

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

### Minutes of Meeting of Board of Directors December 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 December 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, except Director Brazzale-Anderson, thus constituting a quorum.

Also present were Mike Fitzgerald and Ryan Derong of BGE, Inc. ("BGE"); Jordan Weyand of Municipal Accounts & Consulting, L.P. ("MA&C"); Stephanie Dorrough of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Barbara Nussa of Republic Services, Inc. ("Republic"); Kelsey Thorne of The Howard Hughes Corporation, on behalf of Bridgeland Development, LP ("Developer"); and Mitchell G. Page and Linda Knox 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. Director Goodspeed raised concerns regarding statements made at the recent Lakeland Village Community Association homeowners' meeting with respect to security costs for the Bridgeland community. He noted that residents have asked for clarification on the appropriate contacts for security issues as well as the amounts paid to Bridgeland Council to administer the law enforcement contracts with Harris County. Director Goodspeed additionally requested clarification on the responsible parties for installation of street lights throughout the District, to which Mr. Page responded.

#### **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its special meeting held on November 14, 2022. After discussion, Director Goodspeed moved that the minutes of the November 14, 2022 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 December 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 Goodspeed moved that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, except check no. 7503, which was void. 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.

### **AMENDMENT TO OPERATING BUDGET**

The Board considered the amendment of the operating budget for the District's fiscal year ending May 31, 2023. Mr. Weyand advised that the budget will be amended to capture maintenance tax collections and recommended deferral on this item until January 2023. The Board concurred with same.

### **TAX ASSESSOR COLLECTOR REPORT**

Ms. Dorrrough presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of November 2022, a copy of which is attached hereto as **Exhibit B**, 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**

The Board deferred consideration of the 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., the District's delinquent tax collections attorneys.

### **IMPLEMENTATION BY INFRAMARK OF CENTRAL BANK ELECTRONIC LOCK BOX PROGRAM ("CENTRAL BANK ELB PROGRAM")**

Mr. Page next informed the Board that Inframark is moving its Electronic Lock Box ("ELB") payment program from its current internal billing software company to Central Bank. In connection therewith, Ms. Osborne advised the Board that implementation of the Central Bank ELB Program will provide the following, among other things: (i) Inframark will continue to maintain its existing agreement(s) with Transaction Technologies LLC for automatic clearing house (ACH) payments, and Pace Payment Systems for electronic credit/debit card payments; (ii) the Central Bank ELB Program will provide an additional option for customers to make "checkless" payments using their preferred banking institution's online bill payment system; and (iii) other than a \$7.50 fee for non-sufficient funds and/or returned payments, which will be passed through to District customers in accordance with the District's Rate Order, there will be no fees incurred by the District under the Central Bank ELB Program.

Ms. Osborne then presented to and reviewed with the Board a proposed Processing Agreement between the District and Central Bank, a proposed Resolution Approving Central Bank's Electronic Lockbox Payment Services for District Customers, and a proposed Addendum to Operator Service Agreement by and between the District and Inframark (collectively, the "Program Enrollment Documents"), and requested that the Board consider authorizing Inframark to transfer the District's Lock Box account to Central Bank and approving the Program Enrollment Documents in connection therewith. Following discussion, Director Goodspeed moved that the Board (i) authorize Inframark to move the District's Lock Box account to Central Bank, as discussed, (ii) approve the Program Enrollment Documents and authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to accept and acknowledge the Texas Ethics Commission Form 1295s submitted by Central Bank and Inframark in connection with the Program Enrollment Documents, as required. Director Fabian seconded the motion, which carried unanimously. Copies of the Program Enrollment Documents thus approved are collectively attached hereto as **Exhibit C**.

### **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of November 2022, a copy of which is attached hereto as **Exhibit D**. 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 then presented to the Board a proposal prepared by IMS Landscaping to continue the mowing of the District's facilities, a copy of which proposal is included with the Operator's Report, noting a cost increase for 2023.

