

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors  
October 9, 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 October 9, 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 Director Brazzale-Anderson, thus constituting a quorum.

Also present were Ryan Derong and Will Gutowsky of BGE, Inc. ("BGE"); Dona Washington and Cathy Wheeler of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Steve Sams of The Howard Hughes Corporation on behalf of Bridgeland Development, LP (the "Developer"); Greg Lentz of Masterson Advisors LLC ("Masterson"); Ben Midgette, resident of the District; Richard Lowstetter, resident of the District and Treasurer of the Lakeland Village Homeowners' Association ("Lakeland Village HOA"); 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. Mr. Midgette stated that he had no comments for the Board at this time.

Mr. Lowstetter next addressed the Board regarding the Lakeland Village HOA's proposed park and landscaping repairs/improvements to serve Lakeland Village. He then presented to and reviewed with the Board several proposals relative to same, including: (i) the repair of a portion of the walking trail located at House Hahl Trail near Parkside Haven Dr. in the amount of \$22,800.00; (ii) the remodel of Bridgeland Central Park Fountain in the amount of \$109,450.00; and (iii) landscaping enhancements to serve several sections of Lakeland Village in the amount of \$980,210.00. Copies of such proposals are attached hereto as **Exhibit A**. Mr. Lowstetter inquired as to whether the Board would be amenable to contributing District funds towards the costs of the aforementioned projects. Following discussion, it was moved by Director Goodspeed, seconded

by Director Woodall, and unanimously carried, that the Board defer on taking any action with respect to the aforementioned proposals at this time, and that an item be included on the agenda for next month's meeting to consider the matter further. The Board requested that Mr. Derong review and conduct additional research regarding the proposed projects and the costs associated with same, and present the Board with his findings at next month's meeting.

### **ACCEPTANCE OF RESIGNATION OF ANDREA BRAZZALE-ANDERSON**

The Board considered the resignation of Director Brazzale-Anderson from the Board. In connection therewith, Mr. Page advised the Board that Director Brazzale-Anderson notified SPH that she has moved out-of-state and is no longer qualified for service on the Board of Directors. He further advised that SPH has requested a signed resignation letter from Director Brazzale-Anderson for the District's records and recommended that the Board accept same. After discussion, Director Goodspeed moved that the Board accept Director Brazzale-Anderson's resignation letter. Director Fabian seconded said motion, which unanimously carried.

### **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its meeting held on September 11, 2023. After discussion, Director Goodspeed moved that the minutes of the September 11, 2023 meeting be approved, as written. Director Fabian 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 October 9, 2023 a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for approval and the cash flow forecast for the District's operating account. Mr. Weyand noted the addition of check no. 7883 in the amount of \$872.53, payable to Director Thomas. 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 addition of check no. 7883, as discussed, and the exception of check no. 7848, which was voided. Director Fabian seconded the motion, which carried unanimously.

Mr. Weyand advised that the annual energy reporting required by Chapter 2265 of the Texas Government Code will be presented at next month's Board meeting.

### **ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER; ADOPTION OF RESOLUTION AND AMENDED ORDER IN CONNECTION THEREWITH**

The Board next considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy"). In that regard, Mr. Page reviewed with the Board SPH's recommended changes to the District's Investment Policy and presented for the Board's approval an amended Investment Policy and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), copies of which are attached hereto as **Exhibit C**.

Following review and discussion, Director Goodspeed moved that the Board (i) approve the amended Investment Policy reflecting SPH's recommended changes, as discussed, (ii) adopt the Resolution in connection therewith, and (iii) authorize the President and Secretary to execute the Investment Policy and the Resolution on behalf of the Board and the District. Director Fabian seconded said motion, which unanimously carried.

### **TAX ASSESSOR COLLECTOR REPORT**

Ms. Wheeler presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of September 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.

