

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

## Minutes of Meeting of Board of Directors

April 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 April 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

and all of said persons were present, thus constituting a quorum. It was noted that Diana Moore recently sold her home in the District on April 11, 2024, and is no longer qualified to serve on the Board of Directors.

Also present were: Mario Garcia of Municipal Operations & Consulting, Inc. ("MOC"); Trevor Smith 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"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("MCE"); 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 March 21, 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.

### **AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

Mr. Eyring presented to and reviewed with the Board a draft of the District's audit report prepared for the fiscal year ended December 31, 2023; a copy of the draft report is attached hereto as **Exhibit A**. Mr. Eyring stated that he was presenting a clean audit opinion and noted

that no material weakness or significant deficiencies in the District's system of internal financial controls were detected during MCE's audit. After discussion concerning the audit presented, Director Guillory moved that the audit report for the fiscal year ended December 31, 2023, be approved subject to comment from the District's consultants, that the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality (the "TCEQ"). Director Adamek seconded said motion, which unanimously carried.

A discussion then ensued regarding a billing error with Harris County Water Control and Improvement District No. 110. Mr. Smith noted that MAC would correct said billing error on a going forward basis. After discussion, the Board concurred not to pursue reimbursement for prior years in connection with the billing error.

### **CONTINUING DISCLOSURE**

Mr. Barker advised the Board that the annual continuing disclosure report related to the District's outstanding bonds will be completed when the District's audit has been completed and released by MCE. Mr. Barker then requested that the Board consider authorizing McCall, Parkhurst & Horton L.L.P. ("McCall") to file the District's annual disclosure report upon completion prior to the June 30, 2024, deadline. After discussion, the Board concurred that McCall be authorized and directed to file said report upon completion prior to the June 30, 2024, deadline.

### **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 March 2024, a copy of which report is attached hereto as **Exhibit B**.

Mr. Barker next informed the Board that email correspondence was recently received regarding the HCSO's Fiscal Year 2025 Rate Increase and discussed same with the Board. He noted that the HCSO will be increasing its rate by 6.6%.

### **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 March 2024, a copy of which report is attached hereto as **Exhibit C**. Ms. Newman also requested the Board's authorization to move six (6) accounts totaling \$424.12 to the uncollectible roll. After discussion, Director Guillory moved that the tax assessor-collector report be approved, the checks identified therein be approved for payment from the District's tax account, and the six (6) accounts discussed be moved to the uncollectible roll, as requested. Director Adamek seconded said motion, which carried unanimously.

## **DELINQUENT TAX REPORT**

Mr. Barker next presented to and reviewed with the Board the Delinquent Tax Report, dated April 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 D**. He noted that no action was being requested at this time in connection with the accounts listed in the report.

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

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit E**. Mr. Barker advised that the District is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Guillory, seconded by Director Adamek and unanimously carried, that the attached Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes be adopted by the Board, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District.

## **BOOKKEEPER'S REPORT**

Mr. Smith next presented to and reviewed with the Board the Bookkeeper's Report, dated April 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, except for check no. 9983 issued to Diana Moore, which was voided. Director Hodge seconded the motion, which carried unanimously.

Mr. Eyring exited the meeting at this time.

## **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**. It was noted that no action was being requested of the Board at this time.

## **STORM WATER MANAGEMENT PROGRAM REPORT**

Director Adamek presented to and reviewed with the Board a Storm Water Management Program Report in connection with the District's detention and drainage facilities for February

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. Floyd next presented to and reviewed with the Board the Engineering Report, dated April 18, 2024, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District.

Mr. Floyd next presented to and reviewed with the Board a cost summary and proposed schedule for the Wastewater Treatment Plant Bar Screen Replacement project, copies of which cost summary and proposed schedule are included with **Exhibit I**. After discussion on the matter, Director Adamek moved that Langford be authorized to move forward with the design for the project. Director Palermo seconded the motion, which carried unanimously.

Mr. Floyd informed the Board that a request for water and sanitary sewer service was recently received for a proposed 40,000 square feet building to be constructed on a 3.67-acre tract at the southeast corner of Spring Cypress and Lexington Blvd. and presented and reviewed a Site Plan with the Board, a copy of which Site Plan is included with **Exhibit I**. 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 March 2024; a copy of the report is attached hereto as **Exhibit J**. It was noted no repairs were being recommended at this time.

