

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
January 18, 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 January 18, 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, 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"); Michael Murr of Murr Incorporated ("MI"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Blake Kridel of Storm Water Solutions, LP ("SWS"); District residents Cindy Adamek and James McConville; and Christopher T. Skinner of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom entered the meeting following 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.

**MINUTES**

The Board first reviewed the draft minutes of its meeting held on December 14, 2017. After discussion of the minutes presented, Director Adamek moved that the December 14, 2017, minutes be approved, as written. Director Moore seconded said motion, which carried unanimously.

**COMMENTS FROM THE PUBLIC**

The Board deferred consideration of comments from the public, as none were presented.

**DISTRICT SECURITY ISSUES**

The Board next considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office security report for December 2017, a copy of which is attached hereto as **Exhibit A**.

Mr. Kridel entered 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 December 2017, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Moore moved that the Tax Assessor-Collector's Report be approved and that the disbursements identified in said report be approved for payment from the District's tax account. Director Stage seconded said motion, which unanimously carried.

### **DELINQUENT TAX REPORT**

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated January 18, 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 C**. Mr. Skinner noted that no Board action was required with respect to any of the delinquent tax accounts listed in the report.

### **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Mr. Skinner next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2018, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2018, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Palermo moved that the District (i) grant the residential homestead exemption of 20%, but not less than \$5,000, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$25,000 from ad valorem taxes levied by the District during the calendar year 2018, and (iii) that the Resolution attached hereto as **Exhibit D** relative to same be approved and adopted by the Board and the District. Director Moore seconded said motion, which carried unanimously.

### **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit E**. Mr. Skinner advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Adamek, seconded by

Director Hodge and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board.

### **BOOKKEEPER'S REPORT**

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated January 18, 2018, including (i) the disbursements presented for payment from the District's General Operating Fund, Capital Projects Fund and the Sewage Treatment Plant ("STP") Account, (ii) an Account Balance Report, (iii) a Summary of Pledged Securities Report, (iv) an Actual versus Budget Comparison for December 2017 for the Operating Fund and the STP Account, (v) a Debt Service Payments schedule, and (vi) a Sales Tax Revenue History Report, copies of which are attached hereto as **Exhibit F**. After discussion, it was moved by Director Hodge that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment. Director Adamek seconded the motion, which carried unanimously.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Skinner advised that, pursuant to the Public Funds Investment Act, the Board is required to review, and revise as necessary, such list at least annually. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit G**. Mr. Skinner further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Hodge moved that (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Stage seconded said motion, which unanimously carried.

### **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 is attached hereto as **Exhibit H**.

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

Mr. Kridel presented to and reviewed with the Board a Drainage Facilities Report prepared by SWS, a copy of which is attached hereto as **Exhibit I**.

Mr. Kridel next advised the Board that the Storm Water Quality Permit for Spring Lakes, Section Eight (the "Permit"), will expire on January 31, 2018. Mr. Kridel then presented and reviewed with the Board a Storm Water Quality Permit Application for renewal of the Permit

and requested that the Board authorize the President to execute same on behalf of the Board and the District. After discussion on the matter, Director Adamek moved that the President be authorized to execute said application for the renewal of the Storm Water Quality Permit for Spring Lakes, Section Eight on the behalf of the Board and the District. Director Hodge seconded the motion, which carried unanimously.

There next ensued a discussion regarding various options for increasing the stormwater detention capacity for the District. After discussion, the Board requested that Mr. Davis examine several options for constructing additional stormwater detention capacity for its consideration at the next meeting.

### **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated January 18, 2018, a copy of which report is attached hereto as **Exhibit J**, relative to the status of various projects within the District.

### **RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT**

The Board next considered the status of the District's application to the TCEQ for the renewal of the District's Waste Discharge Permit due to expire February 1, 2018. Mr. Davis reminded the Board that said application is complete and has been submitted to the TCEQ for review.

### **UTILITY COMMITMENT**

The Board deferred consideration of utility commitment requests, as none were presented.

