

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
August 15, 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 August 15, 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 Director Moore, thus constituting a quorum.

Also present were John Davis of Langford Engineering, Inc. ("Langford"); Bart Downum and Damon Brown of Environmental Development Partners, L.L.C. ("EDP"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Hendershot of Bob Leared Interests, Inc. ("BLI"); Kathryn Foss of Municipal Financial Services ("MFS"); Rob Miller of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Cindy Adamek, Doreen Wells 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.

MINUTES

The Board first reviewed the draft minutes of its meeting held on July 18, 2019. After discussion of the minutes presented, Director Palermo moved that said minutes be approved, as written. Director Stage 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 ("HCSO") security patrol report for July 2019, a copy of which report is attached hereto as **Exhibit A**.

Director Adamek advised the Board that he recently attended a HCSO liaison meeting and reported on his discussions with leadership at said meeting regarding security matters.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2019 TAX RATE

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2019 tax rate and authorization of: (i) the required notice that the Board will consider adoption of a tax rate, and (ii) the means of providing such notice.

Mr. Skinner advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Skinner further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either: (i) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (ii) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting.

Ms. Crotwell then presented to and reviewed with the Board a 2019 Debt Service Tax Rate Recommendation, a copy of which is attached hereto as **Exhibit B**. Ms. Crotwell then informed the Board that Masterson is recommending a proposed 2019 debt service tax rate of \$0.40 per \$100 of assessed valuation. There then ensued a discussion regarding the recommended 2019 maintenance tax rate. Additional discussion ensued regarding a possible bond authorization election and/or the possible issuance of bonds for the District's remaining bond authorization. After further discussion, the Board deferred taking any action on the matter 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 July 2019, a copy of which report is attached hereto as **Exhibit C**. 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 Stage seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated August 15, 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 D**. Mr. Skinner noted that no action was necessary in connection with any of the accounts reflected in the Report.

BOOKKEEPER'S REPORT

Mr. Burton next presented to and reviewed with the Board the Bookkeeper's Report dated August 15, 2019, a copy of which is attached hereto as **Exhibit E**. 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, except for check no. 8070 issued to Director Moore, which was voided. Director Stage seconded the motion, which carried unanimously.

Mr. Burton 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, 2019, 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 Stage 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.

EVO REPORT

Ms. Foss next presented to and reviewed with the Board the EVO Report prepared by MFS. The Board then asked various questions to which Ms. Foss responded.

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. Mr. Murr informed the Board that Trees for Houston has allocated an additional two hundred forty-nine trees for planting within the District. He then requested that the Board think about where they would like for the trees to be planted in the District during the months of November or December of this year.

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 then reminded the Board that the proposed Interlocal Agreement between the District and ESD No. 7 relative to the project was previously approved by the Board, subject to said Agreement being approved and executed by ESD No. 7. Mr. Skinner additionally reminded the Board that SPH sent a copy of said Agreement to ESD No. 7 for review and, subsequently ESD No. 7 proposed that the Agreement be restructured such that the District perform the work, and ESD No. 7 contributes a set amount of the costs, to which the Board agreed. He then noted that SPH is in the process of preparing the revised Agreement at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board deferred consideration of a Drainage Facilities Report after noting that no representative from Storm Water Solutions, LP was present at the meeting.

Director Adamek then presented to and reviewed with the Board a picture of a rock dam recently constructed by Harris County Flood Control District on its facilities located within the District. A discussion then ensued regarding same.

Ms. Foss exited the meeting at this time.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated August 15, 2019, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

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. Mr. Davis then updated the Board on various matters related thereto.

CAPITAL IMPROVEMENTS PLAN

Mr. Davis next presented to and reviewed with the Board a Capital Improvements Plan ("Plan"), a copy of which is included with **Exhibit F**. After discussion, the Board requested that certain revisions be made to said Plan.

Ms. Wells, Mr. McConville and Director Stage each exited the meeting at this time.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2019 TAX RATE

Ms. Crotwell reminded the Board that, as discussed earlier in the meeting, Masterson is recommending a proposed 2019 debt service tax rate of \$0.40 per \$100 of assessed valuation. After further discussion on the matter, the Board deferred taking any action until the next meeting.

Mr. Burton, Mr. Murr, Ms. Hendershot and Ms. Crotwell each exited the meeting after the above discussion.

