

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors September 16, 2021

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 September 16, 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

and all of said persons were present, except Director Moore, thus constituting a quorum.

Also present 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"); Ryan Herzog of Touchstone District Services, LLC ("Touchstone"); Christine Crotwell of Masterson Advisors, LLC ("Masterson"); Cindy Adamek, Ron Walker and Stacy Walker, residents 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.

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 August 19, 2021. After discussion of the minutes presented, Director Guillory moved that said minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

DISTRICT SECURITY

The Board next considered the report regarding District security matters. Mr. Skinner presented the Harris County Sheriff's Office ("HCSO") security patrol report for August 2021, a copy of which report is attached hereto as **Exhibit A**.

Mr. Thiry, Mr. Walker and Mrs. Walker each entered the meeting during the above discussion.

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 August 2021, a copy of which report is attached hereto as **Exhibit B**. After discussion, Director Guillory moved that the Tax Assessor-Collector's Report be approved and the disbursements identified therein be approved for payment from the District's tax account. Director Palermo seconded said motion, which carried unanimously.

DELINQUENT TAX REPORT

Mr. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated September 16, 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.

BOOKKEEPER'S REPORT

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated September 16, 2021, a copy of which report is attached hereto as **Exhibit D**. After discussion, it was moved by Director Palermo that the Bookkeeper's Report be approved and that the disbursements identified therein be authorized for payment, except for check no. 8775 issued to Director Moore, which was voided. Director Guillory seconded the motion, which carried unanimously.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2021 TAX RATE

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2021 tax rate and authorization of: (i) the required notice that the Board will consider adoption of a tax rate, and (ii) the means of providing such notice.

Mr. Skinner advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Skinner further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either: (i) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (ii) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting.

Ms. Crotwell then presented to and reviewed with the Board a No Growth Cash Flow Analysis and other materials related to the District's 2021 tax rate recommendation, copies of which are attached hereto as **Exhibit E**. Ms. Crotwell then informed the Board that Masterson is recommending a proposed 2021 debt service tax rate of \$0.39 per \$100 of assessed valuation. There then ensued a discussion regarding the recommended 2021 maintenance tax rate. After discussion on the matter, Director Palermo moved that the Board set a 2021 debt service tax rate of \$0.39 per \$100 of assessed valuation, and a 2021 maintenance tax rate of \$0.38 per \$100 of assessed valuation for a total 2021 tax rate of \$0.77 per \$100 of assessed valuation, and that the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt a 2021 tax rate at its next meeting in the form and at the time required by law. Director Guillory seconded said motion, which unanimously carried.

ARBITRAGE COMPLIANCE

The Board next considered the status of the Final Arbitrage Rebate Calculation Report for the District's \$6,020,000 Unlimited Tax Refunding Bonds, Series 2012 being prepared by Arbitrage Compliance Specialists ("ACS"). Mr. Skinner informed the Board that ACS is in the process of preparing said report at this time.

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 F**.

Mr. Murr next informed the Board that MI has reserved 1,000 trees in the District's name from Trees for Houston. He then discussed with the Board a proposed plan for the planting of trees along Lemm Gully. The Board discussed alternative locations for planting. No action was taken by the Board at this time.

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 September 16, 2021, a copy of which report is attached hereto as **Exhibit G**, relative to the status of various projects within the District. It was noted that no action was being requested of the Board at this time.

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

Mr. Skinner updated the Board regarding the proposed annexation of Splashtown.

STATUS OF FEASIBILITY REPORT FOR 1.5 ACRE TRACT

Mr. Davis next reminded the Board that Langford has been requested to perform a feasibility study for water and sanitary sewer service for a 1.5 acre tract located outside the jurisdictional boundaries of the District on the north side of Spring Cypress Road near the Post Office. He then reminded the Board that, as authorized, Langford informed the property owner that the District would consider providing the requested water and sanitary sewer service if the owner was willing to (i) annex the property into the jurisdictional boundaries of the District, (ii) pay for all the costs associated with the annexation and extension of the applicable water and sanitary sewer lines to service the property, and (iii) enter into a Utility Development Agreement with the District containing certain restrictions regarding the type of development and/or use is permitted on the property. Mr. Davis additionally reminded the Board that, upon receiving this information, the property owner put the project on hold. He noted that there has been no request from the property owner to move forward.

