

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors

June 12, 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 June 12, 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 Woodall, thus constituting a quorum. Director Woodall entered after the meeting was called to order as indicated hereinafter.

Also present were Ryan Derong 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 and Ronda Trow of The Howard Hughes Corporation on behalf of Bridgeland Development, LP (the "Developer"); Ben Midgette, resident of the District; 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 considered public comments, and Mr. Midgette noted he had no comments for the Board.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on May 8, 2023. After discussion, Director Goodspeed moved that the minutes of the May 8, 2023 meeting be approved, as written. Director Fabian 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").

BOOKKEEPER'S REPORT

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated June 12, 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. 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 no. 7696, which was voided. Director Fabian seconded the motion, which carried unanimously.

QUALIFIED BROKERS

The Board considered adopting an amended list of qualified brokers authorized to engage in investment transactions with the District. Mr. Page advised that, pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually, and recommendation by the District's Investment Officers has been made to include three additional banks for investment transactions for the District. He presented and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. After discussion, Director Goodspeed 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 said Resolution on behalf of the Board and the District. Director Fabian seconded said motion, which unanimously carried. Mr. Page noted that the list of qualified brokers can be revised throughout the year.

UNCLAIMED PROPERTY REPORT

Mr. Weyand advised that there are unclaimed funds to escheat to the State Comptroller of Public Accounts from the District's general operating account, and correspondence was presented for the District's file regarding same, copies of which are attached hereto as **Exhibit C**.

TAX ASSESSOR COLLECTOR REPORT

Ms. Dorrrough presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of May 2023, a copy of which is attached hereto as **Exhibit D**, 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 Fabian seconded the motion, which carried unanimously. Ms. Dorrrough then advised that the Harris County Appraisal District released the District's preliminary taxable value for 2023 at \$1,750,114,714.

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 May 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 next discussed the status of the manhole and sidewalk adjustments discussed at the April Board meeting, and noted that additional addresses have been located by the contractor for correction. She presented a proposal for completion of phase 2 of manhole and sidewalk repairs in the amount of \$8,182. After due discussion, Director Goodspeed moved that the Operator's Report and the actions therein be approved, as presented, including approval of proposal for the second phase of sidewalk and manhole repairs. Director Fabian seconded said motion, which unanimously carried.

Ms. Osborne next presented to the Board a customer appeal, and explained the outcome of Inframark's investigation. She advised that Inframark, as a courtesy, adjusted the customers bill down using the annual average usage, however, the customer has asked the Board to consider adjusting their bill based on the usage for the period between January 2022 to April 2022. The Board requested that Ms. Osborne compile the smart meter readings for the customer and forward same to Directors Thomas and Goodspeed for review. The Board concurred to defer action on the adjustment, and delegate authority to Directors Thomas and Goodspeed to review the meter readings with Ms. Osborne between meetings and approve the additional adjustment, if deemed appropriate.

Ms. Dorrrough exited the meeting at this time.

CRITICAL LOAD UPDATE

Mr. Page next advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the office of emergency management of Harris County, the Public Utility Commission of Texas, and the division of emergency management of the governor. After discussion, Director Goodspeed moved that Inframark be authorized to provide the updated information to the appropriate authorities on behalf of the District. Director Fabian seconded said motion, which unanimously carried. Ms. Osborne advised that she would provide the annual update and, if required, any changes to the information to the appropriate entities.

ENGINEER'S REPORT

Mr. Derong presented the Engineer's Report dated June 12, 2023, a copy of which is attached hereto as **Exhibit F**. The Board noted that no action on its part was necessary on the Engineer's Report. Mr. Derong provided an update on the master bid for rehabilitation of bridges within the District.

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. Page then advised that the agreement was received from CenterPoint for the light bulb conversion and executed by Director Thomas prior to the Board meeting.

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. Derong noted he would compile a final pro rata share summary for said project, and provide same to the Board at a future Board meeting.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa provide a collections update to the Board. She 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. She additionally noted that No. 489 and Harris County Municipal Utility District No. 490 will be hearing a presentation from Thomas Oakley with UWaste for a possible electronics recycling event. The Board took no action regarding garbage collection services.

SECURITY MATTERS

The Board considered law enforcement matters for the District. Director Goodspeed advised that Flock has received Harris County approval to commence installation, and a survey of the reader locations has been completed and approved by Director Goodspeed. It was noted that site marking will take place in the next week, and Inframark should send a representative to ensure the District's utilities are protected.

