

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors
November 13, 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 November 13, 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

and all of said persons were present, with the exception of Director Woodall, thus constituting a quorum.

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"); Barbara Nussa of Republic Services, Inc. ("Republic"); 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, and recognized Msrs. Midgette and Lowstetter. Msrs. Midgette and Lowstetter noted that they had no comments for the Board at this time.

Mr. Page presented to and reviewed with the Board correspondence received from a District resident requesting resources to aid a group of third-grade students with a school project on community water conservation. A copy of such request is attached hereto as **Exhibit A**. Following discussion, the Board requested that Ms. Osborne prepare a response to the resident with educational resources regarding community water conservation.

APPROVAL OF MINUTES

The Board deferred consideration of the draft minutes of its Town Hall meeting held on October 5, 2023, as the draft meeting minutes were in preparation. The Board then considered the draft minutes of its regular meeting held on October 9, 2023. Following discussion, Director Goodspeed moved that the minutes of the October 9, 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 November 13, 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 additionally presented the Quarterly Investment Inventory Report for the period ended August 31, 2023, a copy of which is included in the Bookkeeper's Report. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check no. 7885, which was voided, and (ii) the Quarterly Investment Inventory Report be approved, as presented, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District.

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Page advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. In that regard, Mr. Weyand presented to and reviewed with the Board a Utility Cost & Usage Report, a copy of which is included in the Bookkeeper's Report, and noted that no further action is required by the District to satisfy the statutory reporting requirements.

TAX ASSESSOR COLLECTOR REPORT

Ms. Washington presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of October 2023, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for approval. After discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that (i) the Tax Assessor Collector Monthly Report be approved, as presented, and the disbursements listed therein be approved for payment, and (ii) the eight (8) personal property accounts previously discussed with the Board be moved to the District's uncollectible roll. Director Fabian seconded the motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Page noted that no Delinquent Tax Report was received nor is due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P, delinquent tax collections attorney for the District.

OPERATOR'S REPORT

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of October 2023, 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 next presented and discussed with the Board a proposal for painting certain of the District's fire hydrants in the amount of \$7,312.50, a copy of which is included in the Operations and Maintenance Report.

Ms. Osborne next advised the Board that the District's Letter Agreement for Temporary Fuel Surcharge with Inframark expired in August 2023, and that Inframark is requesting that the Board consider the renewal of such Letter Agreement for a period of one (1) year. She then presented to and reviewed with the Board a new Letter Agreement for Temporary Fuel Surcharge, which provides for the aforesaid one (1) year renewal, a copy of which is attached hereto as **Exhibit E**.

Following discussion, Director Goodspeed moved that the Operations and Maintenance Report and the action items listed therein be approved, including: (i) the forwarding of nine (9) delinquent accounts totaling \$2,982.62 to collections; (ii) the painting of the District's fire hydrants in the amount of \$7,312.50; and (iii) the execution of the Letter Agreement for Temporary Fuel Surcharge with Inframark for a period of one (1) year, subject to final review of the new Letter Agreement by SPH. Director Fabian seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Derong presented the Engineer's Report dated November 13, 2023, a copy of which is attached hereto as **Exhibit F**. No action was required by the Board in connection with the Engineer's Report.

Mr. Derong next presented to and reviewed with the Board a Bridge Railing Status Report (the "Status Report") as of November 2023, a copy of which is attached hereto as **Exhibit G**, including the costs quoted for each of such bridge repairs by Jay's Iron Works ("Jay's") and Pardalis Industrial Enterprises, Inc. ("Perdalis"). Mr. Derong noted that Perdalis' scope of work includes a more extensive preparation of the bridge railings prior to painting, whereas Jay's scope of work does not include such extensive preparation work.

