

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors August 8, 2022

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 August 8, 2022, 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 Goodspeed, thus constituting a quorum.

Also present were Mike Fitzgerald and Kristen Turkal 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"); and Mitchell G. Page, Shelby Yllana, and Charlotte Griffiths 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 noted that there were no members of the public present.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its special meeting held on July 19, 2022. After discussion, Director Fabian moved that the minutes of the July 19, 2022 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 August 8, 2022, 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 Fabian moved that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Woodall seconded the motion, which carried unanimously.

AMENDMENT OF DISTRICT'S INVESTMENT POLICY

The Board considered the amendment of the District's Investment Policy. Mr. Page explained to the Board that, in connection with the migration of the District's tax account to Frost Bank ("Frost"), a new form of Collateral Security Agreement will be entered into on behalf of the District. He noted that legal counsel for Frost has advised that it has a preferred form of Agreement that differs from the form of Collateral Security Agreement previously adopted in the District's Investment Policy. He then presented a term sheet to the Board, a copy of which is attached hereto as **Exhibit B**, outlining the differing terms between the existing and proposed Collateral Security Agreement. Mr. Page then advised that the Board will need to amend the District's Investment Policy to include language to authorize the use of other forms of Collateral Security Agreement, such as the Frost Bank form. After discussion, Director Fabian moved that the District's Investment Policy, be amended as discussed, and the Order Establishing Policy for Investment of District Funds and Appointing Investment Officer attached hereto as **Exhibit C** be passed and adopted accordingly. 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 July 2022, a copy of which is attached hereto as **Exhibit D**, including the disbursements presented for approval. After discussion, Director Fabian 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.

Ms. Dorrough requested the Board defer consideration of the new Collateral Security Agreement from Frost Bank, as the final form has not yet been received. The Board agreed to defer action on this item at this time.

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.

OPERATOR'S REPORT

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of July 2022, 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 results of the recent hydrant survey completed in the District, noting 242 hydrants were identified for repainting. She additionally reported on the survey previously distributed detailing the location and age of each hydrant. She advised that the

total cost to paint the hydrants is \$6,836. The Board discussed breaking up the hydrant painting into sections starting with the oldest areas first to spread the cost out over time.

After discussion Director Fabian moved that the Operations and Maintenance Report and the items reflected therein be approved, including the forwarding of delinquent accounts to collections, as presented, and painting of the hydrants in the amount of \$6,836, in phases, as discussed. Director Woodall seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Fitzgerald presented the Engineer's Report dated August 8, 2022, a copy of which is attached hereto as **Exhibit F**, and reviewed with the Board the items listed therein. Mr. Fitzgerald reviewed the purpose of the change order, identified in the Engineer's Report, noting the the tract to be served was subdivided, and additional lines need to be constructed and extended to service the landlocked tracts. After discussion, Director Fabian moved that the Engineer's Report and actions recommended therein be approved, as presented. Director Woodall seconded said motion, which unanimously carried.

QUARTERLY FACILITIES UPDATE

Mr. Fitzgerald presented to and reviewed with the Board the quarterly facilities update. Director Woodall inquired about setting up a facilities tour for the fall. Mr. Fitzgerald and the Board discussed same and suggested two tours to be held on September 22nd and September 23rd. Mr. Page advised that SPH would prepare and post agendas for said dates.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa provided the Board with the garbage and recycling collections update for the District. She then addressed the Board regarding the transition to the automated side load service.

DISCUSSION OF POLICIES AND PROCEDURES FOR RESIDENT COMMUNICATIONS

Mr. Page advised the Board that a landing page for all Bridgeland districts is under development.

WEBSITE UPDATES

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

Mr. Page then advised the Board that, per its discussion and direction at the last Board meeting, SPH forwarded a notice of termination of Messaging Services Agreement to Classic Messaging. Mr. Page then presented an addendum to the District's Website Services Agreement with Off Cinco to add text messaging alerts to the District's contract, a copy of which addendum is attached hereto as **Exhibit G**. After discussion, Director Fabian moved that (i) the addendum to Website Services Agreement with Off Cinco be approved, as presented, and the President be authorized to execute same on behalf of the Board and the District, and (ii) the accompanying

Texas Ethics Commission Form 1295 be acknowledged. Director Woodall seconded said motion, which unanimously carried.

The Board then discussed the status of coordination with Bridgeland Council on Nature Fest and setting up an education booth to provide residents with information regarding the District, including signing up for Eyeonwater.com and website alerts.

DEVELOPER'S REPORT

The Board considered the Developer's Report. Mr. Page advised that Mr. Kolkhorst was not in attendance due to a conflict and had no items to report at this time.

ATTORNEY'S REPORT

Mr. Page presented to and reviewed with the Board the Tenth Year report for the District's Series 2012 Bonds, as prepared by Arbitrage Compliance Specialists, Inc. ("ACS"), and findings letter prepared by ACS regarding same, a copy of which correspondence is attached hereto as **Exhibit H**. He noted that no action by the Board was necessary at this time regarding the reports, and no payment to the Internal Revenue Service is due at this time.


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 – Term Sheet
- Exhibit C – Investment Policy
- Exhibit D – Tax Assessor-Collector Report
- Exhibit E – Operator's Report
- Exhibit F – Engineer's Report
- Exhibit G – Addendum to Website Agreement
- Exhibit H – ACS Findings Letter

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