

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

### Minutes of Meeting of Board of Directors May 8, 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 May 8, 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 Directors Brazzale-Anderson and Fabian, thus constituting a quorum.

Also present were Will Gutowsky of BGE, Inc. ("BGE"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C"); Stephanie Dorrough of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Barbara Nussa of Republic Services, Inc. ("Republic"); Kelsey Thorne of The Howard Hughes Corporation and Bridgeland Development, LP (the "Developer"); Brian Krueger of Forvis, LLP ("Forvis"); Thomas and Pauline Oakley of UWaste ("UWaste"); and Mitchell G. Page and Shelby Yllana 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 it.

#### **PUBLIC COMMENTS**

The Board deferred consideration of public comments, as it was noted that the members present would speak under a later agenda item.

#### **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its meeting held on April 10, 2023. After discussion, Director Goodspeed moved that the minutes of the April 10, 2023 meeting be approved, as written. Director Woodall seconded said motion, which unanimously carried.

#### **ELECTRONIC FUNDS TRANSFERS FOR DIRECTOR PER DIEMS**

The Board deferred consideration of a Client Services Agreement with HR&P Company for direct deposit of Director per diems and reimbursable expenses pending receipt of a completed

HR&P Agreement for the District, and accompanying Texas Ethics Commission Form 1295 ("TEC Form 1295").

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

Ms. Nussa advised that she requested that Mr. Oakley attend the meeting today to discuss an electronic waste recycling event for the District. Without objection, the Board considered Mr. Oakley's presentation.

Mr. Oakley then presented to and reviewed with the Board a pamphlet and additional documentation regarding the UWaste electronics recycling program, copies of which are attached hereto as **Exhibit A**. Mr. Oakley noted that pricing is based on the volume of items collected. He then advised that the District will be required to give notice to the Texas Commission on Environmental Quality ("TCEQ") forty-five days in advance of the electronics recycling event. The Board considered holding the event in the fall, and conducting an informal resident survey at the upcoming document shred event to gauge interest. Ms. Nussa advised that she would assist with the survey.

The Board thanked Mr. and Mrs. Oakley for their time. Mr. and Mrs. Oakley then exited the meeting.

Ms. Nussa then reminded the Board of the document shred event to be held May 13, 2023. Directors Woodall and Thomas noted that they will be in attendance to volunteer. Ms. Nussa additionally noted that she is researching a yard waste collection program in conjunction with Harris County Municipal Utility District No. 489 ("No. 489"), and will provide additional information at a later date.

### **DEVELOPER'S REPORT**

Mr. Page noted that Ms. Thorne had a scheduling conflict today, and would need to exit the meeting early. Without objection, 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 B**. Ms. Thorne then provided feedback on the recently held Bridgeland NatureFest. She additionally requested that any educational videos prepared by McCurdy Productions for use by the District continue to be provided to the Developer for review prior to dissemination to Bridgeland residents.

### **BOOKKEEPER'S REPORT**

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated May 8, 2023 a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for approval and the cash flow forecast for the District's operating account. After discussion, Director Goodspeed moved that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, except check nos. 7658 and 7659, which were voided. Director Woodall seconded the motion, which carried unanimously.

Ms. Thorne exited the meeting during this discussion.

**APPROVAL OF OPERATING BUDGET FOR THE DISTRICT'S FISCAL YEAR ENDING MAY 31, 2024; JOINT WATER PLANT AND JOINT SEWER PLANT BUDGETS FOR HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418 ("NO. 418")**

Mr. Weyand presented the proposed budget for the District's fiscal year ending May 31, 2024 for the Board's review and approval. He additionally presented the proposed joint water plant and joint sewer plant budgets for No. 418, as required by the Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities among the District, No. 418, and Harris County Municipal Utility District Nos. 489, 490, 491, 492 and 493. Copies of the proposed budgets are included within the Bookkeeper's Report. After discussion, Director Goodspeed moved that the budgets be approved, as presented. Director Woodall seconded said motion, which unanimously carried. Mr. Page noted revisions will need to be made at a later date to include a line item for administrative agency costs and a line item for the license plate reader annual costs.

**ENGAGEMENT OF AUDITOR**

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements for the fiscal year ending May 31, 2023. In that regard, Mr. Krueger made a presentation to the Board on behalf of Forvis, and advised that the cost to conduct such audit is approximately \$21,000, plus an administrative fee in the amount of \$1,000. After discussion on the matter, Director Goodspeed moved that (i) Forvis be engaged to conduct the audit for the District's fiscal year ending May 31, 2023, (ii) the engagement letter related to same be approved, and (iii) the accompanying TEC Form 1295 from Forvis be accepted. Director Woodall seconded said motion, which carried unanimously. A copy of the Forvis engagement letter is attached hereto as **Exhibit D**.

