

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors

February 15, 2024

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 February 15, 2024, 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
Willie Hodge, Vice President
Norman Adamek, Secretary
Michael Guillory, Assistant Secretary
Diana Moore, Assistant Secretary

and all of said persons were present, except Directors Hodge and Moore, thus constituting a quorum.

Also present were: Mario Garcia and Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MAC"); Odett Newman of Bob Leared Interests, Inc. ("BLI"); John Davis of Langford Engineering, Inc. ("Langford"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); Dane Turner of Best Trash ("BT"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, a resident of the District; and Rick L. 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.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no public comments presented, the Board continued to the next item of business.

MINUTES

The Board next reviewed the draft minutes of its meeting held on January 18, 2024. After discussion of the draft minutes presented, Director Guillory moved that said minutes be approved, as written. Director Adamek seconded the motion, which carried unanimously.

DISTRICT SECURITY

The Board next considered the report regarding District security matters. Mr. Barker presented the Harris County Sheriff's Office ("HCSO") security patrol report for January 2024, a copy of which report is attached hereto as **Exhibit A**.

ANNUAL RATE INCREASE FOR SOLID WASTE AND RECYCLING COLLECTION SERVICES

Mr. Turner addressed the Board and inquired whether the Board had any concerns regarding the solid waste and recycling collection services provided by BT. The Board noted that it was satisfied with BT's services at this time. Mr. Turner next discussed with the Board correspondence from BT advising that, effective April 1, 2024, BT will be increasing its monthly fee for garbage and recycling collection services from \$20.67 to \$22.18 per residence, which is approximately a 7.3% increase, a copy of which correspondence is attached hereto as **Exhibit B**. Mr. Barker noted that the increase is a standard annual adjustment based upon the increase in the consumer price index made pursuant to the terms of the District's agreement with BT, and that the Board will be considering an amendment to the District's Rate Order in connection with said increase at the next meeting.

Mr. Turner exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Newman next presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month of January 2024, a copy of which report is attached hereto as **Exhibit C**. After discussion, Director Guillory moved that the Tax Assessor-Collector's Report be approved and the disbursements identified therein be approved for payment from the District's tax account. Director Adamek seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

Mr. Barker next presented to and reviewed with the Board the Delinquent Tax Report, dated February 15, 2024, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys, a copy of which report is attached hereto as **Exhibit D**. He noted that no action was being requested at this time in connection with the accounts listed in the report.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Mr. Barker reminded the Board that the procedures for setting a tax rate applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" pursuant to Texas Water Code Section 49.23602. Mr. Barker then reviewed with the Board a worksheet completed by Langford to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year, which Resolution is attached hereto as **Exhibit E**. Following discussion, upon motion made by Director Guillory, seconded by Director Adamek and unanimously carried, the attached Resolution was adopted by the Board.

BOOKKEEPER'S REPORT

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated February 15, 2024, a copy of which report is attached hereto as **Exhibit F**. After discussion, it was moved by Director Guillory that the Bookkeeper's Report be approved and that the disbursements identified therein be authorized for payment, except for check nos. 9921 and 9925 issued to Directors Moore and Hodge, respectively, which were voided. Director Adamek seconded the motion, which carried unanimously.

RATIFICATION OF PRIOR ACTION

The Board next considered ratification of its prior action relative to the approval and execution of a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. After discussion, Director Guillory moved that the Board's prior action be ratified in all respects. 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 to and reviewed with the Board a Progress Report-Landscape Projects, a copy of which report is attached hereto as **Exhibit G**. He noted that no Board action is being requested at this time in connection with the report.

STORM WATER MANAGEMENT PROGRAMREPORT

Mr. Barker presented to and reviewed with the Board a Storm Water Management Program Report in connection with the District's detention and drainage facilities for January 2024 prepared by Storm Water Solutions, LP; a copy of said report is attached hereto as **Exhibit H**. He noted that no Board action is being requested at this time in connection with the report.

ENGINEERING REPORT

Mr. Davis next presented to and reviewed with the Board the Engineering Report, dated February 15, 2024, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District.

