

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors  
September 11, 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 September 11, 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, with the exception of Directors Fabian and Brazzale-Anderson, thus constituting a quorum.

Also present were Ryan Derong and Will Gutowsky of BGE, Inc. ("BGE"); Donna Washington of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Barbara Nussa of Republic Services, Inc. ("Republic"); Dan Kolkhorst of The Howard Hughes Corporation on behalf of Bridgeland Development, LP (the "Developer"); Melissa Vasquez of FORVIS, LLP ("FORVIS"); Ben Midgette, resident of the District; and Mitchell G. Page and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH"). Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C") and Greg Lentz of Masterson Advisors LLC ("Masterson") entered the meeting after it was called to order, as noted herein.

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. Mr. Midgette addressed the Board regarding recent resident comments made on social media with respect to the West Harris County Regional Water Authority ("WHCRWA") fees, and noted the importance of ensuring that residents are properly educated on such matters. Mr. Midgette additionally addressed the Board regarding the District's Drought Contingency Plan ("DCP"), including ways in which to encourage community cooperation with said DCP.

Mr. Weyand entered the meeting at this time.

## **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its meeting held on August 14, 2023. After discussion, Director Goodspeed moved that the minutes of the August 14, 2023 meeting be approved, as written. Director Woodall seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT**

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated September 11, 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, with the exception of check nos. 7809 and 7810, which were voided. Director Woodall seconded the motion, which carried unanimously.

## **AUDIT REPORT**

Ms. Vasquez presented to and reviewed with the Board a draft of the District's audit of financial statements prepared by FORVIS for the District's fiscal year ended May 31, 2023, a copy of which is attached hereto as **Exhibit B**. In connection with the requirements of Statement on Auditing Standards No. 115, Ms. Vasquez additionally presented and reviewed with the Board 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 included with **Exhibit B**. Mr. Page noted the proposed Management Response recommended by SPH and included in the draft Management Letter. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall 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, 2023, be approved, subject to review and final approval by the Directors and 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.

Mr. Lentz entered the meeting at this time.

## **TAX ASSESSOR COLLECTOR REPORT**

Ms. Washington presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of August 2023, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for approval. Ms. Washington advised the Board of a check received from a District resident, representing a partial payment towards the resident's installment plan, and inquired as to whether the Board desired to accept such partial payment. After discussion, Director Goodspeed moved that (i) the Tax Assessor Collector Monthly Report be

approved, as presented, and the disbursements listed therein be approved for payment, and (ii) the partial payment received from the District resident be accepted. 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 at this time from Perdue, Brandon, Fielder, Collins & Mott, LLP, delinquent tax attorneys for the District.

## **2023 TAX RATE**

Mr. Lentz presented Masterson's recommendation for the District's levy of a 2023 debt service tax rate in the amount of \$0.58 per \$100 of assessed valuation, as reflected in the pro forma attached hereto as **Exhibit D**. A discussion ensued regarding the District's levy of a 2023 maintenance tax and the potential for increasing the District's homestead exemption in 2024. After discussion, Director Goodspeed moved that the Board provide notice of its intent to levy a 2023 debt service tax rate of \$0.58 per \$100 of assessed valuation and a 2023 maintenance tax rate of \$0.28 per \$100 of assessed valuation, for a total tax rate not to exceed \$0.86 per \$100 of assessed valuation. Director Woodall seconded the motion, which unanimously carried.

There followed a discussion concerning the requirements for providing notice of the District's intention to adopt its 2023 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. Director Goodspeed reminded the Board that it previously discussed holding a special townhall meeting in the District for informal discussion of the 2023 tax rate proposed for adoption. In that regard, the Board concurred to schedule a townhall meeting to be held in the District on October 5, 2023, for informal discussion of the proposed 2023 tax rate, with the formal hearing and adoption at the Board's regular meeting of October 9, 2023. Following discussion, Director Goodspeed moved that Wheeler be authorized to publish notice of the District's intention to adopt its 2023 tax rate at its next regular meeting in the form and at the time required by law. Director Woodall seconded said motion which unanimously carried. The Board concurred that Wheeler should publish said notice in *The Houston Chronicle*.

Ms. Washington and Mr. Lentz exited the meeting at this time.

