

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
July 20, 2017

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 July 20, 2017, 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 Hodge, thus constituting a quorum.

Also present were John Davis of Langford Engineering, Inc. ("Langford"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Caryn Adams of Municipal Accounts & Consulting, L.P. ("MAC"); Michael Murr of Murr Incorporated ("MI"); Stephanie Hendershot of Bob Leared Interests ("BLI"); District residents Cindy Adamek and Doreen Wells; Blake Kridel of Storm Water Solutions, LP ("SWS"); and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom entered the meeting following 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.

**MINUTES**

The Board first reviewed the draft minutes of its meeting held on June 19, 2017. After discussion of the minutes presented, Director Stage moved that the June 19, 2017, minutes be approved, as written. 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 ISSUES**

The Board next considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office security report for June 2017, a copy of which is attached hereto as **Exhibit A**. Director Adamek noted that he would coordinate with the Harris County Sheriff's Office to add District resident Ron Washington to the distribution list for the security report.

## **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 June 2017, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Adamek moved that the Tax Assessor-Collector's Report be approved and that the disbursements identified in said report be approved for payment from the District's tax account. Director Stage seconded said motion, which unanimously carried.

Ms. Hendershot advised that, due to fees charged by Comerica Bank, BLI is recommending that the Board consider moving the District's tax fund account from Comerica Bank to Central Bank. Following discussion, upon motion by Director Adamek, seconded by Director Stagehand unanimously carried, the Board approved moving the District's tax account to Central Bank.

Messrs. Davis and Thiry entered the meeting during the Tax Assessor-Collector's Report.

## **DELINQUENT TAX REPORT**

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Report, dated July 20, 2017, 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 Board action was required with respect to any of the delinquent tax accounts listed in the report.

## **BOOKKEEPER'S REPORT**

Ms. Adams next presented to and reviewed with the Board the Bookkeeper's Report dated July 20, 2017, including (i) the disbursements presented for payment from the District's General Operating Fund, Capital Projects Fund and the Sewage Treatment Plant ("STP") Account, (ii) an Account Balance Report, (iii) a Summary of Pledged Securities Report, (iv) an Actual versus Budget Comparison for June 2017 for the Operating Fund and the STP Account, (v) a Debt Service Payments schedule, and (vi) a Sales Tax Revenue History Report, copies of which are attached hereto as **Exhibit D**. After discussion, it was moved by Director Moore that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check no. 7247 issued to Director Hodge, which was voided. Director Adamek seconded the motion, which carried unanimously.

## **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 then discussed next year's proposed landscaping budget and noted that it is generally the same budget as this year. There then ensued a discussion regarding the planting of additional trees for the screening of an apartment complex and the wastewater treatment plant. After discussion, the Board concurred that MI be authorized to plant additional trees for the apartment complex screening project and the wastewater treatment plant screening project

## **DETENTION AND DRAINAGE FACILITIES REPORT**

Mr. Kridel 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 were being recommended at this time.

Mr. Skinner next presented to and reviewed with the Board a Second Amendment to Contract for Drainage Channels and Detention Pond Maintenance Services ("Amendment") between the District and SWS. Mr. Skinner informed the Board that said Amendment incorporates the maintenance of the 6.867 acre tract previously purchased by the District into the agreement between the District and SWS. After discussion on the matter, Director Palermo moved that said Amendment 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.

## **ENGINEERING REPORT**

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated July 20, 2017, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Mr. Davis next requested that the Board consider authorizing Langford to advertise for bids for the Bayer Park lift station and Northland Shopping Center lift station subject to approval and execution of the Interlocal Agreement between the District and Harris County. After discussion, the Board deferred authorizing Langford to proceed with advertising for bids at this time.

Mr. Davis reminded the Board that Langford previously discussed with Mr. Mike Sperandio, the owner of Louetta Crossing Business Park, regarding erosion that is occurring on the west side of Harris County Flood Control Unit K120-03-00 due to improper construction of the outfall drainage pipe and that Mr. Sperandio indicated that he needed some time to research his files and discuss the matter with his engineer. Mr. Davis further reminded the Board that he has tried contacting Mr. Sperandio regarding the status of the matter but that no response has been received to date. A discussion then ensued regarding same. Mr. Skinner then advised the Board that he would contact Mr. Sperandio accordingly to discuss the matter further.

## **RATIFICATION OF PRIOR ACTION**

The Board next considered ratification of its prior action relative to the approval and execution of the Conditions for Utility Service Agreement by and between the District and North Lexington Realty, LLC. After discussion, the Board concurred that the District's prior action be ratified in all respects.

