

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors  
February 13, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 419 (the "District") met in regular session, open to the public, on February 13, 2023, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas 77056, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Robert G. Thomas, President  
Carissa Fabian, Vice President  
Samuel Goodspeed, Secretary  
Doug Woodall, Assistant Secretary  
Andrea Brazzale-Anderson, Assistant Secretary

and all of said persons were present, except Director Fabian, thus constituting a quorum.

Also present were Will Gutowsky and Ryan Derong of BGE, Inc. ("BGE"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C"); Stephanie Dorrrough of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Barbara Nussa of Republic Services, Inc. ("Republic"); Melissa Hargrove of Inframark Infrastructure Management Services, on behalf of Bridgeland Council, Inc. ("Council"); Ben Midgette, resident of the District; and Mitchell G. Page and Shelby Yllana of Schwartz, Page & Harding, L.L.P. ("SPH"). Kelsey Thorne of The Howard Hughes Corporation on behalf of Bridgeland Development, LP ("Developer") entered the meeting after it had been called to order, as indicated herein.

The President called the meeting to order and declared it open for such business as might regularly come before it.

**PUBLIC COMMENTS**

The Board considered public comments. Mr. Midgette advised the Board of a recent issue he experienced with his smart meter, noting that his EyeOnWater.com account had detected a leak, even after shutting off water flow to his home. He advised that a plumber found no leaks in his home, and that Inframark pulled and replaced his meter as it was found to be malfunctioning. He noted that several other residents experienced the same issues and inquired if an educational item can be distributed to residents on how to handle a malfunctioning water meter. Ms. Osborne advised that she will review the meter read data and prepare an informational piece on reading and addressing meter issues for the District's website.

## **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its special meeting held on January 9, 2023. After discussion, Director Goodspeed moved that the minutes of the January 9, 2023 meeting be approved, as written. Director Woodall seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT**

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated February 13, 2023 a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for approval and the cash flow forecast for the District's operating account. Mr. Weyand noted that check no. 7594, to Director Thomas for Association of Water Board Director conference reimbursement, will appear on next month's report. Mr. Weyand then presented the Quarterly Investment Report of the period ended November 31, 2022. After discussion, Director Goodspeed moved that moved that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, except check no. 7558, which was voided, and including check no. 7594 to Director Thomas, and (ii) the Quarterly Investment Report be approved as presented and the District's Investment Officers be authorized to execute same on behalf of the Board and the District. Director Woodall seconded the motion, which carried unanimously.

Mr. Page advised that the annual energy reporting required by Chapter 2265 of the Texas Government Code was presented at the end of last month's Board meeting, and same was included in the January 2023 meeting minutes.

Ms. Thorne entered the meeting during the discussion.

## **AMENDMENT TO OPERATING BUDGET**

The Board considered the amendment of the operating budget for the District's fiscal year ending May 31, 2023. Mr. Weyand presented the draft amended operating budget for the District, and joint water plant and joint sewer plant budgets for Harris County Municipal Utility District No. 418, copies of which are included with the Bookkeeper's Report. After discussion, Director Goodspeed moved that the amendment to the District's operating budget be approved, as presented. Director Woodall seconded said motion, which unanimously carried.

## **TAX ASSESSOR COLLECTOR REPORT**

Ms. Dorrough presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of January 2023, a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for approval. After discussion, Director Goodspeed moved that the Tax Assessor Collector Monthly Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Woodall seconded the motion, which carried unanimously.

## **DELINQUENT TAX COLLECTIONS REPORT**

The Board deferred consideration of a delinquent tax collections report as it was noted that no report was received nor is due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collections attorneys.

### **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 TAX YEAR**

Mr. Page reminded the Board of the tax rate adoption procedures for special districts pursuant to Senate Bill No. 2. He noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Page then reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2023 Tax Year. The Resolution is attached hereto as **Exhibit C**. After discussion, Director Goodspeed moved that (i) the District be deemed a "Developing District", and (ii) the Resolution be approved and the President be authorized to execute same on behalf of the District. Director Woodall seconded said motion, which carried unanimously.

