

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
May 20, 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 May 20, 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 were present, except Director Moore, and all participated in the meeting via telephone conference call, thus constituting a quorum. Director Moore joined the meeting after the call to order, as noted below.

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"); Michelle Johnson of Touchstone District Services, LLC ("Touchstone"); Travis Benes of Storm Water Solutions, LP ("SWS"); 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.

MINUTES

The Board next reviewed the draft minutes of its meeting held on April 15, 2021. After discussion of the minutes presented, Director Adamek moved that said minutes be approved, as written. Director Guillory seconded said motion, which carried unanimously.

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, 2021, deadline. After discussion, upon motion duly made by Director Hodge, seconded by Director Adamek and unanimously carried, McCall was authorized to file said report prior to the June 30, 2021, deadline.

STATUS OF SERIES 2021 REFUNDING BONDS

The Board next considered the status of the Districts \$1,140,000 Unlimited Tax Refunding Bonds, Series 2021 ("Series 2021 Refunding Bonds"). In connection therewith, Ms. Croswell presented to and reviewed with the Board a summary of the results of the sale of the Series 2021 Refunding Bonds, a copy of which summary is attached hereto as **Exhibit A**. Ms. Croswell noted that the District achieved an approximately 4.94% net present value savings. She further noted that the closing on the Series 2021 Refunding Bonds is scheduled for Tuesday, June 8, 2021. The Board noted that it was pleased with the results of the transaction.

Director Moore joined 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 April 2021, a copy of which report is attached hereto as **Exhibit B**.

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 April 2021, a copy of which report is attached hereto as **Exhibit C**. Ms. McMullen also requested the Board's authorization to move five (5) accounts to the uncollectible roll. After discussion, Director Hodge moved that the tax assessor-collector report be approved, the checks identified therein be approved for payment from the District's tax

account, and the five (5) accounts discussed be moved to the uncollectible roll, as requested. Director Adamek seconded said motion, which carried unanimously.

Ms. McMullen noted that Harris County Appraisal District had determined the District's preliminary taxable value to be \$296,918,835.

DELINQUENT TAX REPORT

Mr. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated May 20, 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.

UNCLAIMED PROPERTY

The Board next considered the approval of an Unclaimed Property Report as of March 1, 2021. Mr. Weyand informed the Board that there is unclaimed property in the amount of \$833.39 to be reported and transferred to the State Comptroller's office at this time. After discussion on the matter, Director Hodge moved that the Unclaimed Property Report as of March 1, 2021, be approved, and that the Board authorize MAC to file same with and transfer funds to the State Comptroller prior to July 1, 2021. Director Adamek seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated May 20, 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.

Mr. Weyand 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 March 31, 2021, 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 Hodge, seconded by Director Adamek 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.

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**. It was noted that no repairs were being recommended at this time.

STORM WATER SOLUTIONS

Mr. Benes presented photographs of sink holes in need of repair at the Wastewater Treatment Plant, copies of which photographs are attached hereto as **Exhibit G**. Mr. Benes then presented to and reviewed with the Board a proposal prepared by SWS for the creation of a drainage swale to an existing type E inlet and to fill in the sinkholes in the area, a copy of which proposal is included with **Exhibit G**. After discussion, Director Hodge moved that the Board approve SWS's proposal in the amount of \$4,750.00. Director Adamek seconded the motion, which unanimously carried.

ENGINEERING REPORT

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated May 20, 2021, a copy of which report is attached hereto as **Exhibit H**, relative to the status of various projects within the District.