**UNCLAIMED PROPERTY REPORT**

Mr. Weyand reported that the Unclaimed Property Report will be presented at the June Board meeting. The Board concurred to carry this item to the June meeting agenda.

**TAX ASSESSOR COLLECTOR REPORT**

Ms. Dorough presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of April 2023, a copy of which is attached hereto as **Exhibit E**, 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**

Mr. Page noted that no delinquent tax collections report was received nor is due from Perdue, Brandon, Fielder, Collins & Mott, LLP, delinquent tax attorneys for the District, for this month. The Board noted that no action on this item was necessary.

### **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of April 2023, a copy of which is attached hereto as **Exhibit F**. 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 presented an invoice for hydrant repairs noted during the recently completed hydrant survey, a copy of which proposal is included with the Operators' Report. After due discussion, Director Goodspeed moved that the Operator's Report and the actions therein be approved, as presented, including approval of proposal for hydrant repairs. Director Woodall seconded said motion, which unanimously carried.

Ms. Osborne next discussed the status of the manhole adjustments approved at the April Board meeting. She noted that, after further discussion and review of the field with Southern Concrete, some of the criteria for repairs will need to be adjusted and re-bid, therefore additional costs will be presented at the next Board meeting. The Board took no action regarding this item.

### **CONSUMER CONFIDENCE REPORT**

The Board then considered the approval of the District's Consumer Confidence Report ("CCR") for 2022. In connection therewith, Ms. Osborne distributed a draft CCR for the Board's review, a copy of which is attached to the Operations and Maintenance Report. After discussion on operational matters, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the CCR be approved and that Inframark be authorized to distribute the CCR electronically to all customers of the District and that the CCR be posted to the District's website prior to the July 1, 2023 deadline, subject to SPH's final review and approval of the CCR.

### **AMENDMENT OF DISTRICT RATE ORDER**

Ms. Osborne presented and reviewed with the Board the annual API Rate Schedule and recommended adjustments from Inframark, a copy of which is included with the Operator's Report. Mr. Page then presented to and reviewed with the Board redlined pages to the District's Rate Order reflecting the proposed revisions. It was noted that the line item for after-hours service reconnection should also be amended from \$40 to \$50. After discussion, Director Goodspeed moved that the District's Rate Order be amended to reflect the proposed revisions. Director Woodall seconded said motion, which unanimously carried. The Rate Order is attached hereto as **Exhibit G**.

### **ENGINEER'S REPORT**

Mr. Gutowsky presented the Engineer's Report dated May 8, 2023, a copy of which is attached hereto as **Exhibit H**. The Board noted that no action on its part was necessary on the Engineer's Report. Mr. Gutowsky noted that a proposal was obtained following the last Board meeting and approved by Director Thomas for the repair the decorative pavers at Mount Hope Drive in the amount of \$777. He noted the work is complete. Mr. Gutowsky additionally noted that the recoating of the Creekside Bend Bridge is complete, and BGE will monitor for wear and tear. The Board took no action regarding these items.

### **CONSENT TO ENCROACHMENT**

The Board next considered a Consent to Encroachment and Indemnity Agreement with Jiffy Lube International, Inc., for a proposed Jiffy Lube location to be located along Bridgeland Creek Parkway at Fry Road, a copy of which agreement is attached hereto as **Exhibit I**. Mr. Gutowsky noted that planned landscaping and trees encroach upon an existing District storm sewer easement. After discussion, Director Goodspeed moved that the Consent to Encroachment and Indemnity Agreement be approved, as presented and the President be authorized to execute same on behalf of the Board and the District, and the accompanying TEC Form 1295 be acknowledged. Director Woodall seconded said motion, which unanimously carried.

### **CONVERSION OF STREET LIGHTS**

The Board considered the conversion of existing street light bulbs to LED and entering into an agreement with CenterPoint Electric for same. Mr. Gutowsky presented estimated pricing based on fee schedules obtained from CenterPoint, noting a savings in the estimated amount of \$600 in energy costs to the District on a monthly basis. After discussion, the Board concurred to authorize Mr. Gutowsky to obtain a form of agreement from CenterPoint for the light bulb conversion for approval at a future Board meeting. Mr. Gutowsky cautioned that BGE and the District will not be able to dictate the timeline or locations of the light bulb conversions once the agreement is entered into with CenterPoint.

### **USE OF SURPLUS CONSTRUCTION FUNDS**

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 for said project, and provide same to the Board at a future Board meeting.

