

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
May 21, 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 May 21, 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

all of whom participated in the meeting via telephone conference call, 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 Willett of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, James McConville and Doreen Wells, residents 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.

**PUBLIC COMMENTS**

The Board began by opening the meeting for public comments. Ms. Wells advised the Board that she is concerned about the height of the rose bushes at each of the endcaps on Lexington Boulevard being a visual safety hazard for vehicles. A discussion then ensued regarding same. After further discussion, the Board deferred taking any action on the matter until later in the meeting.

**ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, AND AFFIDAVITS OF CURRENT DIRECTOR FOR DIRECTORS**

The Board next considered the acceptance of Bonds, Qualification Statements of Elected Officer, Oaths of Office and Affidavits of Current Director for Daniel Stage, Diana Moore and Willie Hodge. Ms. Moore and Messrs. Stage and Hodge each presented their respective Bond, Qualification Statement of Elected Officer, Oath of Office and Affidavit of Current Director. After discussion on the matter, it was moved by Director Stage, seconded by Director Moore and

unanimously carried, that the Board approve said Bonds, accept said Qualification Statements of Elected Officer, Oaths of Office and Affidavits of Current Director, and declare Daniel Stage, Diana Moore and Willie Hodge to each be duly elected and qualified Directors of the District.

### **ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION OF DIRECTORS**

The Board considered acceptance of the Elections Not to Disclose Certain Information for Directors. In that regard, Directors Stage, Moore and Hodge each presented their respective Elections Not to Disclose Certain Information. It was then moved by Director Palermo, seconded by Director Moore and unanimously carried, that the Board accept said Elections Not To Disclose Certain Information.

### **REORGANIZATION OF THE BOARD OF DIRECTORS AND ELECTION OF OFFICERS**

The next item to be considered was the election of officers. The Board first considered the election of a President. After discussion, the Board concurred that Director Palermo remain President of the Board.

The Board next considered the election of a Vice President. After discussion, the Board concurred that Director Stage remain Vice President of the Board.

The Board next considered the election of a Secretary. After discussion, Director Palermo moved that Director Adamek be elected Secretary of the Board. Director Moore seconded the motion, which carried unanimously.

The Board next considered the election of an Assistant Secretary. After discussion, Director Palermo moved that Directors Hodge and Moore each be elected Assistant Secretaries of the Board. Director Moore seconded the motion, which carried unanimously.

### **DISTRICT REGISTRATION FORM**

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Skinner explained that, in accordance with §36.054(e) and §49.054(f) of the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty (30) days after an election or appointment. He advised that, with the Board's approval, SPH will complete the District Registration Form to include Directors Stage's, Moore's and Hodge's new terms of office and file same with the TCEQ. After further discussion of the matter, Director Palermo moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Moore seconded said motion, which unanimously carried.

## **LIST OF LOCAL GOVERNMENT OFFICERS**

Mr. Skinner next reminded the Board that, pursuant to amendments to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers, in connection with statutory changes in conflict of interest disclosure requirements. After discussion on the matter, Director Stage moved that the District prepare and maintain a list of local government officers as required by law in connection with Directors Stage's, Moore's and Hodge's election to the Board. Director Moore seconded the motion, which carried unanimously.

## **MINUTES**

The Board next reviewed the draft minutes of its meeting held on April 16, 2020. After discussion of the minutes presented, Director Palermo 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 April 2020, a copy of which report is attached hereto as **Exhibit A**.

Director Adamek next informed the Board that he was recently Sergeant Doug Thomas who advised that he is filling Sergeant Schlowinski's position due to his tragic passing.

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

Ms. McMullen reminded the Board that, at the last meeting, it authorized Mr. Ike Darniel, who resides at 25823 Sarah Springs Court, located within the District, to enter into a payment plan for his delinquent taxes, subject to said taxes being paid in full by January 31, 2021. In connection there with, Ms. McMullen informed the Board that, since the last meeting, Mr. Darniel made his final payment on his payment plan for his delinquent 2018 taxes and that Mr. Darniel is expected to make his first payment for his delinquent 2019 taxes in the near future.

## **DELINQUENT TAX REPORT**

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated May 21, 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 May 21, 2020, a copy of which is attached hereto as **Exhibit D**. Mr. Weyand additionally presented check no. 3279 in the amount of \$22,781.24 issued to EDP, which is not reflected in the Bookkeeper's Report. 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, including check no. 3279 in the amount of \$22,781.24 issued to EDP, as discussed. Director Stage seconded the motion, which carried unanimously.

## **UNCLAIMED PROPERTY**

The Board deferred the approval of an Unclaimed Property Report until the next meeting.

## **LANDSCAPING WITHIN THE DISTRICT**

The Board next discussed landscaping within the District. In connection therewith, Mr. Murr presented a verbal status report on various landscaping projects within the District. Additional discussion ensued regarding the height of the rose bushes on the end caps along Lexington Boulevard, as discussed earlier in the meeting. After further discussion, the Board concurred that MI be authorized to review the situation and cut back the height of the rose bushes only if necessary.