## **RENEWAL OF DISTRICT WASTE DISCHARGE PERMIT**

The Board next considered the status of the District's application to the Texas Commission on Environmental Quality ("TCEQ") for the renewal of the District's Waste Discharge Permit due to expire February 1, 2018. Mr. Davis informed the Board that said application is complete and requested that the Board consider authorizing Langford to submit

same to the TCEQ. After discussion, Director Adamek moved that Langford be authorized to submit said application to the TCEQ. Director Palermo seconded the motion, which carried unanimously.

### **BAYER PARK WASTEWATER CONVEYANCE PROJECT**

With respect to the Bayer Park wastewater conveyance project, the Board deferred approval of an Interlocal Agreement between the District and Harris County for the project pending receipt of approval of the draft agreement from Harris County.

### **STATUS OF COMMUNICATION WITH QUADVEST, L.P. ("QUADVEST") RELATIVE TO EMERGENCY WATER SUPPLY AGREEMENT**

Mr. Skinner reminded the Board that Quadvest previously authorized its attorney to prepare a proposed Emergency Water Supply Agreement ("Agreement") for the District's review and approval and that a draft of said agreement had been received from Quadvest's attorney. Mr. Skinner also reminded the Board that, as previously discussed, SPH advised Quadvest's attorney of the various provisions that the Board will require to be included in the agreement to protect the District since Quadvest is not a governmental entity. Mr. Skinner additionally reminded the Board that SPH had received a copy of the proposed revisions to the Agreement from Quadvest's attorney and noted that SPH has provided comments to Quadvest's attorney accordingly. Mr. Thiry further reminded the Board that EDP conducted research to determine if the District is providing emergency water supply to Old Town Spring Improvement District ("OTSID") and that, according to Quadvest, the valve to the emergency interconnect is closed and no water is being provided to OTSID. In connection therewith, Mr. Skinner then reminded the Board that, as previously authorized, SPH prepared and forwarded a letter (the "Demand Letter") to Quadvest on the District's behalf demanding Quadvest provide additional information and execute the proposed Agreement or the District would move forward with the disconnection of the interconnect facilities. Mr. Skinner noted that no information or executed Agreement had been received to date. After discussion on the matter, the Board concurred to authorize SPH to move forward with the disconnection of the interconnect facilities in accordance with the Demand Letter.

### **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 July 20, 2017; a copy of the report is attached hereto as **Exhibit G**.

Mr. Thiry informed the Board that Mr. David Mafrige, on behalf of Northland Joint Venture, LP ("Northland") has requested a waiver of penalties and interest accrued on Northland's account due to Northland inadvertently sending their water bill payment to BLI in lieu of EDP. After discussion, the Board concurred to deny Northland's request at this time.

### **RATIFICATION OF PRIOR ACTION**

The Board next considered ratification of its prior action relative to the approval and execution of a proposal for a standby emergency back-up generator. After discussion, Director

Stage moved that the Board's prior action be ratified in all respects. Director Moore seconded the motion, which carried unanimously.

**CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071**

The Board deferred convening in Closed Session at this time.

**PROVISION OF WATER AND SANITARY SEWER SERVICE TO NORTHLAND SHOPPING CENTER AND AMENDED AND RESTATED ANNEXATION AND UTILITY SERVICES AGREEMENT**

Mr. Skinner noted that there have been no new developments other than those already discussed under previous agenda items.

**STRATEGIC PLANNING**

There next ensued a discussion regarding the term of the District's Strategic Partnership Agreement with the City of Houston and the effects of the prospective expiration of said agreement.

**WEBSITE PROVIDER**

The Board next discussed website compliance relative to legal requirements. After discussion on the matter, no further action was taken at this time.

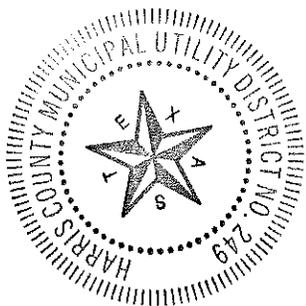
**ATTORNEY'S REPORT**

Mr. Skinner presented to the Board a Summary of the 85<sup>th</sup> Texas Legislative Session, a copy of which is attached hereto as **Exhibit H**.

**ADJOURN**

There being no further business to come before the Board, upon motion duly made by Director Adamek, seconded by Director Palermo 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 – Operations and Maintenance Report
- Exhibit H – Legislative Summary