

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors January 16, 2020

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 January 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  
Diana Moore, Secretary  
Willie Hodge, Assistant Secretary  
Norman Adamek, Assistant Secretary

and all of said persons were present, except Directors Palermo and 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"); Dietra Bonds and Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MAC"); Odett McMullen of Bob Leared Interests, Inc. ("BLI"); Michael Willett of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Christie Leighton of Best Trash ("BT"); Cindy Adamek, a resident of the District; and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom entered the meeting after 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.

### **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.

### **MINUTES**

The Board next reviewed the draft minutes of its meeting held on December 19, 2019. After discussion of the minutes presented, Director Adamek moved that said minutes be approved, as written. Director Stage 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 December 2019, a copy of which report is attached hereto as **Exhibit A**.

## **SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

Mr. Skinner next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Skinner then recommended that the District consider engaging the District's auditor, Mark C. Eyring, PLLC ("Eyring"), for the preparation and submission of the required information. Following discussion, Director Adamek moved, Director Hodge seconded and it was unanimously carried, that Eyring be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

## **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 December 2019, a copy of which report is attached hereto as **Exhibit B**. After discussion of the report presented, Director Hodge 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 Stage seconded said motion, which unanimously carried.

Mr. Murr entered the meeting at this time.

## **DELINQUENT TAX REPORT**

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated January 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. Skinner noted that no Board action was necessary in connection with any of the accounts reflected in the Report.

## **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Mr. Skinner next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2020, and the District may also exempt residential homesteads of persons who are under a disability for

purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2020, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Adamek moved that the District (i) grant the residential homestead exemption of 20%, but not less than \$5,000, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$25,000 from ad valorem taxes levied by the District during the calendar year 2020, and that the Resolution Concerning Exemptions from Taxation attached hereto as **Exhibit D** relative to same be approved and adopted by the Board and the District. Director Stage seconded said motion, which carried unanimously.

### **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit E**. Mr. Skinner advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Adamek, seconded by Director Stage and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board.

### **BOOKKEEPER'S REPORT**

Ms. Bonds next presented to and reviewed with the Board the Bookkeeper's Report, dated January 16, 2020, a copy of which is attached hereto as **Exhibit F**. 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. 8200 and 8202 issued to Directors Moore and Palermo, respectively, which were voided. Director Adamek seconded the motion, which carried unanimously.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Skinner advised that, pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. He presented and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District along with a list of financial institutions, brokers and dealers attached thereto, together with a comparison to the list previously adopted by the Board, copies of which are attached hereto as **Exhibit G**. Mr. Skinner further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director

Adamek moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District and (ii) that the Vice President and Assistant Secretary be authorized to execute same. Director Hodge seconded said motion, which unanimously carried.

### **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.

A discussion next ensued regarding possible solutions for the erosion occurring within the Spring Lakes Subdivision.

In connection therewith, with Murr recommended grading the area, adding additional topsoil, and planting St. Augustine grass. After further discussion, the Board deferred taking any action at this time.

A discussion next ensued regarding the planting locations for the trees recently delivered by Trees for Houston. In connection therewith, the Board instructed Mr. Murr to plant such trees along the District's drainage channel and behind the apartment complex located with the District.

### **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 SPH previously prepared the revised Agreement and provided same to ESD No. 7 for review and that ESD No. 7 requested the plans be revised, and that such revisions were made. Mr. Skinner additionally reminded the Board that it has come to SPH's attention that ESD No. 7 has hired a contractor by the name of Next Generation Landscaping and Lighting, without the District's consent, to perform the rehabilitation and that the work has commenced. Mr. Skinner then advised the Board that, as previously requested, SPH has contacted ESD 7 requesting payment for the costs of creating and revising the plans. The Board then requested that Mr. Murr inspect what ESD No. 7's contractor has planted and make any necessary recommendations at the next Board meeting.

### **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 January 16, 2020, a copy of which report is attached hereto as **Exhibit H**, relative to the status of various projects within the District.