### **INSURANCE**

In connection with the renewal of the District's insurance coverages for 2023-2024, Mr. Page noted proposals were solicited from Arthur J. Gallagher ("Gallagher"), the District's current provider, McDonald & Wessendorf ("M&W"), and Brown & Brown ("B&B"). He then presented to the Board a proposal received from Gallagher, attached hereto as **Exhibit D**. Mr. Page advised that M&W declined to present a proposal, and a proposal had not yet been received from B&B. After due discussion, Director Goodspeed moved that (i) the proposal from Gallagher for renewal of the District's insurance policies and bonds, for a term expiring March 31, 2024, be accepted, (ii) notice be given to the other providers of the Board's decision, and (iii) the accompanying Texas Ethics Commission Form 1295 be acknowledged. Director Woodall seconded the motion, which carried unanimously.

### **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of January 2023, a copy of which is attached hereto as **Exhibit E**. She reported on the status of repairs and replacements made to the water and wastewater facilities, facility inspections, and the issuance of new residential and commercial taps.

Ms. Osborne then discussed with the Board the proposal previously received from IMS Landscaping to continue the mowing of the District's facilities. She then presented additional mowing quotes received from Spencer Outdoor Company and Seaback Maintenance, copies of which are included with the Operator's Report.

Ms. Osborne then presented water samples taken from the District's pipes prior to completion of the air scouring and following the air scouring. Director Goodspeed inquired about the water conversion from chloramines to free chlorine planned today for certain sections of the District, and if there is any preparation the residents need to do for their home water filtration

systems. Ms. Osborne advised that she can prepare a draft informational piece for the Board's review.

After due discussion, Director Goodspeed moved that (i) the Operator's Report and the actions therein be approved, as presented, and (ii) Inframark continue subcontracting with IMS Landscaping for facilities mowing services on behalf of the District. Director Woodall seconded said motion, which unanimously carried.

### **ENGINEER'S REPORT**

Mr. Derong presented the Engineer's Report dated February 13, 2023, a copy of which is attached hereto as **Exhibit F**, and presented the pay estimate and change order included therein. After discussion, Director Goodspeed moved that the Engineer's Report and the actions recommended therein be approved, as presented. Director Woodall seconded said motion, which unanimously carried.

Mr. Derong next reported on the recoating of the Creekside Bend Bridge and quotes received for same. He noted that Jay's Ironworks was the most advantageous bid, even after additional review of field conditions and addition of line items for same. Ms. Hargrove advised that Council also uses Jay's Ironworks and they are a reputable provider. Mr. Gutowsky noted that traffic control and paint containment have been discussed with Jay's Ironworks. After discussion, Director Goodspeed concurred that the bid for recoating of the Creekside Bend Bridge be awarded to Jay's Ironworks, as presented. Director Woodall seconded said motion, which unanimously carried.

The Board then discussed the use of surplus construction funds to reimburse the Developer for certain approved projects, such as the Bridgeland Creek Parkway Utility Extension. Mr. Gutowsky noted he would compile a final pro rata share summary, and provide same to the Board at a future Board meeting.

### **QUARTERLY FACILITIES UPDATE**

Mr. Gutowsky presented to and reviewed with the Board the facilities update for the first quarter of 2023. He reported on the additional facilities coming online in the second quarter of this year, and once facilities are running and positive data is received, Inframark will begin the process of recombining the District's and Harris County Municipal Utility District No. 489's water system. The Board took no action regarding the update.

### **JANUARY RAIN EVENT**

Director Goodspeed inquired about the recent heavy rainfall events and the impact to the District's stormwater conveyance facilities. Mr. Gutowsky provided an overview of the rain events that occurred in January 2023 in Bridgeland. He then presented to the Board hydrology mapping and data used during the street and storm sewer design and construction process. The Board then discussed procedures for future storm events, including inspection of the storm sewer inlets prior to an anticipated major rain event. The Board determined that the District needs to develop, in conjunction with Inframark, BGE, and SPH, educational materials and messaging to the

community to explain the various maintenance obligations within the District. Director Goodspeed suggested a weather station be installed within the District boundaries, and requested that Inframark obtain a quote for installation of same.

### **ANNUAL REVIEW OF CONNECTION CHARGES**

Mr. Gutowsky next reported on BGE's review of the connection charges for the purchase of capacity in Master Facilities under the Master Facilities Contract among the District and Harris County Municipal Utility District Nos. 418, 489, 490, 491, 492 and 493. In connection therewith, he noted that BGE is recommending increases to the base water and sanitary sewer connection charges and the sanitary sewer zone charges, as reflected on the recommendation letter presented, a copy of which is attached hereto as **Exhibit G**. Mr. Page then presented to the Board a Resolution Regarding Review of Connection Charge Under Master Facilities Contract, included under **Exhibit G**. After discussion, the Board concurred to defer action until the March Board meeting, pending further review of the materials provided.

