

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors  
March 15, 2018

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 15, 2018, 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 Hodge and Moore, thus constituting a quorum.

Also present were John Davis and James Cartwright of Langford Engineering, Inc. ("Langford"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Kathryn Foss of Municipal Financial Services ("MFS"); District residents Cindy Adamek and Doreen Wells; and Rick Barker 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 15, 2018. After discussion of the minutes presented, Director Adamek moved that the February 15, 2018, minutes be approved, as written. Director Stage seconded said motion, which carried unanimously.

**EVO PROGRAM**

Ms. Foss presented and reviewed with the Board a proposed engagement letter from MFS for the EVO Program relative to reviewing and analyzing certain District historical data. Ms. Foss then discussed the EVO Program in detail with the Board. She stated that the annual cost for the EVO Program is \$3,950.00, and that there is a one-time set up fee of \$1,750.00. After discussion on the matter, the Director Adamek moved that the Board approve MFS's engagement letter and that the President be authorized to execute same on behalf of the Board and the District. Director Palermo seconded the motion, which carried unanimously.

## **COMMENTS FROM THE PUBLIC**

The Board deferred consideration of comments from the public at this time as none were presented.

## **DISTRICT SECURITY ISSUES**

The Board next considered the report regarding District security issues. Mr. Barker distributed the Harris County Sheriff's Office security report for February 2018, a copy of which is attached hereto as **Exhibit A**.

## **AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2017**

The Board deferred the review and approval of the District's audit report for fiscal year ended December 31, 2017 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, 2018.

## **AUTHORIZE FILING OF AUDIT REPORT WITH TEXAS COMPTROLLER**

Mr. Barker reminded the Board that Texas Local Government Code §140.008, requires the District and other political subdivisions to file certain financial information with the Texas Comptroller of Public Accounts (the "Comptroller") following each fiscal year expiring on or after January 1, 2016. This financial information may be submitted as a separate report, or, alternatively, districts subject to Chapter 49 of the Texas Water Code (including the District) may submit its annual audit to the Comptroller. Mr. Barker further explained that those districts with a website should also make the financial information available on such website or provide a link to the information on the Comptroller's website. Lastly, Mr. Barker explained that the Comptroller has advised that the report will be due within 180 days of the District's fiscal year end. Upon a motion made by Director Adamek, seconded by Director Stage and carried unanimously, the Board authorized SPH to file the District's annual audit report for the fiscal year ended on December 31, 2017, with the Comptroller by the appropriate deadline, and to provide a link from the District's website to the Comptroller's website.

## **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 2018, a copy of which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Palermo 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 Adamek seconded said motion, which unanimously carried.

## **DELINQUENT TAX REPORT**

Mr. Barker presented to and reviewed with the Board the Delinquent Tax Report, dated March 15, 2018, 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. Barker noted that no Board action was required with respect to any of the delinquent tax accounts listed in the report.

## **BOOKKEEPER'S REPORT**

Mr. Barker next presented to and reviewed with the Board the Bookkeeper's Report dated March 15, 2018, 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 February 2018 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 Adamek that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment, except for check nos. 7519 and 7522 payable to Directors Hodge and Moore, respectively, which were voided. Director Stage seconded the motion, which carried unanimously.

## **UNCLAIMED PROPERTY REPORT**

The Board considered authorizing the preparation of an Unclaimed Property Report as of March 1, 2018, which is to be filed with the State Comptroller prior to July 1, 2018. After discussion on the matter, Director Stage 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, 2018. Director Adamek seconded said motion, which unanimously carried.

## **LANDSCAPING WITHIN THE DISTRICT**

The Board deferred discussion of landscaping within the District after noting that no representative of Murr Incorporated was present at the meeting.

## **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 presented to and reviewed with the Board the Engineering Report, dated March 15, 2018, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Mr. Davis next informed the Board that Langford received bids on March 1, 2018, for the Bayer Park and Northland Shopping Center Lift Stations and Force Mains project. He then presented to and reviewed with the Board eight (8) bids that were received for the project. Mr. Davis recommended that the Board award the contract to the low bidder, Desert Eagle LLC (Panorama Construction) ("DE"), at a cost of \$1,131,185.58. After further discussion on the matter, Director Adamek moved that the project be awarded to the low bidder, DE, at a cost of \$1,131,185.58, subject to (i) Harris County's approval, (ii) the District's attorney's review of the payment and performance bonds and insurance certificate submitted in connection with the contract to determine if the payment and performance bonds and insured meet the requirements of the bid specifications, the Texas Insurance Code, the rules of the Texas Commission on Environmental Quality and the provision of the Texas Water Code and (iii) receipt of a TEC Form 1295. Director Palermo seconded the motion, which carried unanimously.