### **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Page presented to and reviewed with the Board a Delinquent Tax Collections Report received from Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), delinquent tax attorneys for the District, and advised that Perdue is requesting Board authorization to move eight (8) personal property accounts to the uncollectible roll. A copy of the Delinquent Tax Collections Report is attached hereto as **Exhibit E**. Following discussion, Director Goodspeed moved that Perdue be authorized to move eight (8) personal property accounts to the uncollectible roll. Director Fabian seconded the motion, which unanimously carried.

### **PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2023 TAX RATE, LEVY OF THE DISTRICT'S 2023 TAX RATE, AND ADOPTION OF AN ORDER IN CONNECTION THEREWITH**

The President next convened a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2023. It was noted that the members of the public present had no comments in regards to the proposed 2023 tax rate. Upon motion by Director Thomas, seconded by Director Goodspeed, and unanimously carried, the hearing was closed.

The Board then discussed the setting of the 2023 tax rate, including the cost benefit of building the District's operating reserves versus continuing to reduce the District's tax rate. Ms. Wheeler confirmed that notice of the District's intent to adopt and levy a 2023 tax rate had been published in the *Houston Chronicle* in accordance with all legal requirements and as directed at the previous Board meeting. After discussion on the matter, Director Thomas moved that: (i) the Board levy a 2023 debt service tax rate of \$0.58 per \$100 of assessed valuation and a 2023 maintenance tax rate of \$0.255 per \$100 of assessed valuation, resulting in a total 2023 tax rate of \$0.835 per \$100 of assessed valuation; and (ii) the Order Levying Taxes attached hereto as **Exhibit F** be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Goodspeed seconded said motion, which carried unanimously.

## **AMENDMENT TO DISTRICT INFORMATION FORM**

Mr. Page presented and discussed with the Board an Amendment to the Fourth Amended and Restated District Information Form relative to the levy of the District's 2023 tax rate. After discussion, Director Goodspeed moved that said Amendment be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Thomas seconded said motion which carried unanimously.

## **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Page noted that no further action was required by the Board in connection with the Delinquent Tax Collections Report.

## **CONTINUING DISCLOSURE**

The Board considered the filing of the Annual Continuing Disclosure Report ("Annual Report") required in connection with the District's outstanding bonds. In connection therewith, Mr. Page presented the Board with the Annual Report pursuant to SEC Rule 15c2-12, as prepared and filed by McCall, Parkhurst & Horton, L.L.P. ("McCall"), the District's continuing disclosure counsel, a copy of which is attached hereto as **Exhibit G**. Mr. Page noted that he requested the Annual Report be revised to reflect the homestead exemption adopted by the District. Following discussion, Director Thomas moved that the Board approve the Annual Report, subject to the aforesaid revision, and approve the filing of the revised Annual Report by McCall. Director Goodspeed seconded the motion, which unanimously carried.

## **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of September 2023, a copy of which is attached hereto as **Exhibit H**, 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. After discussion, Director Goodspeed moved that the Operations and Maintenance Report and the items reflected therein be approved, including the forwarding of one (1) delinquent account totaling \$75.82 to collections, as presented. Director Fabian seconded said motion, which unanimously carried.

## **ENGINEER'S REPORT**

Mr. Derong presented the Engineer's Report dated October 9, 2023, a copy of which is attached hereto as **Exhibit I**. He additionally presented to and reviewed with the Board a Bridge Railing Status Report as of September 2023, a copy of which is attached hereto as **Exhibit J**, including the costs quoted for each of such bridge repairs. Following discussion, the Board concurred to authorize BGE to solicit additional quotes for the repairs listed in the Bridge Railing Status Report. The Board requested that such Status Report be presented to the Board of Directors of Harris County Water Control and Improvement District No. 157 for review and consideration at its next meeting.

