

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors August 19, 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 August 19, 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 participated in the meeting via telephone conference call, except Director Palermo, 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 of Municipal Accounts & Consulting, L.P. ("MAC"); Odett McMullen of Bob Leared Interests, Inc. ("BLI"); Michael Murr of Murr Incorporated ("MI"); Michelle Johnson, Michael Willett and Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); Cindy Adamek and Ron Walker, residents of the District; and Christopher Skinner and Maranda Lawson of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom joined 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.

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 July 15, 2021. After discussion of the minutes presented, Director Hodge moved that said minutes be approved, as written. Director Adamek seconded said motion, which carried unanimously.

DESTRUCTION OF CERTAIN DISTRICT RECORDS

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes and audio recordings of Board meetings from February 20, 2020, to March 11, 2021, a copy of which request is attached hereto as **Exhibit A**. After discussion on the matter, Director Hodge moved that the destruction of said notes and audio recordings be authorized as requested in accordance with all applicable law and the provisions of the District's Records Management Program. Director Adamek seconded said motion, which unanimously carried.

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 July 2021, a copy of which report is attached hereto as **Exhibit B**. Director Adamek informed the Board that Deputy Brooks will be retiring from the HCSO at the end of September 2021 and noted that Touchstone is in the process of preparing an article for the District's website which will pay tribute to Deputy Brooks for his many years of service to the District.

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 July 2021, a copy of which report is attached hereto as **Exhibit C**. After discussion, Director Hodge moved that the Tax Assessor-Collector's report be approved and the checks identified therein be approved for payment from the District's tax account. Director Adamek seconded said motion, which carried unanimously.

DELINQUENT TAX REPORT

Mr. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated August 19, 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.

BOOKKEEPER'S REPORT

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated August 19, 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, except for check no. 8741 issued to Director Palermo, which was voided. 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 June 30, 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.

INVESTMENT POLICY

The Board considered the annual review of an Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order"), and the adoption of a Resolution in connection therewith; copies of the Order and said Resolution are attached hereto as **Exhibit E**. Mr. Skinner presented for the Board's consideration the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). Mr. Skinner then presented and reviewed a memorandum prepared by SPH summarizing the proposed changes with the Board, a copy of which memorandum is included with **Exhibit F**. After discussion on the matter, Director Hodge moved that the revised Order be adopted to reflect the proposed changes, that the Board adopt the Resolution and that the President and Secretary be authorized to execute same. Director Adamek 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 G**. Mr. Murr informed the Board that it appears that Lone Star College ("LSC") is neglecting the trees that were recently planted and presented and reviewed photographs of the area with the Board, copies of which photographs are included with **Exhibit G**. Mr. Murr then requested authorization from the Board to contact LSC regarding the maintenance of same. Director Adamek noted that there is a dead tree on the LSC property that is in need of replacement and recommended that the Board authorize MI to replace the dead tree. After discussion, the Board concurred that MI be authorized to contact LSC regarding (i) maintenance of the trees, and (ii) replacement of the dead tree.

Mr. Murr next informed the Board that Trees for Houston has offered a large donation of trees (possibly up to 1,000) and discussed with the Board the possibility of planting some of the trees along Lemm Gully. He noted that the majority of the cost for said trees to be planted would be the cost for the planting, staking and mulching. It was then noted that, in order for said trees to be planted along Lemm Gully, the plans for same would need to be approved by Harris County Flood Control District ("HCFCD"). After further discussion on the matter, Director Adamek moved that MI be authorized to begin preparation of preliminary plans for the proposed tree planting project. Director Hodge seconded the motion, which carried unanimously.

Mr. Murr next recommended that the Board consider authorizing MI to maintain the area located at the southwest corner of Louetta and Lexington at the north entrance of the Spring Lakes Subdivision and presented and reviewed a photograph of the proposed area with the Board, a copy of which photograph is included with **Exhibit G**. After discussion, Director Adamek moved that MI be authorized to commence maintaining the area discussed. Director Hodge seconded the motion, which carried unanimously.

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 August 19, 2021, a copy of which report is attached hereto as **Exhibit H**, relative to the status of various projects within the District.

Mr. Davis informed the Board that the Interlocal Agreement between the District and HCFCD regarding the Lemm Gully Detention Basin project is expected to be approved by the Harris County Commissioner's Court on August 24, 2021. In connection therewith, Mr. Davis requested that the Board consider authorizing Langford to advertise for bids for the project, subject to the related Interlocal Agreement being approved, as discussed. Mr. Davis noted that that the District's pro-rata share for the project is approximately \$186,000. After discussion, Director Hodge moved that Langford be authorized to advertise for bids for the project, subject to approval of the related Interlocal Agreement by the Harris County Commissioner's Court. Director Adamek seconded the motion, which carried unanimously.

Mr. Davis next presented to and reviewed with the Board a proposal from Double Oak Erosion for the Spring Lakes Section 1 Phase 2 Detention Shoreline Repairs SOX project in the amount of \$108,200.00, a copy of which proposal is included with **Exhibit H**. After a lengthy discussion, the Board deferred taking any action at this time and requested that Mr. Davis set up meeting with Double Oak so that several of the Board members can visit the project site where the proposed product can be observed. Mr. Davis concurred with the request.

