

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors November 15, 2018

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 November 15, 2018, 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 Moore and Hodge, thus constituting a quorum.

Also present were John Davis of Langford Engineering, Inc. ("Langford"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Michael Murr of Murr Incorporated ("MI"); Christie Leighton of Best Trash, LLC ("BT"); Simon Vandyk and Michael Willett of Touchstone District Services, LLC ("Touchstone"); Captain Michael Koterak and Sergeant Raymond Schlowinski of the Harris County Sheriff's Office ("HCSO"); and Christopher T. Skinner 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.

MINUTES

The Board first reviewed the draft minutes of its meeting held on October 18, 2018. After discussion of the minutes presented, Director Palermo moved that the October 18, 2018, minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

BEST TRASH REPORT

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 requested that BT workers be cognizant of recycling waste blowing from the trucks. Ms. Leighton then presented to and reviewed with the Board a recycling status report, a copy of which report is attached hereto as **Exhibit A**. The Board then requested that Touchstone add information to the Districts' website regarding the heavy trash pick-up schedule. The Board also requested that EDP include information concerning BT's services and pick-up schedule with the welcome letters provided to new District customers on a going forward basis.

DISTRICT SECURITY

The Board next considered the report regarding District security matters. Mr. Skinner distributed the HCSO security report for October 2018, a copy of which report is attached hereto as **Exhibit B**. There then ensued a discussion regarding the possibility of adding two (2) additional deputies to the District's contract upon the renewal of said contract. It was noted that it would cost approximately an additional \$80,000 per deputy. Captain Koteris then discussed the HCSO contract with the Board, and noted that March 1, 2019, is the renewal date for the contract, and recommended that the Board prepare and forward correspondence to HCSO as soon as possible requesting the additional deputies be added to the contract upon renewal. No action was taken by the Board at this time.

Ms. Leighton exited the meeting during the above discussion.

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 October 2018, 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 Palermo seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated November 15, 2018, 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. Skinner noted that no action was necessary in connection with the accounts reflected on the Report.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated November 15, 2018, a copy of which is attached hereto as **Exhibit E**. After discussion, it was moved by Director Adamek that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check nos. 7788 and 7791, payable to Directors Moore and Hodge, respectively, which were voided. Director Stage 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 September 30, 2018, 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 Adamek, seconded by Director Stage 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.

Mr. Burton next presented a draft Operating Account budget and a draft budget for the Sewage Treatment Plant Account for the fiscal year ending December 31, 2019, copies of which are included with the Bookkeeper's Report. The Board and its consultants were requested to review the proposed budgets and submit their comments regarding same to the District's bookkeeper in advance of the Board's next meeting.

There next ensued discussion regarding the possibility of adding two (2) additional deputies to the District's contract upon the renewal of said contract. After further discussion, Director Adamek moved that SPH be authorized to prepare and forward correspondence to the HCSO requesting that two (2) additional deputies be added to the District's contract upon renewal thereof. Director Stage seconded the motion, which carried unanimously.

RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board considered the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds (the "Surplus Funds Resolution") in connection with (i) the purchase and installation of a hydromatic submersible pump at Lift Station No. 1 and (ii) the re-installation of lift pump at Lift Station No. 1. After discussion on the matter, Director Adamek moved that the Board adopt the Surplus Funds Resolution, attached hereto as **Exhibit F**, and that the President and Assistant Secretary be authorized to execute same on behalf of the Board and the District. Director Palermo seconded the 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. Mr. Murr informed the Board that the punch list items for the Lexington Landscaping project have been completed. He then reminded the Board that Trees for Houston previously committed to providing additional trees to the District this year and noted that said trees are expected to be delivered next month.

Mr. Murr next presented to and reviewed with the Board Addendum No. 2 to Park Maintenance Agreement between the District and Park Rangers, LLC ("PR") relative to performing maintenance services for the additional esplanades on Lexington Boulevard. After discussion, Director Palermo moved that (i) said Addendum be approved and the President be authorized to execute same on behalf of the Board and the District, and (ii) SPH be authorized to acknowledge the District's receipt of the required Texas Ethics Commission Form 1295 from PR for said Addendum. Director Stage seconded the motion, which carried unanimously.

