

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

### Minutes of Meeting of Board of Directors

January 18, 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 January 18, 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, thus constituting a quorum.

Also present were: Mario Garcia of Municipal Operations & Consulting, Inc. ("MOC"); Jordan Weyand and Charlie LaConti of Municipal Accounts & Consulting, L.P. ("MAC"); Odett Newman of Bob Leared Interests, Inc. ("BLI"); John Davis and Jacob Floyd of Langford Engineering, Inc. ("Langford"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); JC Reno of Storm Water Solutions, LP ("SWS"); Michael Murr of Murr Incorporated ("MI"); Cindy Adamek, a resident of the District; and Christopher T. 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.

### **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 December 21, 2023. 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.

### **SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE**

Mr. Skinner next informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for

inclusion in the Special Purpose District Public Information Database. Mr. Skinner then recommended that the District consider directing the District's auditor, Mark C. Eyring, PLLC ("Eyring"), to prepare and submit the required information. Following discussion, Director Guillory moved, Director Adamek seconded and it was unanimously carried, that Eyring be authorized and directed to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

### **DISTRICT SECURITY**

The Board next considered the report regarding District security matters. Mr. Skinner presented the Harris County Sheriff's Office ("HCSO") security patrol report for December 2023, a copy of which report is attached hereto as **Exhibit A**.

### **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 December 2023, a copy of which report is attached hereto as **Exhibit B**. 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. Skinner next presented to and reviewed with the Board the Delinquent Tax Report, dated January 18, 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 C**. He noted that no action was being requested at this time in connection with the accounts listed in the report.

### **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Mr. Skinner next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the calendar year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Guillory moved that the District: (i) grant the residential homestead exemption of 20% of market value, but not less than \$5,000, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$25,000 from ad valorem taxes levied by the District during the calendar year 2024, and that the Resolution Concerning Exemptions from Taxation, attached hereto as **Exhibit D**, relative to

same be approved and adopted by the Board and the District. Director Adamek seconded said motion, which carried unanimously.

### **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit E**. Mr. Skinner advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Guillory, seconded by Director Adamek and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board.

### **BOOKKEEPER'S REPORT**

Mr. Weyand next presented to and reviewed with the Board the Bookkeeper's Report, dated January 18, 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. Director Adamek seconded the motion, which carried unanimously.

Messrs. Weyand and LaConti next presented to and reviewed with the Board a handout providing a summary of bookkeeping fees over the past ten years, a copy of which is included with **Exhibit F** and discussed the increase in fees since MAC implemented its hourly billing program. A lengthy discussion then ensued regarding same. No action was taken by the Board at this time.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Skinner advised that, pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. He presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District along with a list of financial institutions, brokers and dealers attached thereto, together with a comparison to the list previously adopted by the Board, copies of which are attached hereto as **Exhibit G**. Mr. Skinner further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Guillory moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) the President and Secretary be authorized to execute same. Director Adamek seconded said motion, which unanimously carried.

## **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 H**. He noted that no Board action is being requested at this time in connection with the report.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

Mr. Reno presented to and reviewed with the Board a Storm Water Management Report in connection with the District's detention and drainage facilities for January 2024 prepared by SWS; a copy of said report is attached hereto as **Exhibit I**. 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 January 18, 2024, a copy of which report is attached hereto as **Exhibit J**, relative to the status of various projects within the District. He noted that no Board action is being requested at this time in connection with the report.

## **ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred the issuance of utility commitments, as no requests for same had been received.

## **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 December 2023; a copy of the report is attached hereto as **Exhibit K**. The report included the recommendation that two accounts in the total amount of \$25.65 be deemed uncollectible and moved to the uncollectible roll. After discussion, Director Guillory moved that the recommendation of MOC to move such accounts to the uncollectible roll be approved.

A discussion next ensued regarding MOCs operation of the District's facilities during the recent freeze.

Mr. Garcia next informed the Board that the air header at the wastewater treatment plant has a leak and that it will cost approximately \$10,000 to re-route the air feed line. Mr. Garcia additionally informed the Board that, during a recent Texas Commission on Environmental Quality inspection at the water plant, it was noted that the underbrush around the fence needs to be cleared. After discussion, the Board concurred that MOC be authorized and directed to coordinate removal of the underbrush.

Mr. Davis next informed the Board that Langford is recommending that MOC remove the manual bar screen at the wastewater treatment plant. After discussion, the Board concurred that MOC be authorized and directed to remove the manual bar screen, as recommended.

The Board next instructed MOC to place a portable restroom at the wastewater treatment plant. A discussion then ensued regarding the installation of a permanent restroom facility at the wastewater treatment plant. Mr. Davis informed the Board that he would prepare a cost estimate for same for its consideration at the next meeting.

### **CONSUMER CONFIDENCE REPORTS**

The Board next considered authorizing the operator to provide required information relative to Consumer Confidence Reports to any districts receiving water through emergency water interconnects with the District. Mr. Skinner advised that, pursuant to rules promulgated by the United States Environmental Protection Agency, the District is required to provide a report containing various information regarding the District's water supply to applicable districts by April 1, 2024. After discussion, Director Guillory moved that the Board authorize the operator to provide the required information to any districts receiving water from the District through emergency water interconnects during 2023. Director Adamek seconded said 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 next considered authorizing solicitation of proposals for renewal of the District's insurance policies. Mr. Skinner advised the Board that the District's current policies are brokered through Arthur J. Gallagher ("Gallagher"), and will expire on March 31, 2024. After discussion, Director Palermo moved that SPH be authorized to solicit an insurance renewal proposal from Gallagher for the Board's consideration at the next meeting. Director Guillory seconded the motion, which carried unanimously.

### **MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION**

Mr. Skinner reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Skinner presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit M**. Mr. Skinner advised that Harris County will not offer joint election services to political subdivisions for the May 4, 2024 election, and therefore, the District will have to hold an independent election. He further discussed the challenges of administrating an independent election.

## ACCESSIBLE VOTING SYSTEM

Mr. Skinner noted that Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Skinner reported that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Guillory, seconded by Director Adamek and unanimously carried that SPH be authorized to provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District.

## SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Skinner presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit N** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Hodge, Moore and Guillory expire in May of this year. In reviewing the Order with the Board, Mr. Skinner advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Maranda Lawson as such agent (the "Election Agent"). Mr. Skinner further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Skinner advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District and on the District's website. After discussion on the matter, Director Guillory moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Adamek seconded said motion, which unanimously carried. Mr. Skinner advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board considered the establishment of fees to be paid to officials for the Election. Mr. Skinner advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Guillory moved that the judges

and clerks for the Election, including early voting clerks, be paid \$30.00 per hour. Director Adamek seconded said motion, which unanimously carried.

**ATTORNEY'S REPORT**

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

**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 Guillory, seconded by Director Adamek 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 Resolution Concerning Exemptions from Taxation
- Exhibit E Resolution Authorizing An Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F Bookkeeper's Report
- Exhibit G Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, with list of qualified brokers
- Exhibit H Progress Report-Landscape Projects
- Exhibit I Detention and Drainage Facilities Report
- Exhibit J Engineering Report
- Exhibit K Operator's Report
- Exhibit L Monthly Communications Report
- Exhibit M Memorandum regarding Independent Elections
- Exhibit N Order Calling Directors Election