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 informed 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 informed the Board that the property owner has put the project on hold for now.

PROPOSED BOND ISSUE

Mr. Skinner reminded the Board that the Bond Application Report ("BAR") for the District's proposed Series 2021 bond issue was submitted to the Texas Commission on Environmental Quality and was declared to be administratively complete, and is currently under review.

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 is scheduled to be considered for approval by Harris County Commissioner's Court in September 2021.

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 HCFCD for the Lemm Gully stormwater detention basin project and noted that, as discussed earlier in the meeting, said Interlocal Agreement is scheduled to be considered for approval by Harris County Commissioner's Court on April 24, 2021.

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 August 19, 2021; a copy of the report is attached hereto as **Exhibit I**.

Mr. Davis reminded the Board that, as previously discussed, Northland Joint Venture, LP ("NJV") recently televised its sanitary sewer system for the Northland Shopping Center and that EDP and Langford have reviewed certain televising reports. Mr. Davis then reminded the Board that said reports indicated that there is some damage to a gravity sewer line which appears to have been caused by a directional drilling operation, which may have been attributable to the District's installation of the lift station force main that was installed a few years ago. Mr. Davis additionally reminded the Board that it previously authorized EDP to make the necessary repair in an amount not to exceed \$10,000. Mr. Davis further reminded the Board that, at its last meeting, the Board concurred with his recommendation to suspend the previous authorization until EDP and Langford can speak with a representative of NJV regarding the matter. In connection therewith, Mr. Thiry informed the Board that, after further investigation, it does appear that the damage was likely caused by the District and noted that the estimated cost for the repair is \$22,000. A lengthy discussion then ensued regarding same. After additional discussion, the Board authorized EDP to move forward with the necessary repair, subject to (i) EDP and Langford notifying the appropriate representative of Northland Joint Venture that (a) the repair may be the District's responsibility, (b) NJV's responsibility or (c) both the District's and NJV's responsibility, and (d) the responsible party will not be known for certain until after the excavation is completed and (ii) NJV's acknowledgment that they may be financially responsible for the repair.

Mr. Thiry next informed the Board that the annual testing of the District's fire hydrants has been completed and presented and reviewed with the Board a report regarding same, a copy of which report is included with **Exhibit I**. He noted that EDP is recommending repairs in the total amount of \$16,386.25 as described in the report. Mr. Thiry also discussed with the Board the possibility of pressure washing and re-painting the District's fire hydrants. A discussion then ensued whether the volunteer fire department has any criteria relative to the paint color of the fire hydrants. Director Adamek noted that he would contact a representative of the volunteer fire department regarding same. After further discussion, on the matter, Director Hodge moved that EDP be authorized to move forward with the recommended repairs, but defer power washing or painting the fire hydrants at this time. Director Adamek seconded the motion, which carried unanimously.

Mr. Thiry presented to and reviewed with the Board a request that was received from the customer located at 727 E. Louetta Road for a credit to their account in connection with higher than usual charges resulting from a damaged back-flow preventer, which was promptly repaired

upon discovery of same. A copy of the correspondence is included with **Exhibit I**. He advised that the customer is requesting a credit for the excess water usage caused by the leak. After discussion on the matter, Director Hodge moved that EDP be authorized to apply a credit to the customer's account for the sanitary sewer portion of their water bill for the excess usage caused by the back-flow preventer damage. Director Adamek seconded the motion, which carried unanimously.

COMMUNICATIONS REPORT

The Board next discussed District communications. Ms. Johnson 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.

Ms. Johnson next informed the Board that she will be moving to another state in the near future and that Angie Hartwell will be assisting the District moving forward. Ms. Hartwell then introduced herself to the Board.

ATTORNEY'S REPORT

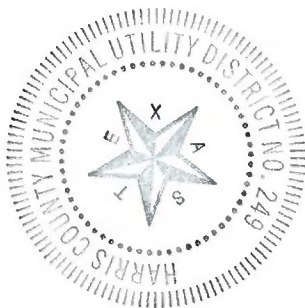
Mr. Skinner next presented and reviewed with the Board a memorandum prepared by SPH concerning H.B. 1154, which bill relates to the requirements of internet websites developed by certain special purpose districts. A copy of the memorandum is attached hereto as **Exhibit K**. Mr. Skinner summarized the bill's requirements and options for the District's compliance with same. Following discussion, the Board concurred to authorize and direct Touchstone to provide any services required for the District's compliance with H.B. 1154, and, if necessary, to prepare for the Board's review at its next meeting, any amendment to its contract with the District related to same.

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 – Records Destruction Request
- Exhibit B – Security Report
- Exhibit C – Tax Assessor-Collector's Report
- Exhibit D – Delinquent Tax Report
- Exhibit E – Bookkeeper's Report
- Exhibit F – Resolution Regarding Review of Investment Policy
- Exhibit G – Progress Report-Landscape Projects
- Exhibit H – Engineer's Report
- Exhibit I – Operator's Report
- Exhibit J – Monthly Communications Report
- Exhibit K – Memo regarding H.B. 1154