

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
March 21, 2019

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 March 21, 2019, 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 Directors Moore and Hodge, thus constituting a quorum. Director Moore entered the meeting after the call to order, as noted below.

Also present were John Davis of Langford Engineering, Inc. ("Langford"); Damon Brown and Bart Downum of Environmental Development Partners, L.L.C. ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Michael Murr of Murr Incorporated ("MI"); Michael Willett and Rob Miller of Touchstone District Services, LLC ("Touchstone"); Blake Kridel and Karen Sears of Storm Water Solutions, LP ("SWS"); Cindy Adamek, James McConville and Doreen Wells, 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.

MINUTES

The Board first reviewed the draft minutes of its meeting held on February 21, 2019. A revision to the draft minutes was noted. After discussion of the minutes presented, Director Adamek moved that the February 21, 2019, minutes be approved, as revised. Director Palermo 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

The Board next considered the report regarding District security matters. Mr. Skinner distributed the Harris County Sheriff's Office security patrol report for February 2019, a copy of which report is attached hereto as **Exhibit A**.

AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2018

The Board deferred the review and approval of the District's audit report for the fiscal year ended December 31, 2018, after noting that said audit report was still being prepared.

CONTINUING DISCLOSURE REPORT

The Board deferred consideration of the status of the District's continuing disclosure report due June 30, 2019.

AUTHORIZE FILING OF AUDIT REPORT WITH TEXAS COMPTROLLER

The Board deferred authorizing the filing of the District's audit report for fiscal year ended December 31, 2018, with the Texas Comptroller at this time.

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 February 2019, 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.

DELINQUENT TAX REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated March 21, 2019, 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 action was necessary in connection with the accounts reflected on the Report.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated March 21, 2019, 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 no. 7924 payable to Director Hodge, which was voided. Director Palermo seconded the motion, which carried unanimously.

Director Moore entered the meeting during presentation of the Bookkeeper's Report.

UNCLAIMED PROPERTY REPORT

The Board considered authorizing the preparation of an Unclaimed Property Report as of March 1, 2019, which is to be filed with the State Comptroller prior to July 1, 2019. After discussion on the matter, Director Adamek moved that the District's consultants be authorized to

prepare an Unclaimed Property Report, if necessary, and that the District's Bookkeeper file same with the State Comptroller prior to July 1, 2019. Director Moore seconded said motion, which unanimously carried.

LANDSCAPING WITHIN THE DISTRICT

The Board next discussed landscaping within the District. In connection therewith, Mr. Murr presented a verbal report on the status of various landscaping projects in the District. No action was taken by the Board.

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

Mr. Skinner next reminded the Board that Mr. Murr previously reported that ESD No. 7 recently cleared some of its property and a portion of District property located adjacent to ESD No. 7's property in violation of applicable law and deed restrictions. Mr. Skinner also reminded the Board that, as previously requested, SPH prepared and forwarded correspondence to counsel for ESD No. 7 regarding the matter and requiring correction action accordingly. Mr. Murr then advised the Board that he met recently with representatives of ESD No. 7 and that the estimated cost to remedy the situation is approximately \$177,000. A discussion then ensued regarding same. The Board took no action concerning same.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Kridel first introduced Ms. Sears to the Board. Mr. Kridel then presented to and reviewed with the Board a Drainage Facilities Report prepared by SWS, a copy of which is attached hereto as **Exhibit E**. It was noted that no repairs to District detention and drainage facilities were being recommended at this time.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated March 21, 2019, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Relative to the construction of the Northland Shopping Center Lift Station, Mr. Davis presented to and reviewed with the Board (i) Change Order No. 1 in the amount of \$6,280.74, (ii) Change Order No. 2 and Final in the amount of \$33,836.00, and (iii) Pay Estimate No. 8 and Final in the amount of \$69,255.36 from Desert Eagle, LLC, dba Panorama Construction ("Panorama"), copies of which are included with **Exhibit F**, and recommended that the Board approve said Change Orders and the payment of Pay Estimate No. 8 and Final. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Stage and unanimously carried, that the Board approve Change Order No. 1, and Change Order No. 2 and Final and payment of Pay Estimate No. 8 and Final, as recommended by the District's engineer.

