

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Special Meeting of Board of Directors March 11, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met in special session, open to the public on March 11, 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, 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 Murr of Murr Incorporated ("MI"), Christine Crotwell of Masterson Advisors LLC ("Masterson"); Cindy Adamek, a resident of the District; and Christopher Skinner and Maranda Lawson 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.

## **AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

The Board deferred the review and approval of the District's audit report for the fiscal year ended December 31, 2020, after noting that said audit report was still being prepared.

## **CONTINUING DISCLOSURE REPORT**

The Board deferred consideration of the status of the District's continuing disclosure report due June 30, 2021.

## **MINUTES**

The Board next reviewed the draft minutes of its meetings held on February 25, 2021. After discussion of the minutes presented, Director Hodge moved that said minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

## **LANDSCAPING WITHIN THE DISTRICT**

The Board next discussed landscaping within the District. Mr. Murr presented a verbal status report on various landscaping projects within the District. In connection therewith, Mr. Murr advised the Board that he is in the process of assessing any tree damage that may have been caused during the recent winter storm event and that he will prepare a report for the Board's review at the next meeting.

Mr. Murr informed the Board that it is his understanding that the Interlocal Agreement with Lone Star College is on the Chancellor's desk for signature and may be executed as soon as tomorrow. He noted that, MI should be able to plant the trees within a week of execution.

Mr. Murr exited the meeting at this time.

## **PROPOSED 2021 REFUNDING**

Ms. Crotwell discussed with the Board a potential refunding of a portion of the District's Series 2012 Unlimited Tax Refunding Bonds and 2013 Unlimited Tax Refunding Bonds and presented and reviewed a preliminary financing plan for the proposed refunding, a copy of which preliminary numbers is attached hereto as **Exhibit A**. After discussion, the Board concurred to move forward with the proposed refunding and requested that all necessary action items be placed on the next Board meeting agenda.

Ms. Crotwell exited the meeting at this time.

## **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 February 2021, a copy of which report is attached hereto as **Exhibit B**. Director Adamek informed the Board

that he recently sent email correspondence to the HCSO Sergeant coordinator for the District regarding the replacement of the deputy who patrols the District in the morning and noted that he is still waiting for a response.

### **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 February 2021, a copy of which report is attached hereto as **Exhibit C**. 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 Adamek seconded said motion, which unanimously carried.

### **DELINQUENT TAX REPORT**

Mr. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated March 11, 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 D**. Mr. Skinner 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 March 11, 2021, a copy of which report is attached hereto as **Exhibit E**. After discussion, it was moved by Director Hodge 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.

### **UNCLAIMED PROPERTY REPORT**

The Board considered authorizing the preparation of an Unclaimed Property Report as of March 1, 2021, which is to be filed with the State Comptroller prior to July 1, 2021. After discussion on the matter, Director Hodge moved that the District's consultants be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's approval, and that the District's Bookkeeper file the approved report with the State Comptroller prior to July 1, 2021. Director Adamek seconded said motion, which unanimously carried.

### **DETENTION AND DRAINAGE FACILITIES REPORT**

The Board deferred consideration of a Drainage Facilities Report after noting that no representative of Storm Water Solutions, LP was present at the meeting.

## **ENGINEERING REPORT**

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated March 11, 2021, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District. Mr. Davis informed the Board that a request had been received for 100,000 gallons per day of water and associated sanitary sewer service for a manufacturing building located outside the District's boundaries on Whitewood Drive. After discussion, the Board concurred that it is not interested in providing said service at this time.

## **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, its facilities which qualify for critical load status. After discussion on the matter, Director Hodge moved that EDP be authorized to make such annual filings on behalf of the District. Director Adamek seconded the motion, which carried unanimously.

## **PROPOSED ANNEXATION OF AND/OR PROVISION OF PERMANENT WATER AND SEWER SERVICE TO SIX FLAGS HURRICAN HARBOR SPLASHTOWN ("SPLASHTOWN")**

The Board deferred discussion regarding the proposed annexation and/or provision of permanent water and sewer service to Splashtown until later in the meeting.

## **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 has prepared the Bond Application Report for the District's proposed Series 2021 bond issue and provided a draft of same to SPH and the District's financial advisor for review.

## **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 it previously 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 March 11, 2021; a copy of the report is attached hereto as **Exhibit G**.

Mr. Thiry next discussed with the Board the status of EDP's research regarding the validity of the recent invoices received from AT&T for the Northland Shopping Center. Mr. Thiry informed the Board that he contacted AT&T regarding the invoices and advised that AT&T is removing the late fees and the sales tax from the invoices and is going to commence invoicing on a monthly basis. He then informed the Board that AT&T has advised that a payment needs to be made or the account will be turned over to collections. Mr. Thiry advised the Board that EDP has calculated the current past due payment amount, excluding late fees and sales taxes, of \$1,235.12. He advised that, although EDP is still in negotiations with AT&T concerning these invoices, EDP recommends that the Board :(i) authorize MAC to void the check that was previously issued for payment to AT&T and (ii) authorize EDP to make a payment to AT&T in the amount of \$1,235.12 on the District's behalf and back-charge the District accordingly. After discussion, it was moved by Director Hodge that: (i) MAC be authorized to void the check that was previously issued for payment to AT&T and (ii) EDP be authorized to make a payment to AT&T in the amount of \$1,235.12 on the District's behalf and back-charge the District accordingly. Director Adamek seconded the motion, which carried unanimously.

