

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors

August 12, 2024

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 12, 2024, 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
Dennis Vallianos, Assistant Secretary

and all of said persons were present, with the exception of Directors Fabian and Vallianos, thus constituting a quorum. Director Vallianos entered the meeting after it was called to order, as noted herein.

Also present were Ryan Derong of BGE, Inc. ("BGE"); Dona Washington of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C"); Paxton Goodspeed, son of Director Goodspeed; Manuel Magallanes, member of the public; and Mitchell G. Page and Peyton Ellis 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 recognized Mr. Magallanes. Mr. Magallanes noted that he had no comments for the Board at this time.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on June 10, 2024. Following discussion, Director Goodspeed moved that the minutes of the June 10, 2024, 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 12, 2024, 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. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check no. 8139, which was voided, and the addition of check no. 8209, payable to Director Goodspeed for reimbursable director expenses.

Director Goodspeed sought additional information regarding the District's current contract(s) for energy supply and related services, and inquired whether there are ways to ensure the most cost-efficient electricity contracts are being secured for the District. Mr. Page reminded the Board of the District's agreement for the pooled purchase of electricity, and explained the terms and conditions set forth therein. No action was required by the Board in connection with this matter.

Director Vallianos entered the meeting at this time.

TAX ASSESSOR COLLECTOR REPORT

Ms. Washington presented to and reviewed with the Board the Tax Assessor Collector Monthly Reports for the months of June and July 2024, copies of which are attached hereto as **Exhibit B**, including the disbursements presented for approval. After discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Tax Assessor Collector Monthly Reports be approved, as presented, and the disbursements listed therein be approved for payment.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Page presented to and reviewed with the Board the Delinquent Tax Collections Report received from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District, a copy of which is attached hereto as **Exhibit C**. Mr. Page noted that no action was required by the Board in connection with the Delinquent Tax Collections Report.

OPERATOR'S REPORT

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of July 2024, a copy of which is attached hereto as **Exhibit D**, and 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 additionally presented and reviewed with the Board an EyeOnWater AMR Leak Verification Report for the month of July 2024, a copy of which is included in the Operations and Maintenance Report.

Ms. Osborne next presented to and reviewed with the Board the District's Sanitary Sewer Repair Recommendations for 2024, a copy of which is included in the Operations and Maintenance Report. She noted the total cost for the recommended Priority 1 repairs in the amount of \$69,350.00.

Ms. Osborne next presented to and reviewed with the Board the Year 3 Main Line Valve Survey Summary of Recommended Repairs, a copy of which is included in the Operations and Maintenance Report, and noted that 84 valves out of the 286 valves surveyed are in need of repair. She noted the total cost for the recommended valve repairs in the amount of \$23,000.00.

Ms. Osborne next presented to and reviewed with the Board a quote for commercial meter testing in the amount of \$3,150.00, a copy of which is included in the Operations and Maintenance Report. Ms. Osborne noted that Inframark customarily recommends commercial meter testing on an annual basis. Following discussion, the Board concurred to defer consideration of commercial meter testing until next year, and requested that future quotes be brought before the Board every other year instead of annually.

Ms. Osborne next reported on the status of the District's facilities following Hurricane Beryl, noting no resulting damages to the District's facilities. She inquired whether the Board desired to postpone delinquent notices and service disconnections in consideration of the impacts caused by Hurricane Beryl.

Following discussion, Director Goodspeed moved that the Operations and Maintenance Report and the action items listed therein be approved, including (i) the completion of the recommended Priority 1 sanitary sewer repairs in the amount of \$69,350.00, and (ii) the completion of the recommended main line valve repairs in the amount of \$23,000.00; provided, however, commercial meter testing will be deferred to next year and performed every two (2) years thereafter; and that Inframark be authorized to postpone delinquent notices and service disconnections for two (2) weeks in consideration of the impacts caused by Hurricane Beryl. Director Woodall seconded said motion, which unanimously carried.

Ms. Osborne next advised the Board that, in an effort to better prepare the District for future major storm events, Inframark recommends the purchase of two (2) portable generators to serve the District's lift stations in the event of power failure, and the purchase of a Godwin pump to sustain the District's water and wastewater systems. Ms. Osborne noted that the existing equipment at the District's facilities will require certain improvements to ensure proper functionality of the portable generators and Godwin pump once placed in service, and discussed such improvements in detail with the Board. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that Inframark be authorized to (i) proceed with the purchase and installation of universal receptacles at all of the District's lift stations at a cost not to exceed \$20,000.00, and (ii) reserve two (2) temporary rental generators to serve the District, if and when necessary, through the remainder of hurricane season.

SIXTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE DISTRICT AND INFRAMARK, LLC

Ms. Osborne next presented to and reviewed with the Board a proposed Sixth Amendment to Professional Services Agreement between the District and Inframark (the "Sixth Amendment"), a copy of which is attached hereto as **Exhibit E**. In connection therewith, Ms. Osborne informed the Board that the proposed Sixth Amendment provides for the adjustment of Inframark's rates in accordance with the 2024 API Rate Schedule. Following discussion, it was moved by Director

Goodspeed, seconded by Director Woodall and unanimously carried, that (i) the Sixth Amendment be approved and the President be authorized to execute same, on behalf of the Board and the District, and (ii) SPH be authorized to acknowledge the Texas Ethics Commission ("TEC") Form 1295 submitted by Inframark in connection therewith.

AMENDMENT OF THE DISTRICT'S RATE ORDER

The Board next considered the amendment of the District's Rate Order to provide for the adjustment of rates associated with the aforementioned 2024 API Rate Schedule. In connection therewith, Mr. Page reviewed the rate adjustment proposed by Inframark in accordance with the 2024 API Rate Schedule, a copy of which is attached hereto as **Exhibit F**. Following review and discussion, Director Goodspeed moved that the District's Rate Order be amended to incorporate the proposed rate adjustment, as discussed. Director Woodall seconded said motion, which unanimously carried. A copy of the District's Rate Order thus amended is attached hereto as **Exhibit G**.

GARBAGE AND RECYCLING COLLECTION SERVICES

Director Goodspeed addressed the Board concerning recent issues with the District's recycling collections. In connection therewith, Director Goodspeed advised the Board that Republic Services, Inc. ("Republic"), the District's current service provider, previously issued incorrectly colored recycling bins to numerous Bridgeland residents, causing service delays and missed collections. He further advised that Republic has been given a deadline to address the issue and resume regular recycling collections. No action was required by the Board in connection with this matter.

The Board next discussed the upcoming hazardous waste collection and electronics recycling event to be held on October 26, 2024. In connection therewith, Mr. Page presented to and reviewed with the Board an Interlocal Agreement between the District, Harris County Municipal Utility District No. 489 ("HC489"), and Harris County Municipal Utility District No. 490 for the joint administration of such event, a copy of which is attached hereto as **Exhibit H**. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Interlocal Agreement be approved, as presented.

ENGINEER'S REPORT

Mr. Derong presented to and reviewed with the Board the Engineer's Report dated August 12, 2024, a copy of which is attached hereto as **Exhibit I**. In that regard, Mr. Page presented for the Board's approval of an Assignment of Storm Sewer Easement from the District to HC489 to serve the Bridgeland Day Care Site. Mr. Page then presented for the Board's review and consideration, a Consent to Encroachment and Indemnity Agreement with Gleannloch Farms 18, LLC, for a proposed storage facility. He noted that planned paving facilities will encroach upon an existing District Storm Sewer Easement. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Engineer's Report and the action items listed therein be approved, including the Assignment of Storm Sewer Easement from the District to HC489 and the Consent to Encroachment and Indemnity Agreement

with Gleannloch Farms 18, LLC, as discussed.

VETERAN'S MEMORIAL PARK

Director Thomas provided the Board with an update on the progress of the proposed construction of Veteran's Memorial Park. In connection therewith, Mr. Magallanes and Director Goodspeed informed the Board of various concerns that have been raised by the community about the proposed project. The Board discussed the proposed Veteran's Memorial Park at length. No action was taken by the Board in connection with this matter at this time.

SECURITY MATTERS

The Board discussed general updates to law enforcement matters for the District. In connection therewith, Mr. Page reported that the Bridgeland Water Agency (the "Agency") recently approved the procurement of twenty (20) patrol officers to devote 70% of their working time to providing law enforcement services to the Bridgeland community for the 2024-2025 contract renewal term. Following discussion, it was moved by Director Vallianos, seconded by Director Woodall and unanimously carried, that Director Goodspeed, in his capacity as Trustee on behalf of the District, be authorized to approve the 2024-2025 renewal contract with the Harris County Constable Precinct 5.

BRIDGELAND WATER AGENCY

The Board noted that it had nothing further to discuss with respect to Agency matters at this time.

