

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
October 15, 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 October 15, 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
Norman Adamek, Secretary
Willie Hodge, Assistant Secretary
Diana Moore, Assistant Secretary

all of whom participated in the meeting via telephone conference call, except Directors Stage and Moore, 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 and Charlie LaConti of Municipal Accounts & Consulting, L.P. ("MAC"); Odett McMullen of Bob Leared Interests, Inc. ("BLI"); Michael Willett of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, a resident of the District; Michael Guillory, a resident of the District and prospective Board member; and Christopher Skinner and Rick Barker 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. Similarly, Mr. Skinner stated that a full roll call of all participants would be conducted at the start of each telephone conference call meeting 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 September 17, 2020. After discussion of the minutes presented, Director Adamek moved that said minutes be approved, as written. Director Hodge seconded said motion, which carried unanimously.

RESIGNATION OF DIRECTOR

Mr. Skinner next presented to the Board a letter of resignation from Daniel Stage as a Director of the District, effective October 2, 2020. A copy of said resignation letter is attached hereto as **Exhibit A**. Upon motion duly made by Director Adamek, seconded by Director Hodge and unanimously carried, said resignation was accepted.

APPOINTMENT OF A NEW DIRECTOR TO FILL THE VACANCY ON THE BOARD; ACCEPTANCE OF QUALIFICATION STATEMENT, AFFIDAVIT OF CURRENT DIRECTOR, BOND, ELECTION NOT TO DISCLOSE CERTAIN INFORMATION AND OATH OF OFFICE

The Board next discussed the appointment of a Director to fill the existing vacancy on the Board created by the resignation of Director Stage. Mr. Guillory introduced himself to the Board and discussed his interest in serving on the Board. The Board then considered the acceptance of a Qualification Statement of Appointed Officer, Bond, Election Not to Disclose Certain Information and Oath of Office for Michael Guillory, including the acceptance of an Affidavit of Current Director. In that regard, Mr. Guillory presented his Statement of Appointed Officer, Oath of Office, Bond, Election Not to Disclose Certain Information and Affidavit of Current Director. After discussion on the matter, it was moved by Director Adamek, seconded by Director Hodge and unanimously carried, that the Board approve said Bond, accept said Statement, Bond, Election Not to Disclose Certain Information, Oath and Affidavit and declare Michael Guillory to be a duly appointed and qualified Director of the District.

GOVERNMENTAL TRAINING REQUIREMENTS

Mr. Skinner discussed with Director Guillory the training requirements for public officials. He advised that public officials, including directors of a municipal utility district, must complete separate training courses regarding the Texas Open Meetings Act and the Texas Public Information Act. Mr. Skinner presented to and reviewed with Director Guillory a memorandum prepared by SPH which summarizes the training requirements, a copy of which memorandum is attached hereto as **Exhibit B**. He advised that the deadline for public officials to complete their training is ninety (90) days from when such official takes the Oath of Office. Mr. Skinner further advised that it is the responsibility of each Director to ensure that they complete the

required training by the appropriate deadline, and to provide evidence of same to SPH for the District's records.

CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS

Mr. Skinner next discussed with Director Guillory the conflicts disclosure statement reporting requirements for officers of certain local governmental entities, including water district directors, pursuant to Chapter 176 of the Local Government Code. He presented Director Guillory with a memorandum prepared by SPH which summarizes the conflicts disclosure requirements, and a questionnaire for completion regarding conflict of interest disclosure reporting.

LOCAL GOVERNMENT OFFICERS LIST

Mr. Skinner next advised the Board that the District is required to maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Adamek moved that SPH be authorized to update the District's list of local government officers as required by law. Director Hodge seconded said motion, which unanimously carried.

REORGANIZATION OF THE BOARD OF DIRECTORS

The Board next considered the election of a Vice President. Director Adamek nominated Director Hodge to serve as Vice President of the Board and the District. There being no further nominations for Vice President, the nominations were closed. The President called for a vote, and upon motion duly made by Director Adamek, seconded by Director Hodge and unanimously carried, Director Hodge was elected as Vice President of the Board.