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 requested that an item be placed on the July meeting agenda to consider engagement of a community relations officer to patrol the parks and greenspaces in the District. Mr. Page additionally noted that No. 489 will consider the engagement of two additional deputies at its upcoming Board meeting.

Director Woodall entered the meeting during the discussion.

BRIDGELAND EMERGENCY COMMUNICATIONS COMMITTEE

The Board then considered the status of the Emergency Communications Committee, and

noted that the committee conducted a practice communications drill and several procedures are being refined.

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 manage communications with residents and, possibly, contracting for law enforcement services. Mr. Page then presented to the Board an Interlocal Agreement amongst the participant districts, a copy of which is attached hereto as **Exhibit G**. After due discussion, Director Woodall moved that the Interlocal Agreement be approved, as presented, and the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Goodspeed seconded said motion, which unanimously carried.

The Board then discussed the possible acquisition of property located within Bridgeland boundaries to construct an administrative office space. Mr. Page then presented to the Board (i) an engagement letter with Property Acquisition Services, Inc. for the acquisition of tracts of interest, and (ii) an engagement letter agreement with Hunton Andrews Kurth to act as condemnation counsel in the event an amicable agreement with the landowner cannot be reached. Copies of the engagement letters are attached hereto as **Exhibit H** and **Exhibit I**, respectively. He then presented to and reviewed with the Board an Interlocal Cost Sharing Agreement, a copy of which is attached hereto as **Exhibit J**, noting that No. 489 will be billed for its share of expenses related to the acquisition. Mr. Page noted that the Board will need to designate a dollar amount that if, after investigation by the acquisition firm, the amount of fees and land cost exceeds such amount, the respective Boards can either chose to terminate the acquisition process, or proceed with the acquisition or condemnation, if necessary, at a duly-called Board meeting. After discussion, Director Goodspeed moved that (a)(i) the engagement letter with Property Acquisition Services, Inc. be approved, as presented, (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) the TEC Form 1295 be approved, as presented, (b)(i) the engagement agreement with Hunton Andrews Kurth be approved, as presented, (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) the TEC Form 1295 be approved, as presented, and (c) the Interlocal Cost Sharing Agreement with No. 489 be approved, as presented, and an amount of \$500,000 be designated as the threshold to return to discussions with No. 489, and the President be authorized to execute such Agreement on behalf of the Board and the District. Director Fabian seconded said motion, which unanimously carried.

WEBSITE UPDATES

The Board noted that it had no updates to the District's website.

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 K**. 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.

VOTING SYSTEM ANNUAL FILING FORM

Mr. Page advised the Board that, pursuant to Section 123.061 of the Texas Election Code, the District is required to complete and file a Voting System Annual Filing Form with the Secretary of State to provide information related to District elections. After discussion, Director Goodspeed moved that SPH be authorized to complete the Voting System Annual Filing Form and to file same with the Secretary of State's office. Director Fabian seconded the motion, which carried unanimously.

RECORDS DESTRUCTION REQUEST

Mr. Page reported that the District's General Records Retention Schedule adopted in connection with its Records Management Program requires that notes taken during meetings and which are used to prepare the official minutes of Board meetings must be retained for ninety (90) days after approval of such minutes by the Board. He presented a request from the Records Management Officer for approval to destroy all such notes and any audio recordings from January 10, 2022 to January 9, 2023, as allowed by the Schedule. A copy of the letter is attached hereto as **Exhibit L**. After discussion, Director Goodspeed moved that SPH be authorized to destroy said notes and any audio recordings. Director Fabian seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Page noted that he had no legal matters to report that had not already been discussed. The Board discussed its availability to attend the regular July Board meeting. The directors in attendance noted that they would be available.

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 Fabian, seconded by Director Woodall, and unanimously carried, the meeting was adjourned.

Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Bookkeeper's Report
- Exhibit B – Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, and comparison of broker lists
- Exhibit C – Unclaimed Property Report
- Exhibit D – Tax Assessor-Collector Report
- Exhibit E – Operator's Report
- Exhibit F – Engineer's Report
- Exhibit G – Interlocal Agreement
- Exhibit H – Property Acquisition
- Exhibit I – Condemnation Counsel
- Exhibit J – Cost Sharing Agreement
- Exhibit K – Inventory Report
- Exhibit L – Records Destruction