Mr. Davis next updated the Board relative to the repair of the water well and pump, as discussed at the last meeting. In connection therewith, Mr. Davis informed the Board that C&C Water Services LLC ("C&C") recently pulled the water well and discovered that the check valve had disintegrated and fallen into the impeller section of the well, which contributed to the water well pump failure. Mr. Davis then advised the Board that as requested, he contacted C&C regarding its original proposal for an estimated total amount of \$264,212 for the repair of the water well and pump to negotiate a better price and noted that C&C provided a revised quote in the amount of \$230,612. Mr. Davis noted that he believes that C&C pricing is fair and recommended that the Board consider approving the revised proposal. Mr. Davis then advised the Board that there would be an additional expense for the replacement of the existing electrical equipment and presented to and reviewed with the Board a proposal from Neil Technical Services in the total amount of \$24,500 for replacement of the existing electrical equipment for the water well (\$17,000 to replace the existing motor soft start and \$7,500 for electrical work.) Copies of the proposals from C&C and NTS are included with **Exhibit H**. Mr. Davis also requested that the Board consider authorizing Langford to have the ground storage tank and hydro-pneumatic tank inspected while the water well is being repaired and noted that the total estimated cost for said inspections is \$2,100. After a lengthy discussion on the matter, Director Hodge moved that the Board: (i) approve C&C's revised proposal in the amount of \$230,612 and authorize Langford to prepare the necessary contract documents subject to the approval of the payment and performance bonds, and review of workers compensation insurance coverage by SPH and receipt of the Texas Ethics Commission ("TEC") Form 1295 related to same; (ii) approve NTS' proposal in the amount of \$24,500, subject to receipt of the TEC Form 1295 related to same; and (iii) authorize Langford to inspect the ground storage tank and hydro-pneumatic tank at an estimated cost of \$2,100. Director Adamek seconded the motion, which carried unanimously.

Mr. Davis next informed the Board that he recently received an inquiry regarding water and sanitary sewer service for an approximately 1.5 acre tract located outside the boundaries of the District. After discussion, the Board concurred that Langford be authorized to discuss the

matter further with owner and advise that the tract would have to be annexed into the District's boundaries prior to said service being provided.

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

Mr. Skinner informed the Board that he had nothing new to report at this time in connection with the proposed annexation of Splashtown.

PROPOSED BOND ISSUE

Mr. Davis informed the Board that, as previously authorized, Langford has prepared the Bond Application Report ("BAR") for the District's proposed Series 2021 bond issue. He noted that SPH and the District's financial advisor have provided comments to the initial draft of such report and that Langford has addressed said comments and provided same back to SPH for review. Mr. Skinner then requested that, should the Board be amenable to the proposed bond issue, the Board adopt an Order Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds in an amount not to exceed \$2,475,000, subject to SPHs final review and approval of the revised BAR. After discussion on the matter, Director Hodge moved that the Board adopt an Order Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds in an amount not to exceed \$2,475,000, and authorize the President to execute same on behalf of the Board and the District, subject to SPHs final review and approval of the revised BAR. Director Adamek seconded the motion, which carried unanimously.

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 ("HCFCFD") for the Lemm Gully stormwater detention basin project and noted that he had nothing new to report at this time.

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 May 20, 2021; a copy of the report is attached hereto as **Exhibit I**.

Mr. Thiry next requested authorization to rent two generators to be delivered and stored at the Wastewater Treatment Plant during the 2021 hurricane season (June through November). He noted that one generator will be available to service Wastewater Treatment Plant No. 1 at a cost of \$2,041.25 per month, and the other will be available to service Lift Station Nos. 3 or 4 at a cost of \$983.25 per month. After discussion, Director Hodge moved that EDP be authorized to rent the two (2) generators as requested. Director Adamek seconded the motion, which carried unanimously.

A lengthy discussion next ensued regarding various sinkholes on various streets in the District that are in need of repair and whether said repairs are the responsibility of the District or the homeowners association. After further discussion, the Board concurred that EDP and Langford be authorized to look into the matter to determine who is responsible for the necessary repairs.

CONSUMER CONFIDENCE REPORT

The Board considered the approval of a 2020 Consumer Confidence Report and authorizing the distribution of same to the District's customers prior to July 1, 2021, as required by federal law. Mr. Thiry presented to the Board a draft of the 2020 Consumer Confidence Report, and requested that the Board authorize EDP to distribute same to the District's customers, subject to SPH's final review and approval. After discussion on the matter, Director Hodge moved that such Report be approved by the Board, subject to SPH's final review and approval, and that EDP be authorized to distribute same to the District's customers prior to July 1, 2021. Director Adamek seconded said 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 J**. It was noted that no action was being requested at this time.

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 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 Hodge, seconded by Director Adamek and carried unanimously, the meeting was adjourned.


Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Summary of results of Series 2021 Refunding Bonds

Exhibit B – Security Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Bookkeeper's Report

Exhibit F – Progress Report-Landscape Projects

Exhibit G – Photographs of sink holes; proposal for sink hole repairs

Exhibit H – Engineer's Report

Exhibit I – Operator's Report

Exhibit J – Communications Meeting Report