Mr. Thiry next informed the Board that the smoke testing of the sanitary sewer system serving the Northland Shopping Center was completed on May 1, 2021. He then advised that North Joint Ventures, LP is in the process of televising its sanitary sewer system and making any necessary repairs at this time. He noted that EDP and Langford are in the process of reviewing some of the televising reports.

Mr. Thiry next informed the Board that EDP has not been inspecting the various grease traps within the Northland Shopping Center annexed area and is recommending that EDP commence inspecting said grease traps on a going forward basis. After the discussion, the Board deferred taking any action and requested that SPH research the matter in further detail.

Mr. Thiry next informed the Board that he recently discovered that EDP was not charging Harris County Emergency Services District No. 7 ("HCESD No. 7") for the inspections of its fire tap that was installed in 2010 pursuant to the District's Rate Order and recently instituted said charge which is approximately \$90.00 per month. He then informed the Board that a representative of HCESD No. 7 recently contacted him regarding said charge and was very upset about the charge and was accusatory towards the District for same. After a lengthy discussion, Director Hodge moved that EDP be authorized to waive said fee for HCESD No. 7 until further notice. Director Adamek seconded the motion, which carried unanimously.

A discussion then ensued regarding the recent winter storm event and the possible suspension of penalties, interest and termination of water service for non-payment of water bills. In connection therewith, Mr. Skinner informed the Board that Harris County has requested that all municipal utility districts grant a waiver of penalties, interest and service terminations due to non-payment until the end of April 2021. Mr. Skinner additionally informed the Board that the North Harris County Regional Water Authority is in the process of implementing a credit system policy in connection with the abnormal water usage that may have occurred due to busted water pipes during the recent winter storm, but noted that said policy has not yet been released. After discussion, the Board concurred that EDP be authorized to continue suspending the accrual of penalties and interest and the termination of service for non-payment of water bills until the District's next Board meeting.

### **WATER LOSS AUDIT**

The Board considered the approval of the 2020 Water Loss Audit. In connection therewith, Mr. Thiry informed the Board that EDP is in the process of completing the Audit. Mr. Skinner then requested that the Board consider approving said Water Loss Audit and authorizing EDP to file same with the Texas Water Development Board by the May 1, 2021, deadline upon completion. After discussion, Director Hodge moved that the Board approve said Water Loss Audit and authorized EDP to file same with the Texas Water Development Board by the May 1, 2021, deadline upon completion. Director Adamek seconded the motion, which carried unanimously.

### **AMENDMENT TO RATE ORDER**

The Board next considered amending the District's Rate Order. Mr. Skinner reminded the Board that, as discussed at the previous meeting, effective April 1, 2021, there will be a CPI rate adjustment for garbage collection, disposal and recycling services by Best Trash, Inc., increasing such rate from \$17.20 to \$17.79 per month for each District customer. Mr. Skinner then advised the Board that, effective April 1, 2021, the North Harris County Regional Water Authority (the "Authority") will increase its groundwater pumpage fee from \$4.25 to \$4.60 per 1,000 gallons. Mr. Thiry then recommended that the Board consider increasing its grease trap inspection fee from \$40.00 to \$50.00. After discussion, it was moved by Director Hodge, seconded by Director Adamek and passed unanimously, that the District's Rate Order be amended to: (i) increase the District's monthly residential sanitary sewer fee from \$27.19 to \$27.78 to account for the CPI rate increase for garbage collection, disposal and recycling

services, (ii) increase the pumpage fee from \$4.38 to \$4.73 for each 1,000 gallons of water billed to each District customer to account for the increase in the fee assessed by the Authority, and (iii) increase the grease trap inspection fee from \$40.00 to \$50.00, with said amended Rate Order to become effective April 1, 2021, 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.

### **COMMUNICATIONS REPORT**

The Board deferred discussion regarding District communications after noting that no representative was present at the meeting.

### **ATTORNEY'S REPORT**

Mr. Skinner informed 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 convened in closed session at 8:07 p.m., as authorized pursuant to Texas Government Code Section 551.071. Those in attendance, with the exception of the Board, Mr. Davis, Mr. Thiry, Mr. Skinner and Ms. Lawson, exited the meeting at this time.

At 9:03 p.m., the Board reconvened in open session. No action was taken by the Board.

### **ADJOURN**

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



  
Secretary

**LIST OF ATTACHMENTS TO MINUTES**

Exhibit A – Preliminary Refunding Numbers

Exhibit B – Security Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Bookkeeper's Report

Exhibit F – Engineer's Report

Exhibit G – Operator's Report