## **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.

## **GARBAGE AND RECYCLING COLLECTION SERVICES**

Ms. Nussa provided a collections update to the Board. In connection therewith, Ms. Nussa reminded the Board that the Exclusive Residential Refuse Service Contract between the District and Republic (the "Service Contract") provides for the contractual donation by Republic of garbage containers for up to five (5) community events per year. She further reminded that Republic additionally donates garbage containers to each of its other Bridgeland district clients for one (1) community event per year. Ms. Nussa advised the Board that, due to the volume of requests for donation received by Republic and a lack of clarification as to which entities are requesting such donations, the District has exceeded its five (5) contractual donations for this year. Mr. Page suggested that the matter be brought before the Bridgeland Water Agency (the "Agency") for consideration at its next meeting to allow each Bridgeland district to designate a community event for receipt of its contractual donation from Republic.

Ms. Nussa then presented the Board with correspondence from Republic regarding its annual CPI increase, a copy of which notice is attached hereto as **Exhibit K**. Ms. Nussa advised the Board that, effective November 1, 2023, the garbage collection rate will increase by \$0.85 per home and the recycling collection rate will increase by \$0.24 per home, resulting in a total rate increase of \$1.09.

## **AMENDMENT OF DISTRICT'S RATE ORDER**

The Board considered the amendment of the District's Rate Order to reflect the aforementioned annual CPI increase, as directed by Republic. Following discussion on the matter, it was moved by Director Goodspeed, seconded by Director Fabian, and unanimously carried, that (i) the District's Rate Order be amended to increase the District's residential sanitary sewer rate by \$1.09, from \$53.19 to \$54.28, as discussed above, (ii) any and all Rate Orders heretofore adopted be revoked, and (iii) the Rate Order, a copy of which is included in **Exhibit L**, be passed and adopted.

Mr. Lowstetter exited the meeting at this time.

## **SECURITY MATTERS**

The Board considered law enforcement matters for the District. In connection with the hiring of a parks officer, Mr. Page advised the Board that the previously authorized purchase and donation of a utility vehicle, with wench included, to Harris County Constable, Precinct 5 ("Precinct 5") for patrol use, has been completed.

Mr. Page provided the Board with an update relative to the Agency's future assumption of security patrol contracts for the entire Bridgeland community. In that regard, Mr. Page advised the Board that SPH has prepared and provided to Bridgeland Council, Inc. for consideration, a

form of agreement relative to the transition of the District's contract to the Agency for the 2024 patrol year. In that regard, Mr. Page noted that the District will continue to reimburse the Council through the end of May 2024, in accordance with the District's current security patrol contract, and will begin reimbursing the Agency upon entering into its new security patrol contract, effective October 1, 2024.

### **BRIDGELAND WATER AGENCY**

Mr. Page advised that the Board of Trustees of the Agency is still considering the implementation of the GOGov smart phone application. He noted that the Trustees have not yet determined a regular meeting date.

### **WEBSITE UPDATES**

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

### **DEVELOPER'S REPORT**

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

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

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

### **LAKELAND VILLAGE HOMEOWNERS' ASSOCIATION**

The Board noted that it had nothing further to discuss in regards to the Lakeland Village HOA.

### **ATTORNEY'S REPORT**

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 made note of its next meeting to be held in the offices of SPH on November 13, 2023, at 11:00 a.m.

**MATTERS FOR PLACEMENT ON FUTURE AGENDAS**

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

**ADJOURNMENT**

There being no further business to come before the Board, on motion made by Director Thomas, seconded by Director Fabian, and unanimously carried, the meeting was adjourned.

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Secretary

DRAFT

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Lakeland Village HOA Proposals
- Exhibit B – Bookkeeper's Report
- Exhibit C – Order Establishing Policy for Investment of District Funds and Appointing Investment Officer and Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit D – Tax Assessor-Collector Monthly Report
- Exhibit E – Delinquent Tax Collections Report
- Exhibit F – Order Levying Taxes
- Exhibit G – Annual Continuing Disclosure Report
- Exhibit H – Operations and Maintenance Report
- Exhibit I – Engineer's Report
- Exhibit J – Bridge Railing Status Report
- Exhibit K – Annual CPI Increase
- Exhibit L – Rate Order
- Exhibit M – Home Inventory Report through September 2023