## **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of August 2023, a copy of which is attached hereto as **Exhibit E**, 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. She additionally presented to the Board Inframark's annual API rate increase, a copy of which is included in **Exhibit E**, and noted that no action was necessary by the Board with respect to the API rate increase at this time.

With regards to water smart measures for the District, Ms. Osborne presented to the Board for its approval a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program (the "Water Smart Resolution"), a copy of which is included with the Operator's Report.

Ms. Osborne next advised the Board of several requests received from District residents for sidewalk and manhole repairs, and inquired as to whether the Board desired to authorize Southern Concrete to proceed with making the necessary repairs to ensure the timely completion of same before Halloween.

After discussion, Director Goodspeed moved that the Operations and Maintenance Report and the items reflected therein be approved, including (i) the forwarding of six (6) delinquent accounts totaling \$1,216.68 to collections, as presented, (ii) the adoption of the Water Smart Resolution, and (iii) the repair of the District's sidewalks and manholes in an amount not to exceed \$50,000.00, subject to review and approval by Directors Goodspeed and Thomas of an estimate of costs for such work, once prepared by Southern Concrete. Director Woodall seconded said motion, which unanimously carried.

The Board then continued discussion of the District's DCP and ways to encourage cooperation by the community with the requirements of said DCP. Following discussion, Director Goodspeed moved to authorize Inframark to issue warnings to District residents that fail to comply with the requirements of the District's DCP. Director Woodall seconded the motion, which unanimously carried. Director Goodspeed requested that Ms. Osborne prepare a list of the top twenty percent (20%) of water users within the District for discussion at next month's meeting in order to aid the Board in determining ways to improve community cooperation with the requirements of the District's DCP.

## **ENGINEER'S REPORT**

Mr. Derong presented the Engineer's Report dated September 11, 2023, a copy of which is attached hereto as **Exhibit F**. Mr. Page then presented to the Board a Conveyance and Bill of Sale of Utility Facilities to serve North Bridgeland Lake Parkway, Section 5, and a Conveyance and Bill of Sale of Utility Facilities to serve Bridgeland Creek Parkway Utility Extensions. Following discussion, Director Goodspeed moved that the Engineer's Report and all requested actions therein be approved, as presented, including acceptance of the Conveyance and Bill of Sale of Utility Facilities to serve North Bridgeland Lake Parkway, Section 5, and the Conveyance and Bill of Sale of Utility Facilities to serve Bridgeland Creek Parkway Utility Extensions.

Mr. Gutowsky made a presentation to the Board regarding the Major Thoroughfare Plan for the continuation of Muescke Road south to House Hahl Road. Discussion ensued regarding said Major Thoroughfare Plan and possible conflicting right of way at Oak Meadow Park. Mr.

Kolkhorst advised the Board that he is in communications with those involved in the development of the right of way regarding the District's desire to preserve the integrity of Oak Meadow Park.

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

The Board deferred consideration of the use of surplus construction funds to reimburse the Developer for certain approved projects, such as the Bridgeland Creek Parkway Utility Extension.

### **CONVERSION OF STREET LIGHTS**

The Board noted that no action was necessary with respect to the conversion of existing street light bulbs to LED by CenterPoint Electric, and requested that the agenda item for such matter be removed from all future agendas moving forward.

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

Ms. Nussa provided a collections update to the Board. In connection therewith, Ms. Nussa reported that several sections were missed on the scheduled collection date of Friday, September 8<sup>th</sup>, and that she promptly notified Director Goodspeed of the issue. She advised that Republic is sending a collection truck to complete all missed collections tomorrow, September 12<sup>th</sup>, and that Director Goodspeed has notified the District's residents of same via Facebook.

Ms. Nussa then reported that the electronic waste recycling event (the "Event") will be held on October 14, 2023, at Oak Meadow Park in conjunction with the other Bridgeland districts, and confirmed that the required notice has been provided to the TCEQ. She requested that the Board authorize Republic to provide the necessary container for the disposal of materials at the Event. Mr. Page then presented to and reviewed with the Board a proposed Interlocal Agreement amongst the District, Harris County Municipal Utility District No. 489 and Harris County Municipal Utility District No. 490, which provides for equal sharing of the Event cost between the three (3) participating entities. Following discussion, Director Goodspeed moved that (i) Republic be authorized to provide a container for the disposal of materials at the Event, (ii) Director Goodspeed be designated as the District's representative with respect to the Event, and (iii) the Interlocal Agreement amongst the participating entities be approved, as presented, and the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Woodall seconded said motion, which unanimously carried. A copy of the Interlocal Agreement thus approved is attached hereto as **Exhibit G**.