Director Goodspeed inquired with Mr. Gutowsky regarding the status of Bridgeland Council's compiling a master list of bridges within the District for rehabilitation. He requested that GFCI outdoor rated electric covers be used due to the frequency of power outages at the bridge. Mr. Gutowsky noted he will follow up on the master list and the request for GFCI outdoor rated covers be included in the master bid specification. Director Goodspeed noted he would forward the cover specification to Mr. Gutowsky for his use.

### **SECURITY MATTERS**

The Board considered law enforcement matters for the District. Mr. Page advised that the Agreement for twelve license plate readers was executed prior to the April 1, 2023 contract price

increase date and is in the District's files. Mr. Page advised that Flock is awaiting the appropriate permits from Harris County to commence installation. The Board took no action regarding this item.

Director Goodspeed noted that there are ongoing discussions with Sergeant Joe Duke of Precinct 5 Constable's Office and Director Christian Carroll of No. 489 to initiate a constable foot patrol to monitor the park and common areas in the District. The Board noted no action was necessary on this item.

### **BRIDGELAND EMERGENCY COMMUNICATIONS COMMITTEE**

The Board then considered an Emergency Communications Committee Charter ("Charter"). Mr. Page noted that all participants have approved of a Charter, and the Committee will complete a test run of procedures in advance of hurricane season.

### **ADMINISTRATIVE AGENCY CREATION**

The Board discussed the status of formation of a proposed Bridgeland water administrative agency to be comprised of one Board member from each Bridgeland district to make decisions relative to communications messaging to residents. Mr. Page advised that the Interlocal Agreement amongst the participant districts is in preparation and will be presented at a future Board meeting. The Board noted no action was necessary regarding this item at this time.

Director Goodspeed advised the Board that he and Director Carroll of No. 489 have discussed the acquisition of property located within the District's boundaries to construct an administrative office space that can also serve as a substation for the Constable's Office. Director Goodspeed noted that a five-acre tract located south of the Water Plant No. 2 site has been considered. Mr. Gutowsky presented a map to the Board illustrating the location in question and discussed potential access points, noting that security measures would need to be added to close off access to the plant site if a common driveway was utilized. Mr. Page discussed with the Board the procedures for acquisition of the property, including the engagement of a land acquisition brokerage firm, and a condemnation attorney in the event the property can not be amicably obtained. The Board additionally discussed financing available to the district for acquisition. After due discussion, the Board concurred that (i) Directors Goodspeed and Thomas be designated to further discuss the financing of the acquisition, (ii) SPH be authorized to obtain engagement letters for an acquisition firm and condemnation attorney for review and approval at a future Board meeting, and (iii) a cost sharing agreement be prepared with No. 489 for approval at a future Board meeting.

### **WEBSITE UPDATES**

The Board noted that it had no updates to the District's website. Mr. Page advised that an informational Director Election Website Form has been added to the District's website to comply with the Election Code.

### **ARBITRAGE COMPLIANCE**

The Board reviewed the annual arbitrage maintenance report prepared by Municipal Risk Management Group and noted that engagement letters with Arbitrage Compliance Specialists, Inc. ("ACS") were presented for the completion of arbitrage compliance for the District's (i) Series 2018 Bonds, (ii) Series 2018A Park Bonds, and (iii) Series 2018 Road Bonds, copies of which are attached hereto as **Exhibit J**. After discussion, Director Goodspeed moved that ACS be engaged to completed the arbitrage rebate reports as discussed, the President be authorized to execute the engagement letters on behalf of the Board and the District, and the TEC Form 1295 be acknowledged for same. Director Woodall seconded said motion, which unanimously carried.

**ATTORNEY'S REPORT**

Mr. Page noted that he had no legal matters to report that had not already been discussed, other than correspondence from the West Harris County Regional Water Authority regarding its new Encroachment Policy was received. He noted that no Board action was necessary regarding such correspondence.

**MATTERS FOR FUTURE AGENDAS**

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

Director Thomas suggested a meeting be held in the District. The Board discussed the scheduling of a meeting in September or October to discuss the 2023 tax rate setting, and determined to revisit same closer to time.

**ADJOURNMENT**

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

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Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – UWaste Pamphlet
- Exhibit B – Inventory Report
- Exhibit C – Bookkeeper's Report
- Exhibit D – Forvis Engagement
- Exhibit E – Tax Assessor-Collector Report
- Exhibit F – Operator's Report
- Exhibit G – Rate Order
- Exhibit H – Engineer's Report
- Exhibit I – Consent to Encroachment
- Exhibit J – Arbitrage Compliance

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