The Board next considered election of an Assistant Secretary. Director Adamek nominated Director Guillory to serve as an Assistant Secretary. There being no further nominations for Assistant Secretary, the nominations were closed. The President called for a vote, and upon motion duly made by Director Adamek, seconded by Director Hodge and unanimously carried, Director Guillory was elected Assistant Secretary of the Board.

DISTRICT REGISTRATION FORM

The Board next considered authorizing the preparation and filing of a new District Registration Form, as required by the rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Skinner explained that, in accordance with certain provisions of the Texas Water Code, municipal utility districts are required to file the names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that with the Board's approval, SPH will prepare an updated District Registration form to include Director Guillory's new term of office and mailing address, and the officer positions, and will file said Form with the TCEQ. After discussion of the matter, Director Adamek moved that the Board authorize SPH to prepare an updated District Registration Form,

as discussed, and file same with the TCEQ. Director Hodge seconded said motion, which unanimously carried.

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 September 2020, a copy of which report is attached hereto as **Exhibit C**.

PUBLIC HEARING REGARDING THE ADOPTION OF THE DISTRICT'S 2020 TAX RATES

The Board next conducted a public hearing regarding the adoption of the District's proposed 2020 debt service and maintenance tax rates. After noting that the member of the public present at the meeting did not wish to offer comments regarding the proposed tax rates, the hearing was closed.

LEVY OF THE DISTRICT'S 2020 TAXES

The Board next discussed setting the District's 2020 tax rates and levying taxes. Ms. McMullen confirmed that the notice regarding the Board's intention to adopt the District's 2020 tax rates had been published in *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its previous meeting. After discussion on the matter, Director Adamek moved that: (i) the Board adopt the tax rates proposed at the District's September 17, 2020, meeting and as reflected in the notice; (ii) the Board levy a 2020 debt service tax rate of \$0.40 per \$100 of valuation and a 2020 maintenance tax rate of \$0.38 per \$100 of valuation, resulting in a 2020 total tax rate of \$0.78 per \$100 of valuation; and (iii) the Order Levying Taxes, attached hereto as **Exhibit D**, be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Hodge seconded said motion, which carried unanimously.

AMENDED DISTRICT INFORMATION FORM

Mr. Skinner next presented to and discussed with the Board an Amendment to the Fourth Amended and Restated District Information Form relative to the levy of the District's 2020 taxes. After discussion on the matter, Director Adamek moved that that a majority of Board members be authorized to execute the amended DIF on behalf of the Board and the District, and that all Board members present join in the filing of the amended DIF, as evidenced by a majority of Board members executing same. Director Hodge seconded said motion, which carried unanimously.

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 September 2020, a copy of which report is attached hereto as **Exhibit E**. After discussion of the report presented, Director Adamek 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 Hodge seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated October 15, 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 F**. 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 October 15, 2020, a copy of which report is attached hereto as **Exhibit G**. After discussion, it was moved by Director Adamek that the Bookkeeper's Report be approved and that the disbursements identified therein be authorized for payment, except for check nos. 8445 and 8446 issued to Daniel Stage and Director Moore, respectively, which were voided. Director Hodge seconded the motion, which carried unanimously.

COMPLIANCE BY DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265 RELATIVE TO ENERGY REPORTING REQUIREMENTS

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Weyand presented to and reviewed with the Board a Cost and Usage Report, a copy of which is included with **Exhibit G**.

ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy"), and the adoption of a Resolution in connection therewith. Mr. Skinner presented for the Board's adoption a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), which is attached hereto as **Exhibit H**. He advised that there were no recommended changes to the Investment Policy at this time. After discussion on the matter, Director Adamek moved that the Investment Policy be affirmed, that the Resolution be adopted, and that the President and Secretary be authorized to execute same. Director Hodge seconded said motion, which unanimously carried.

STATUS OF ARBITRAGE REBATE REPORT

The Board next considered the status of the 10 Year Arbitrage Rebate Report for the District's Series 2010 Unlimited Tax Refunding Bonds 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 the Board a Progress Report-Landscape Projects prepared by MI, a copy of which report is attached hereto as **Exhibit I**. It was noted that no Board action was being requested at this time. Director Hodge informed Mr. Murr that certain landscaping near the subdivision entrance gate located at Buffalo Spring is in need of additional pruning for visibility purposes.

