

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors February 20, 2020

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 February 20, 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
Diana Moore, Secretary
Willie Hodge, Assistant Secretary
Norman Adamek, 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"); Dietra Bonds and Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MAC"); Odett McMullen of Bob Leared Interests, Inc. ("BLI"); Michael Willett and Ryan Herzog of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Christie Leighton of Best Trash ("BT"); Cindy Adamek and James McConville, residents of the District; and Christopher 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.

COMMENTS FROM THE PUBLIC

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 noted that it was satisfied with BT's services at this time. Ms. Leighton next discussed with the Board correspondence from BT advising that, effective April 1, 2020, there will be a CPI rate adjustment for garbage collection, disposal and recycling services, increasing BT's monthly fee for such services from \$16.66 to \$17.20, which is approximately a 3.2 % increase. Mr. Skinner noted that the increase is a standard annual adjustment made pursuant to the terms of the District's agreement with BT, and that the Board will be considering an amendment to the District's Rate Order in connection with said increase at its next meeting. No action was taken by the Board at this time.

Mr. McConville next addressed the Board regarding a late fee that he was assessed on his recent water bill and requested that the Board consider refunding said late fee. After discussion, the Board concurred to grant Mr. McConville's request and authorized EDP to refund the late fee accordingly.

Mr. McConville next inquired if the District has ever audited BT's recycling program. A discussion then ensued regarding same. Ms. Leighton then responded to various questions regarding BT's recycling program. No action was taken by the Board.

MINUTES

The Board next reviewed the draft minutes of its meeting held on January 16, 2020. After discussion of the minutes presented, Director Adamek moved that said minutes be approved, as written. Director Stage seconded said motion, which carried unanimously.

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 January 2020, a copy of which report is attached hereto as **Exhibit A**.

Ms. Leighton exited the meeting at this time.

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

COMPLIANCE WITH TEXAS TAX CODE SECTIONS 26.17-26.18

Ms. McMullen next addressed the Board concerning the new requirements of Texas Tax Code Sections 26.17-26.18, as added by Senate Bill No. 2 in the 2019 state legislative session. Ms. McMullen advised that, pursuant to Section 26.17, the chief appraiser for each appraisal district is now required to maintain a publicly accessible database that contains certain information for all property within its boundaries. She noted that the respective taxing units, including the District, are responsible for providing most of this information to the appraisal district and for updating it as necessary. She further advised that, pursuant to the separate provisions of Section 26.18, the District is now also required to maintain, or have access to, a generally accessible website that posts certain administrative and financial information about the District and to likewise update it as necessary. Ms. McMullen stated that BLI is prepared to address these requirements on behalf of the District and reviewed a proposed Addendum to Agreement for Services of Tax Assessor and Collector setting forth the terms for same. Following discussion, upon motion made by Director Adamek, seconded by Director Palermo and unanimously carried, the Board (i) authorized BLI to perform the necessary services to establish the District's compliance with these requirements, and (ii) approved the related addendum, and authorized the President to execute same.

DELINQUENT TAX REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated February 20, 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 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 February 20, 2020, a copy of which is attached hereto as **Exhibit D**. After discussion, it was moved by Director Stage that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check nos. 8228 issued to Director Moore, which was voided. Director Hodge 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 December 31, 2019, a copy of which report is included with **Exhibit D**. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Stage, seconded by Director Hodge 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 E**. No action was taken by the Board.

The Board next requested that MI remove all of the old silt fencing material in the District.

Ms. Bonds exited the meeting at this time.

UNLAWFUL CLEARING OF DISTRICT PROPERTY AND EMERGENCY SERVICES DISTRICT NO. 7 ("ESD NO. 7") PROPERTY

In connection with the unlawful clearing of a portion of District property located adjacent to ESD No. 7's property, Mr. Skinner reminded the Board that SPH previously prepared the revised Agreement and provided same to ESD No. 7 for review and that ESD No. 7 requested the plans be revised, and that such revisions were made. Mr. Skinner additionally reminded the Board that it has come to SPH's attention that ESD No. 7 has hired a contractor by the name of Next Generation Landscaping and Lighting, without the District's consent, to perform the rehabilitation and that the work has commenced. Mr. Skinner further reminded the Board that,

as previously requested, SPH has contacted ESD 7 requesting payment for the costs of creating and revising the plans. Mr. Murr then advised the Board that, as requested, he inspected what ESD No. 7's contractor has planted and discussed same with the Board.