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 August 15, 2019; a copy of the report is attached hereto as **Exhibit G**.

Mr. Downum next informed the Board that EDP solicited three bids for replacement of the three (3) remaining sluice gates at the Wastewater Treatment Plant and noted that only two bids were received. Mr. Thiry additionally advised the Board that EDP is recommending that the project be awarded to the low bidder, Electrical Field Services, Inc. ("EFS"), in the amount of

\$29,998.00. After discussion, Director Adamek moved that the project be awarded to EFS in the amount of \$29,998.00. Director Hodge seconded the motion, which carried unanimously.

REVIEW OF DROUGHT CONTINGENCY PLAN

The Board deferred review of the District's Drought Contingency Plan at this time after noting that Mr. Davis and SPH were still in the process of reviewing said Plan as further described in the Engineering Report.

WEBSITE PROVIDER

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

Mr. Skinner noted that there were some recent legislative changes regarding districts that have a website. In connection therewith, he presented to and reviewed with the Board a Memorandum prepared by SPH regarding Legal Requirements for the District's Website and Other Considerations, a copy of which is included with **Exhibit H**.

ATTORNEY'S REPORT

Mr. Skinner next presented to the Board a Memorandum prepared by SPH summarizing Senate Bill No. 944 (relating to the Texas Public Information Act) and House Bill No. 2840 (relating to the Texas Open Meetings Act), a copy of which is attached hereto as **Exhibit I**.

Mr. Skinner first discussed House Bill No. 2840 with the Board, which adds Section 551.007, Texas Government Code, and sets forth requirements regarding public comments at Board meetings. In this regard, He advised the Board that SPH will add an item regarding public comments on all agendas going forward, beginning with the agenda for the September 2019 Board meeting, to comply with House Bill No. 2840. He further stated that the issues of: (i) the order of that item on the agenda, such as whether it appears as the first item on the agenda, (ii) whether any additional language explaining the public's rights under House Bill No. 2840 will be added on every agenda, and (iii) the content of such additional language, if added, is still being discussed internally at SPH. A discussion then ensued as to whether or not the District should adopt a Resolution Adopting Public Comment Policies and Procedures. After discussion, the Board concurred that it is not necessary for the District to adopt public comment policies and procedures at this time.

Mr. Skinner next discussed Senate Bill No. 944 with the Board, which modifies Chapter 552, Texas Government Code (the "Public Information Act") and primarily clarifies existing law regarding local government records. He advised the Board that, beginning on September 1, 2019, public information, which includes information written produced, collected, assembled or maintained in connection with the transaction of District business, created or received by Directors or former Directors on a privately owned device, including e-mails, notes, text messages, or other documents, is subject to a request for information under the Public Information Act. Such information must either be forwarded to SPH or a District server or preserved by the Director in its original form in a backup or archive and on their private device for the minimum amount of time required for the applicable information under the District's records retention schedules. Directors must turn over such information on their private devices within 10 days of a request for same from the District's Records Management Officer or be subject to discipline by the Board or any other applicable penalties provided by the Public Information Act or Texas law. Mr. Skinner then advised the Board that Senate Bill No. 2840 requires the Attorney General to create a Public Information Request Form which may be used by the District and that SPH will review such form after it is produced and advise the Board regarding future use of same.

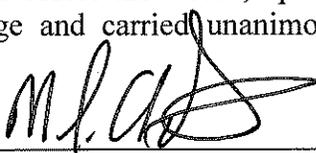
Mr. Skinner then discussed with the Board Senate Bill No. 239, which requires a statement to be included on all water bills beginning September 1, 2019.

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

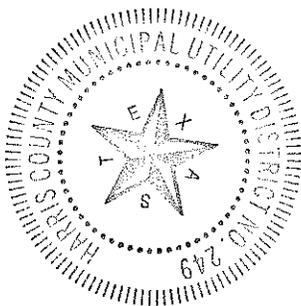
The Board deferred convening in Closed Session at this time.

ADJOURN

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



Asst. Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Security Report

Exhibit B – Tax Rate Analysis

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Bookkeeper's Report

Exhibit F – Engineer's Report

Exhibit G – Operator's Report

Exhibit H – Communications Consulting Meeting Report; Website Memorandum

Exhibit I – Memorandum regarding S.B. 944 and H.B. 2840