The Board then discussed the potential for participation in painting costs by Harris County Water Control and Improvement District No. 157 ("WCID 157"). Mr. Derong then reported that he presented the prior month's Engineering Status Report to the Board of Directors of WCID 157 for review and consideration, and noted that WCID 157 indicated that it would only consider sharing the costs of the applicable bridge repairs if the District would retroactively share in the costs that WCID 157 has incurred to repair and maintain below-grade bridge infrastructure. Mr. Page reminded the Board that the District has historically taken responsibility for repairs and maintenance of at-grade and above-grade infrastructure, such as surface road paving, sidewalks and associated handrails and decorative finishes, and lighting, whereas WCID 157 has historically taken responsibility for repairs and maintenance of below-grade bridge infrastructure, such as support columns, decorative cladding, and pedestrian underpasses and related railing. Following discussion, the Board concurred to assume full responsibility for the costs of the at-grade and above-grade bridge repairs. It was then moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that the Board: (i) accept the quotes from Perdalis for repair of Bridge Nos. 3 and 8 in the amounts of \$20,640.00 and \$14,560.00, respectively, and (ii) accept the

quotes from Jay's for the repair of Bridge Nos. 1 and 7 in the amounts of \$4,500.00 and \$4,500.000, respectively. The Board concurred to defer on the remaining bridge repairs at this time. The Board then requested that SPH prepare an agreement between the District and WCID 157 that sets forth the District's responsibility for repairs and maintenance of at-grade and above-grade infrastructure, and WCID 157's responsibility for repairs and maintenance of below-grade bridge infrastructure.

USE OF SURPLUS CONSTRUCTION FUNDS

The Board considered the use of surplus construction funds to reimburse the Developer for certain approved projects, such as the Bridgeland Creek Parkway Utility Extension. Mr. Page noted that the costs for such project exceed the amount of surplus funds available from prior bond proceeds. After discussion, the Board concurred that BGE should prepare a summary of costs for projects that are ready to be financed to determine if the District should consider a bond issuance and the use of surplus funds to reduce the size of such bond issuance.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa provided a collections update to the Board. In connection therewith, Ms. Nussa provided the Board with potential dates for the next document shred event. Following discussion, the Board concurred that the next document shred event be tentatively scheduled for May 4, 2024. Ms. Nussa advised that she would notify the other participating districts of such date.

In connection with the Exclusive Residential Refuse Service Contract between the District and Republic (the "Service Contract"), Ms. Nussa reminded the Board that the Service Contract provides for the contractual donation by Republic of garbage containers for up to five (5) community events per year, as well as the donation of garbage containers to each of its other Bridgeland district clients for one (1) community event per year. Ms. Nussa then inquired as to whether the Board would be amenable to assuming responsibility for garbage collection services at the Lakeland Activity Center. Following discussion, the Board concurred that it would be amenable to assuming responsibility for garbage collection services at the Lakeland Activity Center. Ms. Nussa advised the Board that the District's Service Contract will need to be amended to accommodate the addition of collection services at the Lakeland Activity Center, and noted that she will prepare such amendment for the Board's consideration at a future meeting.

Ms. Washington exited the meeting at this time.

SECURITY MATTERS

The Board considered law enforcement matters for the District. In connection therewith, Mr. Page provided the Board with an update relative to the Bridgeland Water Agency's (the "Agency") future assumption of security patrol contracts for the entire Bridgeland community. He advised that Bridgeland Council, Inc. has approved and executed the Security Transition Agreement relative to the transition of the District's contract to the Agency for the 2024 patrol year, and noted that such Agreement has been provided to the President of the Board for signature at today's meeting. No action was required by the Board in connection with the Security Transition Agreement.

BRIDGELAND WATER AGENCY

Mr. Page advised that the Board of Trustees of the Agency has engaged GOGov, Inc. to develop the Agency's smart device application. He further advised that the Trustees have also selected Touchstone District Services to serve as the Agency's public relations and website provider. No action was required by the Board in connection with this matter.

WEBSITE UPDATES

Director Goodspeed requested that SPH work with OffCinco to incorporate the District's data into the Agency's new database.

DEVELOPER'S REPORT

Mr. Page presented to and reviewed with the Board the home inventory report through October 2023, as prepared by Bridgeland Development, LP, the District's developer, a copy of which is attached hereto as **Exhibit H**.

BRIDGELAND COUNCIL, INC.

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

LAKELAND VILLAGE HOMEOWNERS' ASSOCIATION ("HOA")

The Board considered the contribution of District funds towards the Lakeland Village HOA's proposed park and landscaping repairs/improvements to serve Lakeland Village.