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 February 20, 2020, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

ANNUAL REVIEW OF WAGE RATE SCALE

Mr. Skinner next presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, which is attached hereto as **Exhibit G**. He reviewed various provisions of the Resolution with the Board. Mr. Skinner informed the Board that the District previously adopted the U.S. Department of Labor's wage rates for Harris County, which have recently been updated as of January 2020. After discussion and consideration of the proposed Resolution, Director Adamek moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the updated wage rates for Harris County from the U.S. Department of Labor and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Hodge seconded said motion, which unanimously carried.

UTILITY CAPACITY REQUESTS

Mr. Skinner reminded the Board that it previously approved a Utility Commitment to Lone Star College ("LSC") relative to an approximately 19.810 acre tract (previously known as the Home of Hope Tract) and that said Utility Commitment has been executed and returned by LSC. In connection therewith, Mr. Skinner presented to and reviewed with the Board an appraisal prepared by Integra Realty Resources for a 0.7459 acre Easement Acquisition, a copy of which appraisal is attached hereto as **Exhibit H**. A discussion then ensued regarding same.

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 February 20, 2020; a copy of the report is attached hereto as **Exhibit I**.

Mr. Thiry informed the Board that blower no. 3 at the Wastewater Treatment Plant is in need of replacement and that the estimated cost for same is \$10,980. After discussion, Director

Hodge moved that EDP be authorized to replace blower no. 3 at the Wastewater Treatment Plant. Director Stage seconded the motion, which carried unanimously.

A discussion next ensued regarding the replacement of missing "No Trespassing" signs throughout the District. Mr. Thiry advised the Board that EDP will replace the missing signs, as necessary.

Mr. Thiry next informed the Board that EDP believes the sanitary sewer lines in the Northland Shopping Center have inflow and infiltration issues, and EDP recommends smoke testing and televising of such lines. After discussion, the Board concurred to authorize (i) EDP to prepare cost estimates for the smoke testing and televising of the lines, and (ii) SPH to direct correspondence to the Northland Joint Venture providing notification of the situation pursuant to the terms of the Amended and Restated Annexation and Utility Service Agreement.

WEBSITE PROVIDER

The Board next discussed the District's website. Mr. Willett presented to and reviewed with the Board a Communications Meeting Report, a copy of which Report is attached hereto as **Exhibit J**.

ATTORNEY'S REPORT

Mr. Skinner advised the Board that the District's 2020 Directors Election was uncontested and that said Election will be cancelled at the next meeting.

Mr. Skinner next presented to and reviewed with the Board a memorandum prepared by SPH regarding H.B. 3834 Cybersecurity Training for Certain Local Government Employees and Elected Officials, a copy of which memorandum is attached hereto as **Exhibit K**.

RENEWAL OF DISTRICT INSURANCE POLICIES

Mr. Skinner presented and reviewed with the Board an insurance proposal from Arthur J. Gallagher ("Gallagher") relative to the District's insurance policies for the term ending March 31, 2020, including property, comprehensive boiler and machinery, commercial general liability, pollution liability, pollution cleanup and remediation, excess liability, business travel accident, crime, and directors and officers liability insurance, and the directors position schedule bond. After discussion on the matter, Director Hodge moved that the proposal from Gallagher be accepted, as set out in the attached proposal, a copy of which is attached hereto as **Exhibit L**, and that the President be authorized to execute same on behalf of the Board and the District. Director Stage seconded said motion, which unanimously carried.

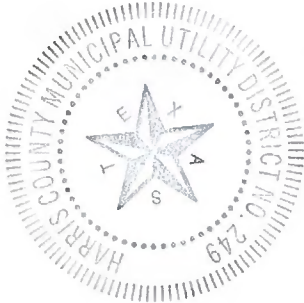
CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND/OR SECTION 551.072

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 Stage and carried unanimously, the meeting was adjourned.

Norman Adamek
Asst. 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 – Progress Report-Landscape Projects
- Exhibit F – Engineer's Report
- Exhibit G – Resolution Adopting Prevailing Wage Rate Scale
- Exhibit H – Appraisal for easement acquisition
- Exhibit I – Operator's Report
- Exhibit J – Communications Meeting Report
- Exhibit K – Memorandum regarding cyber security
- Exhibit L – Insurance Proposal