STATUS OF DISTRICT'S \$2,475,000 UNLIMITD TAX BONDS, SERIES 2021A (THE "BOND")

Mr. Skinner reminded the Board that the Bond Application Report ("BAR") for the Bonds was submitted to the Texas Commission on Environmental Quality and was declared to be administratively complete, and is currently under review. In connection therewith, Mr. Davis informed the Board that the sixty-day review process for said BAR expired September 15, 2021, however, no approval has been received to date. He noted that he expects to receive such approval in the near future.

PRELIMINARY OFFICIAL STATEMENT

Ms. Crotwell next presented to and reviewed with the Board a draft Preliminary Official Statement ("POS") and Official Notice of Sale ("NOS") in connection with the proposed sale of the Bonds. Ms. Crotwell then recommended that the sale of the Bonds be scheduled for October 21, 2021, and that the Board approve the POS and authorize issuance of the NOS in accordance with applicable legal requirements, subject to receipt of the required TCEQ approval. After discussion concerning the POS and NOS, Director Guillory moved that such offering documents be approved, completed and distributed in anticipation of the sale of the Bonds, and that such POS be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process, subject to receipt of the required TCEQ approval. The motion was seconded by Director Adamek, and carried by unanimous vote.

AUTHORIZE FINANCIAL ADVISOR TO ADVERTISE FOR SALE OF BONDS

The next item considered by the Board was authorizing the District's Financial Advisor to advertise for the sale of the Bonds. After discussion on the matter, Director Guillory moved that Masterson be authorized to advertise for the sale of the Bonds in accordance with applicable legal requirements, subject to receipt of the required TCEQ approval. Director Adamek seconded said motion, which unanimously carried.

DESIGNATION OF PAYING/AGENT REGISTRAR IN CONNECTION WITH THE BONDS

The Board considered the designation of a Paying/Agent Registrar in connection with the Bonds. After discussion on the matter, Director Guillory moved that Regions Bank be designated as Paying/Agent Registrar in connection with the Bonds. Director Adamek seconded said motion, which unanimously carried.

ATTORNEY GENERAL'S FEES

The Board next considered authorizing the District's bookkeeper to prepare a wire transfer or otherwise arrange for payment of the Attorney General's fees in connection with the review of the transcript of proceedings relative to the Bonds. Mr. Skinner advised that the fee will be \$2,475.00. After discussion on the matter, Director Guillory moved that the District's bookkeeper be authorized to prepare a wire transfer or otherwise arrange for payment in the amount of \$2,475.00 payable to the Attorney General of Texas. Director Adamek seconded said motion, which unanimously carried.

INTERLOCAL AGREEMENT (HAAS DETENTION POND)

Relative to the Interlocal Agreement among the District, Harris County Water Control and Improvement District No. 110 ("No. 110") and Harris County Flood Control District ("HCFCD") for the removal of the berm between detention basins, Mr. Davis informed the Board that said Interlocal Agreement was on the agenda for approval by Harris County Commissioner's Court at its meeting on September 14, 2021, but that he will need to confirm whether it was approved.

INTERLOCAL AGREEMENT (LEMM GULLY STORMWATER DETENTION BASIN PROJECT)

Relative to the Interlocal Agreement between the District and HCFCD for the Lemm Gully stormwater detention basin project, Mr. Davis informed the Board that said Agreement was approved by Harris County Commissioner's Court on August 24, 2021.

Mr. Davis then presented to and reviewed with the Board a draft Easement from the District to HCFCD in relation to the Interlocal Agreement and requested that the Board consider approving said Easement and authorizing the President to execute same on behalf of the Board

and the District, subject to SPH's final review and approval. After discussion, Director Adamek moved that said Easement be approved and that the President be authorized to execute same on behalf of the Board and the District, subject to SPH's final review and approval of same. Director Guillory seconded the motion, which carried unanimously.

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 September 16, 2021; a copy of the report is attached hereto as **Exhibit H**.