### **SECURITY MATTERS**

The Board considered law enforcement matters for the District. In connection with the hiring of a parks officer, Mr. Page presented to and reviewed with the Board a Proposed Gift to Harris County, Texas form relative to the donation of a utility vehicle to Harris County Constable, Precinct 5 ("Precinct 5") for patrol use, a copy of which is attached hereto as **Exhibit H**. Mr. Page advised the Board that upon receipt of the completed Gift Form, the Harris County Commissioners Court will consider and vote on accepting the District's donation of the utility vehicle. Following discussion, Director Goodspeed moved that the Board proceed with the purchase and donation of a utility vehicle, with wench included, to Precinct 5, and authorize Director Thomas to execute

any documentation in connection with such donation, as necessary, on behalf of the Board and the District. Director Woodall seconded the motion, which unanimously carried.

Mr. Page discussed the desired goal of the Bridgeland Water Agency (the "Agency") to assume security patrol contracts for the entire Bridgeland community in the future. In that regard, Mr. Page advised the Board that Precinct 5 is unable to adjust the District's security patrol contract outside of its annual renewal; therefore, the Agency will be unable to assume the District's contract during the 2023 patrol year. He then explained the process to transition the District's contract to the Agency for the 2024 patrol year and the documentation that will be required in connection therewith. Following discussion, Director Goodspeed moved to authorize SPH to begin preparation of the necessary documentation for the transition of the District's security patrol contract to the Agency, effective as of October 1, 2024. Director Woodall seconded the motion, which unanimously carried.

### **BRIDGELAND WATER AGENCY**

Mr. Page advised that all members of the Agency have entered into the Interlocal Agreement for same, and that the organizational meeting of the Agency was held on August 31<sup>st</sup>. He further advised that the Agency is working to schedule a Trustees meeting for September 20, 2023, to discuss the GOGov smart phone application.

### **WEBSITE UPDATES**

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

### **DEVELOPER'S REPORT**

Mr. Kolkhorst presented to and reviewed with the Board the home inventory report through August 2023, as prepared by the Developer, a copy of which is attached hereto as **Exhibit I**. Mr. Kolkhorst then provided an update regarding the commercial activity in the Bridgeland community.

Mr. Weyand exited the meeting at this time.

### **BRIDGELAND COUNCIL, INC.**

The Board noted that it had nothing new to discuss in regards to Bridgeland Council, Inc.

### **LAKELAND VILLAGE HOMEOWNERS' ASSOCIATION ("HOA")**

Mr. Page advised that the Lakeland Village HOA has major upcoming expenses related to community projects, and may approach the Board to request contribution relative to same. Following discussion, the Board concurred that it would be amenable to receiving a presentation from the Lakeland Village HOA to assist the Board with its determination on whether or not to contribute.

**ATTORNEY'S REPORT**

Mr. Page noted that he had no legal matters to report that had not already been discussed.

**CLOSED SESSION**

The President noted that the Board would enter into Closed Session at 1:33 p.m. Those in attendance other than Directors Thomas, Goodspeed and Woodall, Mr. Gutowsky and Mr. Derong, and Mr. Page and Ms. Ellis, exited the meeting.

**RECONVENE IN OPEN SESSION**

The Board reconvened into Open Session at 1:44 p.m. and noted that there was no action resulting from discussion in Closed Session.

**MATTERS FOR FUTURE AGENDAS**

The Board made note of its special townhall meeting to be held in the District on October 5, 2023, at 6:30 p.m. for discussion of the District's proposed 2023 tax rate.

**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 – Bookkeeper's Report
- Exhibit B – Draft Audit – Fiscal Year Ended May 31, 2023
- Exhibit C – Tax Assessor-Collector Monthly Report
- Exhibit D – Financial Advisor's 2023 Tax Rate Recommendation
- Exhibit E – Operator's Report
- Exhibit F – Engineer's Report
- Exhibit G – Interlocal Agreement
- Exhibit H – Proposed Gift to Harris County, Texas
- Exhibit I – Home Inventory Report through August 2023