### **BAYER PARK WASTEWATER CONVEYANCE PROJECT**

With respect to the Bayer Park wastewater conveyance project, Mr. Skinner reminded the Board that it previously approved (i) an Interlocal Agreement for the construction of the Bayer Park Lift Station and Facilities and (ii) an Interlocal Agreement for the Operation and Maintenance of the Bayer Park Lift Station and Facilities between the District and Harris County (collectively, the "Agreements") and advised that said Agreements were considered on the Commissioner's Court's December agenda and have been approved and executed accordingly. Mr. Skinner then advised that SPH is coordinating payment by Harris County at this time pursuant to said Agreements.

### **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 January 18, 2018; a copy of the report is attached hereto as **Exhibit K**.

## **CONSUMER CONFIDENCE REPORT**

The Board next considered authorizing EDP to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports. Mr. Skinner advised the Board that, pursuant to Consumer Confidence Report requirements promulgated by the United States Environmental Protection Agency, the District is required to provide, by April 2018, a report containing various information regarding the District's water supply to any other water supplier which has received water from the District through an interconnect. After discussion on the matter, Director Moore moved that the Board authorize EDP to provide the required information as set forth hereinabove. Director Adamek seconded said motion, which carried unanimously.

## **SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

Mr. Skinner next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Skinner advised that the information required to be submitted is described in the memorandum attached hereto as **Exhibit L**. Mr. Skinner then presented an engagement letter from the District's auditor, Roth & Eyring, PLLC ("Roth"), for the preparation and submission of the required information. Following discussion, Director Stage moved, Director Moore seconded, and it was unanimously carried that (1) the engagement letter from Roth be approved and the Form 1295 for same be accepted and acknowledged, and (2) Roth be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database.

## **WEBSITE PROVIDER**

The Board next discussed website compliance relative to legal requirements. It was noted that no updates to the website were being recommended at this time.

## **ATTORNEY'S REPORT**

Mr. Skinner presented to and reviewed with the Board a brochure received from North Harris County Regional Water Authority regarding a MUD Director's Workshop to be held February 1, 2018, a copy of which brochures is attached hereto as **Exhibit M**.

## **SUPPLEMENTAL AGENDA**

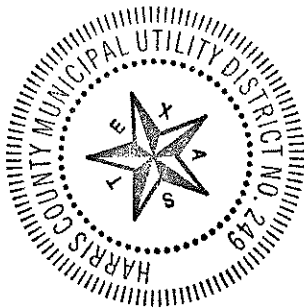
The Board considered the calling of a Directors Election in accordance with the requirements of the Texas Water Code. There was presented the Order Calling Directors Election (the "Order"), attached hereto as **Exhibit N**, calling such election to be held on May 5, 2018. It was noted that the terms of office of Directors Palermo and Adamek expire in May of this year. In reviewing the Order with the Board, Mr. Skinner advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Directors Election, and that the Order named Maranda Lawson as such agent (the "Election Agent"). Mr. Skinner further advised the Board that notice of the

Directors Election must be given in accordance with the requirements of the Texas Election Code, and that the Order provides for such notice to be given by posting same at the locations where notice of meetings of the Board are posted. After discussion on the matter, Director Hodge moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Directors Election in accordance with the Order. Director Moore seconded said motion, which unanimously carried. Mr. Skinner advised the Board that, in accordance with the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 23, 2018, and the Board of the District thereafter adopts an order declaring such unopposed candidates elected.

The Board considered the establishment of fees to be paid to officials for the Directors Election. Mr. Skinner advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Adamek moved that the judges and clerks for the Directors Election, including early voting clerks, be paid \$30.00 per hour. Director Moore seconded said motion, which unanimously carried.

**ADJOURN**

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



*Diana S. Moore*  
Secretary

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A – Security Report
- Exhibit B – Tax Assessor-Collector's Report
- Exhibit C – Delinquent Tax Report
- Exhibit D – Resolution Concerning Exemptions from Taxation
- Exhibit E – Resolution Authorizing An Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F – Bookkeeper's Report
- Exhibit G – Resolution Adopting List of Qualified Brokers
- Exhibit H – Progress Report-Landscape Projects
- Exhibit I – Drainage Facilities Report
- Exhibit J – Engineer's Report
- Exhibit K – Operator's Report
- Exhibit L – Memorandum
- Exhibit M – Brochure from North Harris County Regional Water Authority
- Exhibit N – Order Calling Directors Election