### **ADMINISTRATIVE AGENCY CREATION**

Mr. Page reviewed with the Board a presentation regarding a proposed Bridgeland water administrative agency comprised of one Board member from each Bridgeland district to make decisions relative to security matters and streamlining of messaging to residents, among other tasks. A copy of the presentation is attached hereto as **Exhibit H**. He reviewed the benefits and drawbacks of the formation of such an agency. The Board discussed the proposed agency at length, noting that the District would be amenable to participating but only as far as communications. After discussion, Director Goodspeed moved that (i) SPH prepare a draft Interlocal Agreement amongst the other Bridgeland districts for participation in an administrative agency for communications purposes, and (ii) SPH be authorized to prepare a conflicts waiver for presentation and review at next month's Board meeting. Director Woodall seconded said motion, which unanimously carried.

Director Brazzale-Anderson exited during this discussion.

### **GARBAGE AND RECYCLING COLLECTION SERVICES**

Ms. Nussa provided the Board with an update on collection services. She advised that information regarding household hazardous waste disposal and electronics recycling can be placed on the district's website. The Board concurred with same. She additionally noted that the document shred event has been set for May 6, 2023.

### **SECURITY MATTERS**

The Board considered law enforcement matters for the District. Director Goodspeed advised that the Flock Security camera rates will increase by 20% as of April 1, 2023, and he supports entering into a contract as soon as possible with Flock to lock in an advantageous rate for the District. The Board requested that an item to consider a Contract for license plate readers and cameras be added to the March meeting agenda. The Board additionally discussed holding a town

hall or other outreach method to gain resident feedback on the license readers. Director Goodspeed suggested that information be placed on the District's website to notify of the proposed contract and allow resident feedback prior to the next Board meeting.

### **WEBSITE UPDATES**

The Board noted that it had no updates to the District's website, other than the items previously discussed.

### **DEVELOPER'S REPORT**

The Board then considered the Developer's Report. Ms. Thorne presented to the Board the monthly home inventory report as prepared by the Developer, a copy of which report is attached hereto as **Exhibit I**.

The Board then considered the annual maintenance contribution to Council. Mr. Page discussed with the Board a historical overview of the Recreational Facilities Maintenance Agreement between the District and Council, wherein the District, on an annual basis, provides a contribution to Council calculated based on the percentage of acreage Council owns and maintains within the District's boundaries. Ms. Hargrove advised that, due to additional maintenance obligations, additional funds are being requested from the District beginning this year. She then discussed methodology used by Council to budget for recreational costs, noting that the annual contributions help defray homeowner association assessments, as set forth in a power point presentation attached hereto as **Exhibit J**. Ms. Hargrove noted that no decision will be necessary today, and the contribution request and supporting invoices will be presented at the March Board meeting for consideration. Director Goodspeed noted that the residents need to be educated on the flow of funds between the District and Council, and purpose of same.

Ms. Nussa exited the meeting at this time.

### **ATTORNEY'S REPORT**

Mr. Page noted that he had no other legal matters to report that had not already been discussed, other than that the Board had previously expressed interest in a joint Town Hall with Harris County Municipal Utility District No. 489, and dates need to be provided to SPH for same.

Director Goodspeed inquired about the March meeting date, noting that is Spring Break for many. Mr. Page advised that SPH would poll the Board following today's meeting to determine availability, and will coordinate a rescheduled meeting date, if necessary.

### **TRACE AIR**

Mr. Page advised that SPH is awaiting the results of the Trace Air flyover conducted in January, and results will be distributed to the Board upon receipt.

### **MATTERS FOR FUTURE AGENDAS**

The Board noted that it had no other matters for future agendas other than the items already discussed.

**ADJOURNMENT**

There being no further business to come before the Board, on motion made by Director Goodspeed, seconded by Director Thomas, and unanimously carried, the meeting was adjourned.

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Secretary

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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Bookkeeper's Report
- Exhibit B – Tax Assessor-Collector Report
- Exhibit C – Developed District Status
- Exhibit D – Insurance Proposal – 2023-2024
- Exhibit E – Operator's Report
- Exhibit F – Engineer's Report
- Exhibit G – Resolution Regarding Review of Connection Charge Under Master Facilities Contract;  
Recommendation Letter
- Exhibit H – Agency Presentation
- Exhibit I – Inventory Report
- Exhibit J – Council Reimbursement Presentation

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