Mr. Garcia next presented to and reviewed with the Board photographs of certain manholes that were recently cleaned out, copies of which photographs are included with **Exhibit J**.

### **AUTHORIZATION OF CONSUMER CONFIDENCE REPORT**

The Board considered authorizing EDP to prepare the District's Consumer Confidence Report ("CCR") in the format promulgated by the TCEQ. Mr. Barker advised the Board that, pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2024. After discussion, Director Guillory moved that MOC be authorized and directed to prepare the CCR for the Board's review and approval at the next meeting. Director Palermo seconded the motion, which carried unanimously.

## **IDENTITY THEFT PREVENTION PROGRAM**

The Board considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Garcia presented MOC's annual report and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Mr. Garcia recommended that no changes be made to the District's Program. After discussion on the matter, Director Guillory moved that no changes were necessary to the Program at this time. Director Palermo seconded the motion, which carried unanimously.

## **REVIEW OF DROUGHT CONTINGENCY PLAN**

Mr. Barker 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 "Plan") not later than May 1, 2024, and every five years thereafter. Mr. Barker advised that Langford, MOC and SPH have reviewed the District's current Plan and that the only revision being recommended is to update the District's operator information in connection with the District's recent operator change. After discussion on the Plan, Director Guillory moved that the revised Plan be approved, as presented, and that the District adopt the Resolution Regarding Review of Drought Contingency Plan attached hereto as **Exhibit K**. Director Palermo seconded the motion, which carried unanimously.

Mr. Smith and Mr. Garcia exited the meeting at this time.

## **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 Emergency Services District No. 7 ("ESD 7") in connection with the provision of service to and possible annexation of an approximately 63-acre tract of land located adjacent to the District's eastern boundary. In connection therewith, Mr. Floyd informed the Board that, as previously authorized, Langford has prepared a draft Feasibility Study for the tract of land and presented and reviewed same with the Board, a copy of which Feasibility Study is attached hereto as **Exhibit L**. Mr. Barker noted that ESD 7 is requesting that the District issue a conditional "will serve" letter. He then presented to and reviewed with the Board a summary regarding the process for the proposed annexation of the tract and the key terms and provisions of the proposed Interlocal Annexation and Development Agreement between the District and ESD 7 relative thereto, a copy of which summary is included with **Exhibit L**. After a lengthy discussion on the matter, Director Palermo moved that the Board (i) approve the draft Feasibility Study, (ii) authorize SPH to prepare the necessary documentation related to the proposed annexation and (iii) authorize SPH and Langford to prepare and forward a "will serve" letter to ESD 7 subject to certain conditions, including (a) the tract being released from the Certificate of Convenience and Necessity in which it is currently located and (b) the tract being annexed into the boundaries of the District. Director Adamek seconded the motion, which carried unanimously.

## **COMMUNICATIONS REPORT**

The Board next discussed District communications. Mr. Barker presented to and reviewed with the Board a Monthly Communications Report prepared by Touchstone District Services, a copy of which report is attached hereto as **Exhibit M**. After discussion, the Board concurred that no action is required at this time.

## **ATTORNEY'S REPORT**

Mr. Barker informed the Board that Harris County (the "County") is requesting that the District consider participating in the County's wastewater based epidemiology program. Mr. Barker noted that the program requires that the County install a sampler at the District's wastewater treatment plant to collect weekly samples. After discussion, the Board concurred that it is not interested in participating in said program at this time.

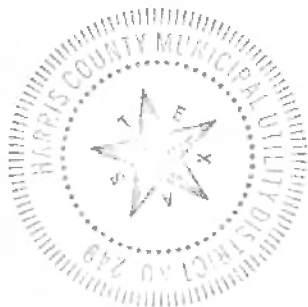
Mr. Barker presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit N**, regarding the use of social media by public officials. In connection therewith, Mr. Barker advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

## **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 Palermo and carried unanimously, the meeting was adjourned.



  
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Secretary

## LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Audit Report
- Exhibit B Security Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit F Bookkeeper's Report
- Exhibit G Progress Report-Landscape Projects
- Exhibit H Detention and Drainage Facilities Report
- Exhibit I Engineering Report
- Exhibit J Operator's Report
- Exhibit K Resolution Regarding Review of Drought Contingency Plan
- Exhibit L Draft Feasibility Study
- Exhibit M Monthly Communications Report
- Exhibit N Memorandum regarding use of social media by public officials