## **UTILITY CAPACITY REQUESTS**

Mr. Skinner reminded the Board that it previously approved a Utility Commitment to Lone Star College ("LSC") relative to an approximately 19.810 acre tract (previously known as the Home of Hope Tract) and that said Utility Commitment has been executed and returned by LSC. Mr. Davis then updated the Board on various matters related thereto.

## **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 January 16, 2020; a copy of the report is attached hereto as **Exhibit I**.

Mr. Skinner next advised the Board that correspondence was recently received from the North Harris County Regional Water Authority ("Authority") advising that effective April 1, 2020, the Authority will increase its groundwater pumpage fee from \$3.85 to \$4.25 per 1,000 gallons. Mr. Skinner noted that an item will be added to the District's March 2020 agenda to consider an amendment to the District's Rate Order in connection with said fee increase.

## **CONSUMER CONFIDENCE REPORT**

The Board next considered authorizing EDP to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports. Mr. Skinner advised the Board that, pursuant to Consumer Confidence Report requirements promulgated by the United States Environmental Protection Agency, the District is required to provide, by April 2020, a report containing various information regarding the District's water supply to any other water supplier which has received water from the District through an interconnect. After discussion on the matter, Director Hodge moved that the Board authorize EDP to provide the required information as set forth hereinabove. Director Stage seconded said motion, which carried unanimously.

## **WEBSITE PROVIDER**

The Board next discussed the District's website. Mr. Willett presented to and reviewed with the Board a Communications Meeting Report, a copy of which Report is attached hereto as **Exhibit J**.

## **ATTORNEY'S REPORT**

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

## **RENEWAL OF DISTRICT INSURANCE POLICIES**

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. Mr. Skinner advised the Board that the District's current policies

are brokered through Arthur J. Gallagher f/k/a AquaSurance, LLC ("Gallagher"), and will expire on March 31, 2020. After discussion, Director Adamek moved that SPH be authorized to solicit an insurance renewal proposal from Gallagher for the Board's consideration at the next meeting. Director Stage seconded the motion, which carried unanimously.

### **SUPPLEMENTAL AGENDA**

The Board considered the calling of a Directors Election in accordance with the requirements of the Texas Water Code. There was presented the Order Calling Directors Election (the "Order"), attached hereto as **Exhibit K**, calling such election to be held on May 2, 2020. It was noted that the terms of office of Directors Stage, Moore and Hodge expire in May of this year. In reviewing the Order with the Board, Mr. Skinner advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Directors Election, and that the Order named Maranda Lawson as such agent (the "Election Agent"). Mr. Skinner further advised the Board that notice of the Directors Election must be given in accordance with the requirements of the Texas Election Code, and that the Order provides for such notice to be given by posting same at the locations where notice of meetings of the Board are posted. After discussion on the matter, Director Adamek moved that said Order be passed and adopted, that the Vice President and Assistant Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Directors Election in accordance with the Order. Director Moore seconded said motion, which unanimously carried. Mr. Skinner advised the Board that, in accordance with the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 21, 2020, and the Board of the District thereafter adopts an order declaring such unopposed candidates elected.

The Board considered the establishment of fees to be paid to officials for the Directors Election. Mr. Skinner advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Hodge moved that the judges and clerks for the Directors Election, including early voting clerks, be paid \$40.00 per hour. Director Adamek seconded said motion, which unanimously carried.

### **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 Adamek, seconded by Director Stage and carried unanimously, the meeting was adjourned.

/s/ Norman Adamek \_\_\_\_\_  
Assistant Secretary

## **LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A – Security Report
- Exhibit B – Tax Assessor-Collector's Report
- Exhibit C – Delinquent Tax Report
- Exhibit D – Resolution Concerning Exemptions from Taxation
- Exhibit E – Resolution Authorizing An Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F – Bookkeeper's Report
- Exhibit G - Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, with list of qualified brokers
- Exhibit H – Engineer's Report
- Exhibit I – Operator's Report
- Exhibit J – Communications Meeting Report
- Exhibit K – Order Calling Directors Election