

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

### Minutes of Meeting of Board of Directors September 12, 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 September 12, 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, thus constituting a quorum.

Also present were Mike Fitzgerald and Aiden Massingale of BGE, Inc. ("BGE"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C"); Autumn Clark of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Barbara Nussa of Republic Services, Inc. ("Republic"); Brian Krueger of FORVIS ("FORVIS"); and Mitchell G. Page and Shelby Yllana of Schwartz, Page & Harding, L.L.P. ("SPH"). Greg Lentz of Masterson Advisors, LLC ("Masterson") entered later in the meeting.

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 August 8, 2022. After discussion, Director Fabian moved that the minutes of the August 8, 2022 meeting be approved, as written. Director Goodspeed seconded said motion, which unanimously carried.

#### **BOOKKEEPER'S REPORT**

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated September 12, 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 Goodspeed seconded the motion, which carried unanimously.

## **AUDIT REPORT**

Mr. Krueger presented and reviewed the draft of the District's audit of financial statements prepared for the District's fiscal year ending May 31, 2022, a copy of which is attached hereto as **Exhibit B**. In connection with the requirements of Statement on Auditing Standards No. 115, Mr. Krueger also presented the Board with a Management Letter prepared by FORVIS concerning the Board's internal controls over financial reporting, and correspondence from FORVIS to the District concerning significant accounting policies and practices, copies of which are attached hereto with the audit report. Mr. Page noted the proposed Management Response recommended by SPH and included in the draft Management Letter. After discussion, it was moved by Director Fabian, seconded by Director Goodspeed and unanimously carried, that (i) said Management Response be approved and adopted by the Board and the District, (ii) the audit report for the District's fiscal year ended May 31, 2022, be approved subject to final review by SPH, (iii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and (iv) the final audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ") and the Texas Comptroller of Public Accounts.

## **2022 TAX RATE**

Mr. Lentz presented Masterson's recommendation for the District's levy of a 2022 debt service tax rate in the amount of \$0.67 per \$100 of assessed valuation, as reflected in the pro forma attached hereto as **Exhibit C**. A discussion ensued regarding the District's levy of a 2022 maintenance tax. After discussion, Director Fabian moved that the Board provide notice of its intent to levy a 2022 debt service tax rate of \$0.67 per \$100 of assessed valuation and a 2022 maintenance tax rate of \$0.225 per \$100 of assessed valuation, for a total tax rate not to exceed \$0.895 per \$100 of assessed valuation. Director Goodspeed seconded the motion, which unanimously carried.

There followed a discussion concerning the requirements for providing notice of the District's intention to adopt its 2022 tax rate. Mr. Page advised that, pursuant to Section 49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Page further advised that the information to be included in the notice is set forth in the Texas Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting. After discussion, Director Fabian moved that Wheeler be authorized to publish notice of the District's intention to adopt its 2022 tax rate at its next meeting in the form and at the time required by law. Director Goodspeed seconded said motion which unanimously carried. The Board concurred that Wheeler should publish said notice in *The Houston Chronicle*.

## **TAX ASSESSOR COLLECTOR REPORT**

Ms. Clark presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of August 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 Goodspeed 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.

## **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of August 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 presented a quote for meter testing, a copy of which is included with **Exhibit E**.

The Board then discussed the status of preparations for the informational booth at NatureFest. Director Goodspeed discussed incentive options with the Board to attract residents, such as mugs, tumblers, or notepads. The Board discussed forming a subcommittee to further discuss options and plan for the event and authorize the use of operating funds for the purchase of such incentives. After discussion, Director Brazzale-Anderson moved that a subcommittee be formed with Directors Goodspeed and Woodall to make further plans for NatureFest on behalf of the District, and they be authorized to expend up to \$12,500 in purchase of incentive items. Director Thomas seconded said motion, and with Directors Brazzale-Anderson, Thomas, Woodall, and Goodspeed voting "aye", and Director Fabian voting "nay", the motion carried.

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 the quote for meter testing, as discussed. Director Goodspeed seconded said motion, which unanimously carried.

## **ENGINEER'S REPORT**

Mr. Fitzgerald presented the Engineer's Report dated September 12, 2022, a copy of which is attached hereto as **Exhibit F**, and reviewed with the Board the items listed therein, including one pay estimate. After discussion, Director Fabian moved that the Engineer's Report and actions recommended therein be approved, as presented. Director Goodspeed seconded said motion, which unanimously carried.

The Board discussed the potential use of surplus funds to reimburse for the Bridgeland Creek Parkway Utility Extension project. The Board concurred to add an item to further discuss and act on same at next month's meeting.

### **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 recent missed recycling collection. Director Goodspeed advised that he has received comments from residents that the trees overhanging the streets are being damaged by the garbage trucks in several locations, and inquired which entity is responsible for tree trimming. Mr. Page requested that Director Goodspeed submit photos of the trees that need to be trimmed and the location, and SPH will advise Bridgeland Council for further handling. The Board took no action regarding the garbage and recycling collections.

### **DISCUSSION OF POLICIES AND PROCEDURES FOR RESIDENT COMMUNICATIONS**

Mr. Page advised the Board that a landing page for all Bridgeland districts is under development. Mr. Fitzgerald reminded the Board of the upcoming facilities tours planned for September 22<sup>nd</sup> and 23<sup>rd</sup>. He then advised that a District resident contacted him regarding resident participation in a facilities tour. He inquired with the Board if it would be amenable to allowing residents to join the tour. The Board concurred with same and authorized Mr. Fitzgerald to provide the tour information to the resident for coordination.

### **WEBSITE UPDATES**

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

### **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 presented the monthly home inventory report as prepared by Bridgeland Development, LP, a copy of which report is attached hereto as **Exhibit G**.

### **ATTORNEY'S REPORT**

Mr. Page then discussed with the Board participation in the annual Trace Air flyover. He advised that, typically, the active districts participate in a mid-year flyover and first of the year flyover, but due to timing, a flyover as of October 1, 2022 is being proposed. The Board declined to participate in the flyover, noting its preference to participate in the January 1, 2023 flyover, which is more helpful for gauging property added to the District's tax rolls as of said date.

### **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.

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Secretary

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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Bookkeeper's Report
- Exhibit B – Draft Audit – fiscal year ended May 31
- Exhibit C – 2022 Tax Rate Recommendation
- Exhibit D – Tax Assessor-Collector Report
- Exhibit E – Operator's Report
- Exhibit F – Engineer's Report
- Exhibit G – Inventory Report

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