In connection with the proposed repair of House Hahl Trail, Mr. Derong presented to and reviewed with the Board an exhibit depicting the various segments of said walking trail, a copy of which is attached hereto as **Exhibit I**. Mr. Derong advised the Board that the estimated costs for replacing the current asphalt trail with concrete are between \$2,000,00 and \$3,000,000. Director Goodspeed inquired as to whether the District has available recreational bonding capacity to issue recreational bonds for such project. Mr. Page responded that the District has approximately \$5,425,000 in remaining park bond authorization, and requested that BGE prepare a list of other District projects that could be included in a potential bond issue with the House Hahl Trail project. He additionally requested that BGE provide SPH with the Harris County Commissioner's Court abandonment records relative to the various segments of the House Hahl Trail for ownership verification purposes.

Ms. Nussa exited the meeting at this time.

In connection with the HOA's proposed construction of landscaping enhancements to serve several sections of Lakeland Village, Mr. Derong advised that the quote obtained by the HOA from Spencer Outdoor Company in the amount of \$980,210.00 seems fairly reasonable. Mr. Lowstetter reminded the Board that the HOA is proposing to construct the landscaping

enhancements over a five (5) year period. No action was taken by the Board at this time in connection with the HOA's proposed landscaping enhancements project.

In connection with the remodel of Bridgeland Central Park Fountain, Mr. Lowstetter advised the Board that Bridgeland Council, Inc. has agreed to contribute fifteen percent (15%) of the cost for the fountain remodel. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that the Board contribute \$30,000.00 in District funds towards the Bridgeland Central Park Fountain remodel.

EMINENT DOMAIN REPORT

Mr. Page reminded the Board that political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. Following discussion on the matter, Director Goodspeed moved to authorize SPH to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2024. Director Fabian seconded the motion, which passed unanimously.

MUNICIPAL SECURITIES RULEMAKING BOARD RULE G-10 ("MSRB RULE G-10")

Mr. Page presented to and reviewed with the Board correspondence received from Masterson Advisors, LLC, relative to disclosure requirements imposed by MSRB Rule G-10, a copy of which is attached hereto as **Exhibit J**. Following review and discussion, the Board concurred to formally acknowledge receipt of such disclosure.

ATTORNEY'S REPORT

Mr. Page advised that he had nothing further of a legal nature to discuss with the Board at this time.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Mr. Page advised the Board that, pursuant to Section 141.040, Texas Election Code, the District is required to post a notice regarding the period during which a candidate may file an application to appear on the ballot for the District's Directors Election to be held on May 4, 2024. Mr. Page noted that such notice must be posted by December 18, 2023 (1) at the in-District posting location for notices of meetings, (2) at the District's administrative office, and (3) on the District's website, if it maintains a website. After discussion on the matter, upon motion made by Director Goodspeed, seconded by Director Fabian and unanimously carried, the Board authorized SPH to prepare and post such notice on behalf of the Board and the District.

CLOSED SESSION

The President noted that the Board would enter into Closed Session at 12:47 p.m. Those

in attendance other than Directors Thomas, Fabian and Goodspeed, Mr. Derong, Mr. Page and Ms. Ellis, exited the meeting.

RECONVENE IN OPEN SESSION

The Board reconvened into Open Session at 1:00 p.m. and noted that there was no action resulting from discussion in Closed Session.

SCHEDULE FOR FUTURE BOARD MEETINGS

The Board made note of its next meeting to be held in the offices of SPH on December 11, 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.

Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Resident Request
- Exhibit B – Bookkeeper's Report
- Exhibit C – Tax Assessor-Collector Monthly Report
- Exhibit D – Operations and Maintenance Report
- Exhibit E – Letter Agreement for Temporary Fuel Surcharge
- Exhibit F – Engineer's Report
- Exhibit G – Bridge Railing Status Report as of November 2023
- Exhibit H – Home Inventory Report through October 2023
- Exhibit I – House Hahl Trail Asphalt Replacement Exhibit
- Exhibit J – Municipal Securities Rulemaking Board Rule G-10 Disclosure