

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
January 21, 2021

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 January 21, 2021, 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
Willie Hodge, Vice President
Norman Adamek, Secretary
Michael Guillory, Assistant Secretary
Diana Moore, Assistant Secretary

all of whom participated in the meeting via telephone conference call, except Director Moore, 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 of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, James McConville and Doreen Wells, residents of the District; and Christopher Skinner and Rick Barker 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.

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. Lastly, Mr. Skinner conducted a full roll call of all meeting participants 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 December 17, 2020. After discussion of the minutes presented, Director Adamek moved that said minutes be approved, as written. Director Guillory seconded said motion, which carried unanimously.

DISTRICT SECURITY

The Board next considered the report regarding District security matters. Mr. Skinner discussed the Harris County Sheriff's Office ("HCSO") security patrol report for December 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 December 2020, a copy of which report is attached hereto as **Exhibit B**. After discussion of the report presented, Director Adamek 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 Guillory seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated January 21, 2021, 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 REQUESTING APPRAISAL OF PROPERTY

The Board consider the approval of a Resolution Requesting Appraisal of Property as of January 1, 2021, a copy of which resolution is attached hereto as **Exhibit D**. After discussion,, Director Adamek moved that the Resolution be adopted and that the President be authorized to execute same on behalf of the Board and the District. Director Guillory seconded said motion, which unanimously carried.

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 calendar year 2021, 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 2021, 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% of market value, 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 2021, and that the Resolution Concerning Exemptions from Taxation attached hereto as **Exhibit E** relative to same be approved and adopted by the Board and the District. Director Guillory 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 F**. 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 Guillory and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board.

Ms. McMullen exited the meeting at this time.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Skinner next informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas 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 Guillory 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.

BOOKKEEPER'S REPORT

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated January 21, 2021, a copy of which report is attached hereto as **Exhibit G**. A discussion ensued regarding check no. 3556 issued to AT&T and the validity of AT&T's invoicing. Mr. Thiry informed the Board that he would contact AT&T regarding the invoices. After discussion, it was moved by Director Adamek that: (i) the Bookkeeper's Report be approved and that the

disbursements identified therein be authorized for payment, except for check no. 3556, (ii) EDP be instructed to contact AT&T regarding the invoices discussed above, and report to Director Palermo the result of such contact, and (iii) the Board delegate authority to Director Palermo to determine on the District's behalf whether said AT&T invoices should be paid, and instruct MAC accordingly regarding the issuance of check no. 3556 payable to AT&T. Director Guillory seconded the motion, which carried unanimously.

RATIFICATION OF APPROVAL OF ANNUAL BUDGETS

The Board considered ratification of its prior action relative to the approval of annual budgets for the General Operating Fund and the Sewage Treatment Plant Operations Account for the fiscal year ending December 31, 2021. Mr. Skinner reminded the Board that, at its last meeting, the Board approved such annual budgets. However, due to an error, the review and approval of those budgets was not on the agenda for such meeting. After discussion, Director Adamek moved that the Board's prior action of approving the annual budgets be ratified and approved in all respects. Director Guillory 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 H**. 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) the President and Secretary be authorized to execute same. Director Guillory 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 status report on various landscaping projects within the District. In connection therewith, Mr. Murr reported that the landscaping located in the roadway medians in several areas within the District was in need of maintenance, and requested that the Board authorize MI to perform such maintenance. After discussion, Director Adamek moved that MI be authorized to perform the maintenance of the landscaping, as requested. Director Guillory seconded the motion, which carried unanimously.

Mr. Skinner next presented to and reviewed with the Board a draft Interlocal Agreement between the District and Lone Star College ("LSC") for the planting of trees in accordance with the proposed landscaping design plan prepared by MI. Mr. Skinner noted that said Agreement has not yet been reviewed and approved by LSC. After discussion, Director Adamek moved that said Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District, subject to approval and execution of said Agreement by LSC. Director Guillory, seconded the motion, which carried unanimously.

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 next presented to and reviewed with the Board the Engineering Report, dated January 21, 2021, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District. Mr. Davis recommended closing the emergency interconnect currently being used by Splashtown on February 8, 2021. After discussion, the Board concurred that Langford be authorized to contact Splashtown to get their current plan of action regarding the need for further emergency water supply.

DRAINAGE EASEMENT LOCATED ON HOMEOWNERS ASSOCIATION'S PROPERTY

A discussion next ensued regarding the Harris County drainage easement extending into the District's Water Plant site. In connection therewith, Mr. Davis reminded the Board that Langford was able to obtain documentation confirming that said easement belongs to the County. No action was taken by the Board at this time.

PROPOSED BOND ISSUE

Mr. Davis informed the Board that, as previously authorized, Langford is in the process of preparing the Bond Application Report for the proposed Series 2021 bond issue and will provide a draft of same to SPH for review upon completion.

INTERLOCAL AGREEMENT (REMOVAL OF BERM)

The Board deferred the approval and execution of an Interlocal Agreement among 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 (LEMM GULLY STORMWATER DETENTION BASIN PROJECT)

Mr. Skinner reminded the Board that at the last meeting, it approved a revised draft Interlocal Agreement between the District and Harris County Flood Control District ("HCFCD") for the Lemm Gully stormwater detention basin project. Mr. Davis then updated the Board regarding the status of Harris County's approval of same.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred the issuance of utility commitments, as no requests for same had been received.

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 January 21, 2021; a copy of the report is attached hereto as **Exhibit J**. Mr. Thiry reported that EDP is requesting authorization to write off three (3) accounts totaling \$595.41 as uncollectible. After discussion, Director Adamek moved that EDP be authorized to write off the accounts, as requested. Director Palermo seconded the motion, which carried unanimously.

Mr. Thiry next presented to and reviewed with the Board e-mail correspondence received from District resident Mr. Jason Anderson of 25819 Austin Springs requesting an adjustment to his water bill due to unusually high water usage, a copy of which correspondence is included with **Exhibit J**. After discussion on the matter, Director Adamek moved that said request be denied and that EDP be authorized to advise Mr. Anderson of the Board's decision. Director Guillory seconded the motion, which carried unanimously.

CONSUMER CONFIDENCE REPORT

The Board next considered authorizing EDP to provide required information relative to Consumer Confidence Reports to any district that received water from the District during the prior calendar year. 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 1, 2021, 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 Adamek moved that the Board authorize EDP to provide the required information as set forth hereinabove. Director Guillory seconded said motion, which carried unanimously.

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 ("Gallagher"), and will expire on March 31, 2021.

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 Guillory seconded the motion, which carried unanimously.

COMMUNICATIONS REPORT

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

ATTORNEY'S REPORT


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

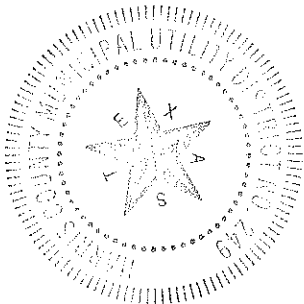
CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND/OR SECTION 551.072

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 Adamek, seconded by Director Guillory 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 Resolution Requesting Appraisal of Property
- Exhibit E Resolution Concerning Exemptions from Taxation
- Exhibit F Resolution Authorizing An Additional Penalty on Delinquent Personal Property Taxes
- Exhibit G Bookkeeper's Report
- Exhibit H Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, with list of qualified brokers
- Exhibit I Engineer's Report
- Exhibit J Operator's Report
- Exhibit K Communications Meeting Report