibit I**. After discussion on the matter, Director Palermo moved that said Resolution be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Hodge seconded the motion, which carried unanimously.

STRATEGIC PLANNING

There next ensued a discussion regarding the term of the District's Strategic Partnership Agreement with the City of Houston and the effects of the prospective expiration of said agreement. No action was taken by the Board.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board concurred to convene in Closed Session at 8:34 p.m., as authorized pursuant to Texas Government Code Section 551.072. Those in attendance, with the exception of the Board and Mr. Barker, exited at this time.

At 8:59 p.m., the Board concurred to reconvene in public session.

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. Barker advised the Board that MAC recently moved their offices and requested that the Board consider authorizing SPH to submit an updated District Registration Form to the TCEQ in connection therewith. Following discussion, the Board concurred that SPH be authorized to complete the District Registration Form, as discussed above, and file same with the TCEQ.

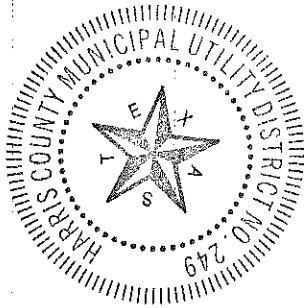
Mr. Barker next informed the Board that a Public Information Act request was recently received from Residential Recycling and Refuse to be provided with a copy of the District's current contract with Best Trash and noted that SPH responded to said request on the District's behalf accordingly.

Mr. Barker next presented to and reviewed with the Board a brochure received from McCall Gibson Swedlund Barfoot PLLC regarding an Investment Training to be held October 21, 2017, a copy of which brochure is attached hereto as **Exhibit J**.

ADJOURN

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


Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Recycling report by Best Trash
- Exhibit B – Security Report
- Exhibit C – Tax Assessor-Collector's Report
- Exhibit D – Delinquent Tax Report
- Exhibit E – Bookkeeper's Report
- Exhibit F – Drainage Facilities Report
- Exhibit G – Engineer's Report
- Exhibit H – Operations and Maintenance Report
- Exhibit I – Resolution Approving Treasury Management Services and Authorizing Operator
- Exhibit J – Investment Training brochure