WEBSITE UPDATES; PROPOSAL FOR WEBSITE SERVICES

Mr. Page next presented to and reviewed with the Board a Communications Report dated August 12, 2024, as prepared by Touchstone District Services, LLC ("Touchstone"), a copy of which is attached hereto as **Exhibit J**.

Director Goodspeed inquired if the Board would be amenable to splitting the cost for the creation of an educational video on crosswalk safety with HC489. Following discussion, Director Woodall moved to authorize the contribution of \$750.00 towards the creation of said educational video. Director Vallianos seconded the motion, which unanimously carried.

DEVELOPER'S REPORT

Mr. Page presented to and reviewed with the Board the home inventory report through July 2024, as prepared by Bridgeland Development, LP, a copy of which is attached hereto as **Exhibit K**. It was noted that no action was required by the Board in connection with such report.

BRIDGELAND COUNCIL, INC. ("COUNCIL")

The Board next considered the annual maintenance contribution to Council. In connection

therewith, 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. Mr. Page then presented the invoice received from Council for the fiscal year ended May 31, 2024, a copy of which is attached hereto as **Exhibit L**. After discussion, Director Goodspeed moved that the \$130,000 reimbursement to Council be approved. Director Woodall seconded said motion, which unanimously carried.

LAKELAND VILLAGE HOMEOWNERS' ASSOCIATION ("HOA")

Mr. Magallanes reminded the Board of the HOA's previous request for assistance from the District on certain park and landscaping repairs/improvements to serve Lakeland Village, and inquired as to the status of such matters. The Board discussed the matter in detail with Mr. Magallanes, including possible options for the shared funding of said park and landscaping repairs/improvements by the District and the HOA. Following discussion, the Board concurred to discuss the matter further at next month's meeting.

Mr. Magallanes exited the meeting at this time.

RECORDS RETENTION

Mr. Page presented to and reviewed with the Board a memorandum prepared by SPH, which is attached hereto as **Exhibit M**, regarding the legal requirements to electronically store District records and destroy the paper copies of such records. In that regard, Mr. Page recommended that the Board approve the Resolution Adopting Records Retention Schedules and Policies and Procedures for Electronic Storage of District Records attached hereto as **Exhibit N** (the "Records Resolution"). After discussion, Director Goodspeed moved to approve the Records Resolution, and authorize the Records Management Officer to execute the related certifications, and that same be submitted to the Texas State Library and Archives Commission for review and approval. Director Woodall seconded the motion, which unanimously carried.

Mr. Page reported that the District's Records Retention Schedules adopted in connection with its Records Management Program require that records of the District be retained only for specific periods of time based on the type of record. As an example, he explained that notes taken during meetings and which are used to prepare the official minutes of Board meetings are to be retained for ninety days after approval of such minutes by the Board. Mr. Page next presented a request from the Records Management Officer for approval to destroy certain records (which will not be scanned in and stored electronically) in accordance with the District's Records Retention Schedules, a copy of which request is attached hereto as **Exhibit O** (the "Request"). After discussion, Director Goodspeed moved that SPH be authorized to destroy the records described in the Request. Director Woodall seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page advised that he had nothing further of a legal nature to discuss with the Board at this time.

CLOSED SESSION

The President noted that the Board would not need to enter into Closed Session.

SCHEDULE FOR FUTURE BOARD MEETINGS

The Board considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters and those discussed above, were requested.

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.

Secretary

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

LIST OF ATTACHMENTS TO MINUTES

August 12, 2024

- Exhibit A** – Bookkeeper's Report
- Exhibit B** – Tax Assessor-Collector Monthly Report
- Exhibit C** – Delinquent Tax Collections Report
- Exhibit D** – Operations and Maintenance Report
- Exhibit E** – Sixth Amendment to Professional Services Agreement
- Exhibit F** – 2024 API Rate Adjustments
- Exhibit G** – Rate Order
- Exhibit H** – Interlocal Agreement
- Exhibit I** – Engineer's Report
- Exhibit J** – Communications Report
- Exhibit K** – Home Inventory Report through July 2024
- Exhibit L** – Reimbursement Request by Bridgeland Council, Inc.
- Exhibit M** – Memorandum regarding Electronic Storage of District Records
- Exhibit N** – Resolution Adopting Records Retention Schedules and Policies and Procedures for Electronic Storage of District Records
- Exhibit O** – Records Destruction Request