There next ensued a discussion regarding the planned locations for the next Trees for Houston plantings.

REQUEST FROM HARRIS COUNTY PRECINCT 4

Mr. Skinner informed the Board that Harris County Precinct 4 ("Precinct 4") recently inquired to see if the District would be interested in assuming maintenance responsibility for the landscaping improvements along Spring Cypress Road and discussed same in detail with the Board. After further discussion, the Board concurred that it is not interested in assuming said maintenance responsibilities at this time due to budgetary restraints and requested that SPH prepare and forward correspondence advising Precinct 4 of the Board's decision.

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 presented to and reviewed with the Board the Engineering Report, dated November 15, 2018, a copy of which report is attached hereto as **Exhibit G**, relative to the status of various projects within the District.

Relative to the construction of the Northland Shopping Center Lift Station and Force Main, Mr. Davis presented to and reviewed with the Board Pay Estimate No. 6 in the amount of \$45,792.00 from Desert Eagle, LLC, dba Panorama Construction ("Panorama"), a copy of which is included with **Exhibit G**, and recommended that the Board approve same. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Stage and unanimously carried, that the Board approve Pay Estimate No. 6, as recommended by the District's engineer.

Relative to the construction of the Bayer Park Lift Station and Force Main, Mr. Davis presented to and reviewed with the Board Pay Estimate No. 6 in the amount of \$95,363.40 from Panorama, a copy of which is included with **Exhibit G**, and recommended that the Board approve the payment of same. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Stage and unanimously carried, that the Board approve the payment of said Pay Estimate No. 6, as recommended by the District's engineer.

UTILITY CAPACITY REQUESTS

Mr. Skinner reminded the Board that it previously considered requests to provide water and sanitary sewer capacity for (i) an approximately 3.67 acre tract of land located at the southeast corner of Spring Cypress and Lexington Boulevard, (ii) an approximately 19.810 acre tract (previously known as the Home of Hope Tract), (iii) an approximately 21.4 acre tract (previously known as Choice Tee Property) and (iv) Amegy Bank. In connection therewith, Mr. Davis updated the Board on the various requests. No action was taken by the Board 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 November 15, 2018; a copy of the report is attached hereto as **Exhibit H**.

WEBSITE PROVIDER

The Board next discussed the District's website. Mr. Vandyk presented to and reviewed with the Board a Communication Consulting Monthly Report, a copy of which Report is attached hereto as **Exhibit I**. Mr. Vandyk then discussed website design and organization with the Board and presented and reviewed proposed logo options for the District website. After discussion, Director Palermo moved that (i) logo option no. 2 be approved and (ii) Touchstone be authorized to go live with the District's new website accordingly. Director Adamek seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Skinner reminded the Board that the December 2018 meeting will be held next door at the Best Western Plus located at 353 E. Louetta Road.

EVO REPORT

The Board deferred consultation regarding the District's EVO Report at this time after noting that no representative of Municipal Financial Services was present at the meeting.

EMINENT DOMAIN REPORT

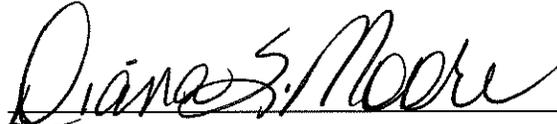
Mr. Skinner reminded the Board that, pursuant to Section 2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are now required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report contains the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Palermo, seconded by Director Adamek and unanimously carried, that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

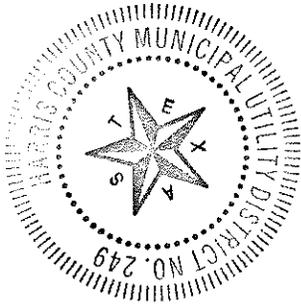
CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072

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 Palermo seconded by Director Stage and carried unanimously, the meeting was adjourned.


Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Recycling report

Exhibit B – Security Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Bookkeeper's Report

Exhibit F – Resolution Authorizing Use of Surplus Construction Funds and Interest
Earned on Construction Funds

Exhibit G – Engineer's Report

Exhibit H – Operator's Report

Exhibit I – Communications Consulting Monthly Report