Mr. Murr next discussed with the Board the clearing of trees associated with the Lone Star College ("LSC") development. In connection therewith, Mr. Murr informed the Board that, as previously authorized, MI is in the process of preparing a landscaping design plan. Mr. Murr then informed the Board that on October 26, 2020, the District will receive approximately 250 trees from Trees of Houston, many of which will be used in the LSC landscaping project.

Mr. Murr informed the Board that he has a meeting next week with the civil engineer for the proposed gas station development project on Cypresswood.

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 October 15, 2020, a copy of which report is attached hereto as **Exhibit J**, relative to the status of various projects within the District.

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 No. 2 site. In connection therewith, Mr. Davis informed the Board that Langford was able to obtain documentation confirming that said easement belongs to the County. He then presented to and reviewed an exhibit prepared by Langford and noted that said easement stops about half way through the District's Water Plant No. 2 site. A discussion then ensued regarding same and drainage matters. No action was taken by the Board at this time.

ISSUANCE OF UTILITY COMMITMENTS

Mr. Davis informed the Board that a formal request has been received from the owner of a 1.09 acre tract of land located on the south side of Spring Cypress for water and sanitary sewer

service for a proposed motel or carwash and possible annexation of the property into the boundaries of the District. Mr. Davis noted that the owner has also submitted a \$5,000 deposit to cover any related costs, as applicable. After discussion on the matter, Director Adamek moved that the Board deny the request and that Langford be authorized to return the \$5,000 deposit check to the property owner. Director Hodge seconded the motion, which carried unanimously.

Mr. Davis next informed the Board that on October 9, 2020 Splash Town ("Splash Town") opened the emergency water interconnect with the District due to a water well failure. He then advised the Board that should the necessary repair go beyond sixty (60) days, Splashtown is required to submit correspondence to Board requesting that the District provide the water service beyond said time frame. A discussion then ensued as to whether to District has the capacity available to serve Splashtown on a long-term basis, if necessary. After a lengthy discussion on the matter, the Board concurred that SPH be authorized to prepare and send correspondence to Splashtown relaying such concerns and requesting clarification on the long-term plans for resolution of the issue. Messrs. Davis and Thiry advised that they would reach out to representatives of Splashtown regarding the matter accordingly.

PROPOSED BOND ISSUE

Mr. Davis next presented to and reviewed with the Board a preliminary summary of costs for the District's proposed Series 2021 bond issue, a copy of which summary of costs is included with **Exhibit J**. After discussion on the matter, Director Adamek moved that Langford be authorized to move forward with the preparation of a Bond Application Report for the proposed bond issue. Director Hodge 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 (CYPRESSWOOD STORMWATER DETENTION BASIN)

Mr. Skinner next presented to and reviewed with the Board a draft Interlocal Agreement between the District and Harris County Flood Control District ("HCFCD") for the Cypresswood stormwater detention basin project. Mr. Skinner noted that said Agreement is based off of a form provided by Harris County Flood Control District and that the draft Agreement has not yet been approved by HCFCD. After discussion, Director Adamek moved that said Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District, subject to approval and execution of said Agreement by HCFCD. Director Hodge, seconded the motion, which carried unanimously.

STATUS OF ACQUISITION OF PROPERTY FOR REMOTE WATER WELL SITE

Mr. Skinner updated the Board relative to the status of acquisition of the Fox Tract for the possible Remote Water Well site. 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 first informed the Board that Mr. Damon Brown of EDP recently resigned. Mr. Thiry then presented to and reviewed in detail with the Board a written Operator's Report prepared by EDP, dated as of October 15, 2020; a copy of the report is attached hereto as **Exhibit K**.

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 L**.

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

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




Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Resignation Letter
- Exhibit B – Training memo regarding Texas Open Meetings Act and the Texas Public Information Act
- Exhibit C – Security Report
- Exhibit D – Order Levying Taxes
- Exhibit E – Tax Assessor-Collector's Report
- Exhibit F – Delinquent Tax Report
- Exhibit G – Bookkeeper's Report
- Exhibit H – Resolution Regarding Review of Investment Policy
- Exhibit I – Progress Report-Landscape Projects
- Exhibit J – Engineer's Report
- Exhibit K – Operator's Report
- Exhibit L – Communications Meeting Report