There next ensued a discussion regarding the possibility of coordinating with Harris County Water Control and Improvement District No. 110 ("No. 110") to expand and/or combine existing detention pond capacity. Mr. Davis advised that he had discussed the matter with the No. 110 Board of Directors and noted that No. 110 is in favor of combining the existing detention pond capacity. He then advised the Board that he will discuss the matter with Harris County prior to commencing preparation of the necessary plans.

The Board next requested that Storm Water Solutions, LP clean/clear out the fallen trees and rocks in the outfall of the mitigation pond prior to the next meeting. Mr. Davis noted that he would re-assess the area after the cleaning has been completed and report back on the matter at the next Board meeting.

Mr. Davis next recommended shutting down one of the District's force main's and using both pumps in order to flush out the other force main. After discussion, Director Adamek moved that the Board concur with Mr. Davis' recommendation. Director Palermo seconded the motion, which carried unanimously.

#### **ANNUAL REVIEW OF EMERGENCY PREPAREDNESS PLAN**

The Board next considered the annual review of the District's Emergency Preparedness Plan ("EPP") and authorizing the District's engineer to issue a notice to all applicable entities relative to changes to the emergency water use restrictions under the District's EPP. After discussion, Director Adamek moved that Langford be authorized to prepare and issue said notice on the District's behalf. Director Palermo seconded the motion, which carried unanimously.

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

The Board next considered the status of the District's application to the TCEQ for the renewal of the District's Waste Discharge Permit due to expire February 1, 2018. Mr. Davis reminded the Board that said application is complete and has been submitted to the TCEQ for review. Mr. Davis then informed the Board that said application was declared administratively complete and that Langford has handled the necessary postings and publications required by the TCEQ and that Langford is waiting for the new permit to be issued.

## **UTILITY COMMITMENT**

The Board deferred consideration of utility commitment requests, as none were presented.

## **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 March 15, 2018; a copy of the report is attached hereto as **Exhibit F**.

Mr. Thiry next informed the Board that one of the aeration basin's is in need of clean out and noted that EDP solicited bids from Source Point at a cost of \$9,595.00 and Magna Flow at a cost of \$8,850.00. After discussion, Director Adamek moved that EDP be authorized to have the aeration basin cleaned out by Magna Flow at a cost of \$8,850.00. Director Stage seconded the motion, which carried unanimously.

## **AMENDMENT OF RATE ORDER**

The Board next considered amending the District's Rate Order. Mr. Barker advised the Board that effective April 1, 2018, the North Harris County Regional Water Authority ("Authority") will increase its groundwater pumpage fee from \$2.90 to \$3.40 per 1,000 gallons. After discussion, it was moved by Director Stage, seconded by Director Palermo and passed unanimously that the District's Rate Order be amended to increase the pumpage fee from \$3.02 to \$3.52 for each 1,000 gallons of water billed to each District customer to pay the fee assessed by the Authority, with said amended Rate Order to become effective April 1, 2018, and 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.

## **WEBSITE PROVIDER**

The Board next discussed website compliance relative to legal requirements. It was noted that several items needed to be updated on the website at this time.

## **ATTORNEY'S REPORT**

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

## **FUTURE AGENDA ITMES**

The Board requested that the agenda item for utility commitment requests be removed from future agendas unless a request for such commitment has been made.


## **SUPPLEMENTAL AGENDA**

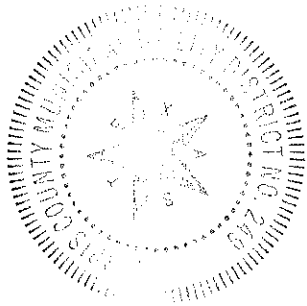
The Board considered cancellation of the Directors Election called for May 5, 2018. Mr. Barker advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the

District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 23, 2018. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Barker then presented and reviewed the Order Declaring Candidates Elected, a copy of which is attached hereto as **Exhibit G**. After discussion, Director Adamek moved that the Order be adopted by the Board declaring Norman Adamek and Ralph V. Palermo elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 5, 2018, be cancelled. Director Palermo seconded said motion, which unanimously carried.

**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 – Engineer's Report
- Exhibit F – Operator's Report
- Exhibit G – Order Declaring Candidates Elected