Mr. Thiry reminded the Board that the annual testing of the District's fire hydrants has been completed and that, at its last meeting, the Board authorized EDP to move forward with the recommended repairs at an estimated cost of \$16,386.25. Mr. Thiry noted that said repairs are currently underway. Mr. Thiry then discussed the possibility of pressure washing and re-painting the District's fire hydrants. A discussion then ensued regarding the paint color of the fire hydrants. After further discussion on the matter, the concurred that EDP be authorized to move forward with the power washing and painting of the fire hydrants.

Mr. Thiry next requested that the Board consider authorizing EDP to clean and repair one aeration basin at the wastewater treatment plant at an estimated cost of \$7,500.00. After discussion, Director Adamek moved that EDP be authorized to clean and repair the aeration basin at the wastewater treatment plant at an estimated cost of \$7,500.00, as requested. Director Hodge seconded the motion, which carried unanimously.

Mr. Thiry next informed the Board that EDP is in the process of transferring its lock box account from Compass Bank to Central Bank and discussed same in detail with the Board. Mr. Thiry then requested that the Board consider (i) authorizing EDP to move the District's lockbox account from Compass Bank to Central Bank and (ii) approving all of the related documentation and authorizing the President to execute same on behalf of the Board and the District, subject to SPH's final review and approval. After discussion, Director Adamek moved that the Board (i) authorize EDP to move the District's lockbox account from Compass Bank to Central Bank and (ii) approve all of the related documentation and authorize the President to execute same on behalf of the Board and the District, subject to SPH's final review and approval. Director Guillory seconded the motion, which carried unanimously.

Mr. Skinner next presented and reviewed with the Board a memorandum prepared by SPH regarding House Bill No. 872, which relates to the implementation of customer confidentially requirements and the authorization of giving notice in connection with same. A copy of the memorandum is attached hereto as **Exhibit I**. Mr. Skinner summarized the bill's requirements and options for the District's compliance with same. Following discussion,

Director Adamek moved that EDP be authorized to include a notice of a customer's right to request disclosure of his or her personal and billing information, along with a form to accomplish same on all District water bills on a going forward basis. Director Guillory seconded the motion, which carried unanimously.

COMMUNICATIONS REPORT

The Board next discussed District communications. Mr. Herzog presented to and reviewed with the Board a Monthly Communications Report, a copy of which Report is attached hereto as **Exhibit J**. It was noted that no action was being requested at this time.

ORDER ESTABLISHING OFFICE AND MEETING PLACES OUTSIDE DISTRICT

Mr. Skinner next presented to and reviewed with the Board an Order Establishing Office and Meeting Places of Board of Directors Outside the District (the "Order"), located at 1300 Post Oak Boulevard, Suites 2400 and 2500, Houston, Texas 77056, which is attached hereto as **Exhibit K**. After consideration of the matter, it was moved by Director Hodge, seconded by Director Adamek, and unanimously carried that said order be passed and adopted. The Secretary was directed to execute and the attorney to publish notice of designation of such office and meeting places outside the boundaries of the District, and to file a copy of the Order with the TCEQ.

ATTORNEY'S REPORT

Mr. Skinner next discussed the status of the District's prior Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic and advised that all of the policies and procedures that were made possible under said Resolution expired on September 1, 2021.

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

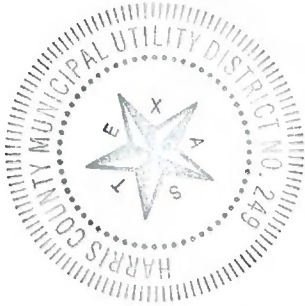
The Board convened in closed session at 8:05 p.m., as authorized pursuant to Texas Government Code Section 551.072. Those in attendance, with the exception of the Board, Mr. Davis, and Mr. Skinner exited the meeting at this time.

At 8:35 p.m., Director Guillory moved that the Board reconvene in open session. Director Adamek seconded the motion, which carried unanimously. No action was taken by the Board at this time.

ADJOURN

There being no further business to come before the Board, upon motion duly made by Director Adamek, seconded by Director Hodge 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 – Bookkeeper's Report
- Exhibit E – Tax Rate Analysis
- Exhibit F – Progress Report-Landscape Projects
- Exhibit G – Engineer's Report
- Exhibit H – Operator's Report
- Exhibit I – Memorandum regarding H.B. 872
- Exhibit J – Monthly Communications Report
- Exhibit K – Order Establishing Office and Meeting Places