Relative to the construction of the Bayer Park Lift Station and Force Main, Mr. Davis presented to and reviewed with the Board (i) Change Order No. 1 and Final in the amount \$31,999.42, and (ii) Pay Estimate No. 8 and Final in the amount of \$51,765.46 from Panorama,

copies of which are included with **Exhibit F**, and recommended that the Board approve said Change Order and the payment of Pay Estimate No. 8 and Final. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Moore and unanimously carried, that the Board approve payment of Change Order No. 1 and Final and the payment of Pay Estimate No. 8 and Final, as recommended by the District's engineer.

Mr. Davis next requested that the Board consider authorizing the President to execute Certificates of Acceptance relative to the Northland Shopping Center Lift Station project and the Bayer Park Lift Station and Force Main project, copies of which Certificates are included with **Exhibit F**. After discussion, Director Adamek moved that said Certificates be approved and the President be authorized to execute same on behalf of the Board and the District. Director Moore seconded the motion, which carried unanimously.

Mr. Davis next advised the Board that Langford is in the process of reviewing the District's Drought Contingency Plan and Emergency Preparedness Plan for recommended updates.

CRITICAL LOAD

Mr. Skinner reported that Section 13.1396 of the Texas Water Code requires the District to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status. After discussion on the matter, Director Moore moved that EDP be authorized to make such annual filings on behalf of the District. Director Stage seconded the motion, which carried unanimously.

UTILITY CAPACITY REQUESTS

Mr. Skinner reminded the Board that, at the last meeting, it approved a Utility Commitment with Lone Star College ("LSC") relative to an approximately 19.810 acre tract (previously known as the Home of Hope Tract) and advised that said Utility Commitment has been provided to LSC for execution and return. Mr. Davis then advised the Board that Langford is in the process of reviewing the plans for LSC.

OPERATIONS AND MAINTENANCE REPORT

The Board next considered the Operations and Maintenance Report. Mr. Downum presented to and reviewed in detail with the Board a written Operator's Report prepared by EDP, dated as of March 21, 2019; a copy of the report is attached hereto as **Exhibit G**. Mr. Downum noted that the bar screen repair at the Wastewater Treatment Plant is scheduled for March 22, 2019.

AMENDMENT TO AGREEMENT FOR OPERATIONS SERVICES

The Board deferred approval of an Amendment to Agreement for Operations Services until the April 2019 meeting.

WEBSITE PROVIDER

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

ATTORNEY'S REPORT

Mr. Skinner advised the Board that he had nothing more of a legal nature to report at this time.

NOTICE OF MEETING AND PROXY STATEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM")

The Board deferred the review of a Notice of Meeting and Proxy Statement from BAM after noting that same had not been received by the District.


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

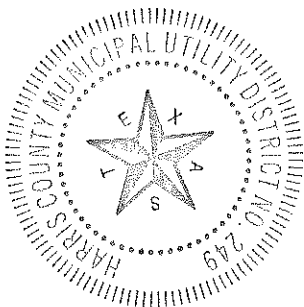
At 7:44 p.m., Director Adamek moved that the Board convene in Closed Session as authorized pursuant to Texas Government Code Section 551.071 and/or Section 551.072. Those in attendance, with the exception of the Board, Mr. Murr and Mr. Skinner, exited at this time.

At 8:24 p.m., Director Adamek moved that the Board reconvene in Open session. Director Palermo seconded the motion, which carried unanimously.

ADJOURN

There being no further business to come before the Board, upon motion duly made by Director Moore, seconded by Director Stage 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 – Drainage Facilities Report
- Exhibit F – Engineer's Report
- Exhibit G – Operator's Report
- Exhibit H – Communication Monthly Report