## **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 May 21, 2020, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District. It was noted that no action was being requested at this time with respect to any items listed on the report.

## **REQUEST FOR POSSIBLE ANNEXATION**

Mr. Skinner next advised the Board that a request was recently received from Third Coast Architects on behalf of Mr. Mike Patel for the District to consider the possible annexation of an approximately 1.09 acre tract into the jurisdictional boundaries of the District to provide water and sanitary sewer service to a proposed apartment complex. After discussion on the matter, the Board concurred that it is not interested in annexing said property into the boundaries of the District at this time and that SPH be authorized to advise of the Board's decision.

## **INTERLOCAL AGREEMENT**

The Board deferred the approval and execution of an Interlocal Agreement between 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.

## **OPERATIONS AND MAINTENANCE REPORT**

Messrs. Davis and Thiry reminded the Board that EDP previously advised that it believes the sanitary sewer lines in the Northland Shopping Center ("Northland") potentially have stormwater inflow and infiltration issues, and recommended the smoke testing and televising of such lines. In connection therewith, Messrs. Davis and Thiry informed the Board that, since the last meeting, EDP had said smoke testing performed and discussed the results of same with the Board. It was noted that the test results indicated that there are repairs that will need to be made. A lengthy discussion then ensued regarding how to move forward with the necessary repairs. After discussion, the Board concurred that Messrs. Thiry and Davis schedule a meeting with representatives of Northland to develop a plan to move forward with the necessary repairs.

Ms. Wells and Mr. McConville exited the meeting at this time.

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 21, 2020; a copy of the report is attached hereto as **Exhibit F**.

A discussion next ensued regarding the District's handling of delinquent utility accounts during the pendency of the COVID-19 pandemic. After discussion on the matter, the Board concurred that EDP be authorized to (i) continue waiving the provisions in the District's Rate Order relative to the levying of penalties and interests on delinquent accounts and termination of water service during the COVID-19 pandemic and (ii) defer sending out any delinquent notices or door tags during this time.

## **AMENDMENT TO RATE ORDER**

The Board next considered amending the District's Rate Order. Mr. Skinner reminded the Board that, it previously amended the District's Rate Order effective as of April 1, 2020 to increase the pumpage fee from \$3.97 to \$4.38 for each 1,000 gallons of water billed to each District customer to account for the increase in the fee assessed by the North Harris County

Regional Water Authority (the "Authority") from \$3.85 to \$4.25 per 1,000 gallons that was effective as of April 1, 2020. Mr. Skinner then advised the Board that correspondence was recently received from the Authority advising that they are suspending the fee increase until July 1, 2020. After discussion, it was moved by Director Adamek, seconded by Director Moore and passed unanimously, that the District's Rate Order be amended to decrease the pumpage fee from \$4.38 to \$3.97 for each 1,000 gallons of water billed to each District customer to account for the adjustment in the fee assessed by the Authority, with said amended Rate Order to be retroactively effective as of April 1, 2020, that any and all rate orders heretofore adopted by the Board be revoked and that the amended Rate Order be passed and adopted as of that date.

### **CONSUMER CONFIDENCE REPORT**

The Board considered the approval of a 2019 Consumer Confidence Report and authorizing the distribution of same to the District's customers prior to July 1, 2020, as required by federal law. Mr. Thiry presented to the Board a draft of the 2019 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 Moore 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, 2020. Director Palermo seconded said motion, which carried unanimously.

### **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 G**. After discussion, the Board concurred that Touchstone be authorized to prepare and place an article on "How to Read Your Bill" on the District's website.

### **ATTORNEY'S REPORT**

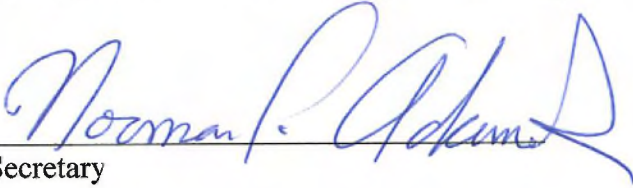
Mr. Skinner presented to and reviewed with the Board a memorandum prepared by SPH regarding an update on H.B. 3834 Cybersecurity Training for Certain Local Government Employees and Elected Officials, a copy of which memorandum is attached hereto as **Exhibit H**. Mr. Skinner advised that SPH is recommending that all elected directors complete the certified training program by June 14, 2020, and that there will be several opportunities available for directors to complete said training by the deadline, which are outlined in the memorandum.

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

The Board deferred going into Closed Session at this time.

**ADJOURN**

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

  
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 – Engineer's Report

Exhibit F – Operator's Report

Exhibit G – Communications Meeting Report

Exhibit H – Cybersecurity Training Memorandum