

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
April 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 April 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

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 of Touchstone District Services, LLC ("Touchstone"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("MCE"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, James McConville and Doreen Wells, residents of the District; Todd Edmonds and Cody Christoph of Colliers International Houston, Inc. ("Colliers"); and Christopher Skinner, Rick Barker and Gordon Cranmer of Schwartz, Page & Harding, L.L.P. ("SPH"), some of who joined 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.

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 March 26, 2020. After discussion of the minutes presented, Director Stage moved that said minutes be approved, as written. Director Moore 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 March 2020, a copy of which report is attached hereto as **Exhibit A**.

AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2019

Mr. Eyring presented to and reviewed with the Board a draft of the District's audit report prepared for the fiscal year ended December 31, 2019; a copy of the draft report is attached hereto as **Exhibit B**. Mr. Eyring stated that he was presenting a clean audit opinion and noted that no material weakness or significant deficiencies in the system of internal controls were detected during MCE's audit. After discussion concerning the audit presented, Director Stage moved that the audit report for the fiscal year ended December 31, 2019, be approved subject to comment from the District's consultants, that the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality (the "TCEQ"). Director Moore seconded said motion, which unanimously carried.

CONTINUING DISCLOSURE REPORT

Mr. Skinner requested that the Board consider authorizing McCall, Parkhurst & Horton L.L.P. ("McCall"), the District's disclosure counsel, to file the District's annual continuing disclosure report upon completion of the audit report prior to the June 30, 2020, deadline. After discussion, upon motion duly made by Director Stage, seconded by Director Moore and unanimously carried, McCall was authorized to file said report prior to the June 30, 2020, deadline.

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 March 2020, a copy of which report is attached hereto as **Exhibit C**. After discussion of the report presented, Director Stage 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 Moore seconded said motion, which unanimously carried.

Ms. McMullen next informed the Board that Mr. Ike Darniel who resides at 25823 Sarah Springs Court, located within the District, has requested that the District consider granting him a payment plan for his delinquent 2019 taxes. She noted that Mr. Darniel currently has a payment plan in place for his delinquent 2018 taxes and that he will be making his final payment for said payment plan at the end of this month. After discussion, Director Adamek moved that the Board grant Mr. Darniel's request for a payment plan for his delinquent 2019 taxes, subject to said taxes being paid in full by January 31, 2021. Director Stage seconded the motion, which carried unanimously.

Mr. Edmonds joined the meeting during the Tax Assessor-Collectors Report.

DELINQUENT TAX REPORT

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

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit E**. Mr. Skinner advised that the District is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Stage, seconded by Director Moore and unanimously carried, that the attached Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes be adopted by the Board, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District.

BOOKKEEPER'S REPORT

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated April 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 disbursements identified therein be authorized for payment. Director Moore seconded the motion, which carried unanimously.

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**. Mr. Murr informed the Board that he recommends pulling all of the roses from the esplanades and replace them with drift roses. After discussion, Director Adamek moved that MI be authorized to pull and replace the roses in the esplanades and replace same with drift roses at a cost not to exceed \$1,000. Director Palermo seconded the motion, which carried unanimously.

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. After further discussion, the Board concurred that SPH cease all efforts to collect the outstanding payment from ESD No. 7 on the District's behalf.

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 April 16, 2020, a copy of which report is attached hereto as **Exhibit H**, relative to the status of various projects within the District. It was noted that no action was being requested at this time with respect to any items listed on the report.

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, the District's utility facilities which qualify for critical load status. After discussion on the Board concurred that EDP be authorized to make such annual filings on behalf of the District. Mr. Thiry then advised the Board that EDP has completed said submission on the District's behalf.

INTERLOCAL AGREEMENT

Mr. Skinner next presented to and reviewed with the Board a draft 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. After discussion, the Board deferred taking any action at this time.

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

Mr. Thiry next requested authorization to rent two generators during the 2020 hurricane season. He noted that one generator will service Wastewater Treatment Plant No. 1 at a cost of \$2,160 per month, and the other will service Lift Station No. 3 at a cost of \$1,062 per month. After discussion, Director Adamek moved that EDP be authorized to rent the generators for (i) Wastewater Treatment Plant No. 1 at a cost of \$2,160 per month, and (ii) Lift Station No. 3 at a cost of \$1,062 per month. Director Moore seconded the motion, which carried unanimously.

ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

The Board next considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Thiry presented EDP's annual report regarding administration of the Program, a copy of which report is included with **Exhibit I**, and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Mr. Thiry recommended that no changes be made to the Program. After discussion the Board concurred that no changes be made to the Program at this time.

AUTHORIZATION OF CONSUMER CONFIDENCE REPORT

The Board considered authorizing EDP to prepare the District's Consumer Confidence Report ("CCR") in the format promulgated by the TCEQ. Mr. Skinner advised the Board that, pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2020. After discussion, Director Stage moved that EDP be authorized prepare the CCR for the Board's review and approval at the next meeting. Director Moore seconded the motion, which carried unanimously.

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 J**. It was noted that no action was being requested at this time.

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

At 8:00 p.m., Director Palermo moved that the Board convene in Closed, as authorized pursuant to Texas Government Code Section 551.071 and/or Section 551.072. Director Hodge seconded the motion, which carried unanimously. Those in attendance, with the exception of the

Board, Mr. Skinner, Mr. Barker, Mr. Christoph and Mr. Edmonds, exited the meeting at this time.

At 8:50 p.m., Director Palermo moved that the Board reconvene in Open session. Director Moore seconded the motion, which carried unanimously.

Director Hodge exited the meeting at this time and Ms. Adamek re-joined the meeting at this time.

ENGAGEMENT OF COLLIERS

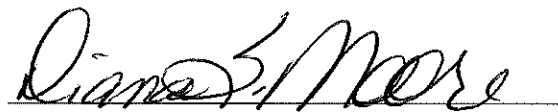
The Board next considered engaging Colliers for representation of the District in connection with the possible acquisition of certain properties in the District. Mr. Skinner presented an Exclusive Representation Agreement (the "Agreement") from Colliers related to same. After discussion, Director Stage moved that the Agreement be approved, that the Texas Ethics Commission Form (the "TEC") 1295 submitted by Colliers relative to same be accepted by the District, and that SPH be authorized to acknowledge the District's receipt of same with the TEC.. Director Moore seconded the motion, which carried unanimously.

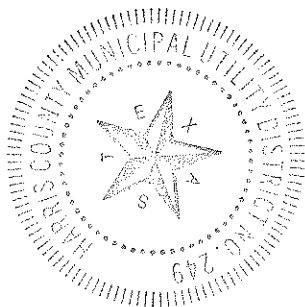
CONTRACT FOR PURCHASE OF PROPERTY

Mr. Skinner next presented to and reviewed with the Board a Commercial Contract – Unimproved Property (the "Contract") prepared by Colliers for the purchase of property for the proposed Remote Water Well site. After discussion, Director Stage moved that the Contract be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Moore seconded the motion, which carried unanimously.

ADJOURN

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


Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Security Report

Exhibit B – Audit Report; Management Letter

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes

Exhibit F – Bookkeeper's Report

Exhibit G – Progress Report-Landscape Projects

Exhibit H – Engineer's Report

Exhibit I – Operator's Report

Exhibit J – Communications Meeting Report