Mr. Davis next presented to and reviewed with the Board a cost estimate and project schedule for the construction of Water Well No. 2, copies of which are included with **Exhibit I**. Mr. Davis then requested that the Board consider authorize Langford to proceed with the design the project. After discussion, the Board deferred authorizing the design for the project at this time.

Mr. Davis next informed the Board that Langford recently televised a section of the District's sanitary sewer line located under Lexington Road and noted that substantial grease and

clogging was found. Mr. Davis noted that Langford will be recommending additional televising and cleaning in March.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board considered the review of the prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Barker reported that SPH is recommending that the District adopt the currently effective United States Department of Labor ("DOL") wage rate scales applicable for Harris County, Texas, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Guillory moved that the DOL wage rate scales for Harris County and the Resolution attached hereto as **Exhibit J** be adopted as presented, and the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Adamek seconded said motion, which unanimously carried.

ISSUANCE OF UTILITY COMMITMENTS

The Board considered the issuance of utility commitments. In connection therewith, Mr. Barker reminded the Board that a request had been received from Spring Volunteer Fire Department in connection with the development and possible annexation of a 50-acre tract of land located adjacent to the District's eastern boundary. A discussion ensued regarding same. Mr. Davis noted that he would arrange a conference call for next week with representatives of the Spring Volunteer Fire Department to obtain more information regarding said request. No action was taken by the Board at this time.

OPERATOR'S REPORT

The Board next considered the Operator's Report. Mr. Garcia presented to and reviewed in detail with the Board a written Operations Report prepared by MOC, dated as of January 2024; a copy of the report is attached hereto as **Exhibit K**.

Mr. Garcia next presented to and reviewed with the Board a proposal from NTS Pumps, Motors and Controls ("NTS") to either (i) replace the air conditioning under at the Water Plant at a cost of \$5,941.00 or (ii) replace only the compressor unit at a cost of \$3,210.00, a copy of which proposal is included with **Exhibit K**. Mr. Garcia noted that MOC is recommending the replacement of the compressor unit only. After discussion, Director Guillory moved that the Board authorize and direct NTS to replace the compressor unit at a cost of \$3,210.00, as recommended by MOC. Director Adamek seconded the motion, which carried unanimously.

Mr. Barker next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") not later than May 1, 2024, and every five years thereafter. Mr. Barker requested that the Board consider authorizing MOC and Langford to review the District's DCP for any required update. After discussion,

Director Guillory moved that MOC and Langford be authorized to review the District's DCP for any required update. Director Adamek seconded the motion, which unanimously carried.

COMMUNICATIONS REPORT

The Board next discussed District communications. Ms. Hartwell presented to and reviewed with the Board a Monthly Communications Report, a copy of which report is attached hereto as **Exhibit L**. After discussion, the Board concurred that no action is required at this time.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board considered the renewal of the District's insurance coverages which expire March 31, 2024. In that regard, the Board discussed the proposal received from the District's current insurance provider, Arthur J. Gallagher ("Gallagher"), a copy of which is attached hereto as **Exhibit M**. After discussion on the matter, Director Guillory moved that (i) the proposal of Gallagher be accepted, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District and (ii) SPH be authorized to acknowledge the District's receipt of the required TEC Form 1295 from Gallagher. Director Adamek seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

Mr. Barker updated the Board on the status of negotiations for purchase of approximately 2.88 acres of property located within the District. After discussion, the Board concurred not to pursue further negotiations.

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 Adamek and carried unanimously, the meeting was adjourned.



M. P. Adamek
Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Security Report
- Exhibit B Best Trash correspondence regarding increase
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Resolution Concerning Developed District Status
- Exhibit F Bookkeeper's Report
- Exhibit G Progress Report-Landscape Projects
- Exhibit H Detention and Drainage Facilities Report
- Exhibit I Engineering Report
- Exhibit J Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit K Operator's Report
- Exhibit L Monthly Communications Report
- Exhibit M Insurance Proposal