After due discussion, Director Fabian moved that (i) the Operator's Report and the actions therein be approved, as presented, (ii) the proposal received from IMS be declined and Inframark authorized to solicit a proposal from Spencer Outdoor Company ("Spencer") to mow the District's facilities for review at a future Board meeting, and (iii) Director Thomas be delegated authority to approve payment of mowing invoices in the interim. Director Thomas seconded said motion, which unanimously carried.

Director Fabian inquired with Ms. Osborne regarding the air scouring procedures, and noted a recent resident complaint regarding air blown into their home's pipelines during the scouring. Ms. Osborne explained the air scouring procedure and possible resolution of same.

### **IMPLEMENTATION OF PUBLIC UTILITY COMMISSION OF TEXAS RULES RELATING TO SENATE BILL 3**

Mr. Page presented and reviewed with the Board a Memorandum prepared by SPH detailing publication by the Public Utility Commission of Texas (the "PUC") of 16 TAC, Sections 24.173 and 24.364 relating to the implementation of Senate Bill 3 ("S.B. 3"), a copy of which is attached hereto as **Exhibit E**. In connection therewith, Mr. Page informed the Board that a notice containing certain required information must be provided to each of the District's retail water or sewer customers prior to January 31, 2023. Following discussion, it was moved by Director

Goodspeed, seconded by Director Woodall, and unanimously carried that the Board (i) approve the language proposed by SPH for the required notice, and (ii) authorize Inframark to include the approved notice as an insert in the District's next cycle of customer utility bills.

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

The Board next considered amending the District's Rate Order to address the changes in the law resulting from the PUC's implementation of S.B. 3. In connection therewith, Mr. Page presented to and reviewed with the Board SPH's recommended changes to the District's Rate Order. Mr. Page then advised the Board of correspondence from the West Harris County Regional Water Authority ("WHCRWA") advising of a fee increase of \$0.25 per 1,000 gallons effective January 1, 2023. He noted that the District's current rate charged to customers, which includes a water loss factor of 7% is \$4.39. After due discussion, Director Goodspeed moved that (i) the WHCRWA fee passed through to the District's customers under the Rate Order be increased from \$4.39 to \$4.66 (which includes a 7% water loss factor), (ii) the revisions to include the PUC implementation be included, as discussed, and (iii) the President and Secretary be authorized to execute the amended Rate Order on behalf of the Board and the District. Director Woodall seconded said motion, which unanimously carried. The Rate Order is attached hereto as **Exhibit F**.

### **ENGINEER'S REPORT**

Mr. Fitzgerald presented the Engineer's Report dated December 12, 2022, a copy of which is attached hereto as **Exhibit G**, and presented the pay estimate included therein. Mr. Fitzgerald next advised that a proposal from Pardalis was received for the recoating of Creekside Bridge. Director Goodspeed recommended that a survey of all District bridges be completed, and any necessary repairs be included in one proposal for efficiencies of scale. The Board concurred to defer approval of the Pardalis proposal and consider a proposal to include all bridges at a future meeting.

Mr. Fitzgerald then advised the Board of the status of conversations with Harris County regarding the creation of median breaks along North Bridgeland Lake Parkway, including the use of flattened curb or geogrid, noting that the County denied the District's request.

The Board then discussed using surplus construction funds to reimburse the Developer for certain approved projects. Director Thomas noted that he is not in favor of issuance of additional bonds.

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

Ms. Nussa provided the Board with an update on collection services and noted that a 2023 collections calendar is being prepared. She noted that the forms previously presented to the Board for cart reordering, new resident information, and cart protocol have been uploaded to the District's website. The Board inquired with Ms. Nussa regarding procedures to follow for a missing garbage can. Ms. Nussa responded. After discussion, Director Goodspeed moved that the 2023 collections calendar be added to the District's website. Director Fabian seconded said motion, which unanimously carried.

## **SECURITY MATTERS**

The Board considered law enforcement matters for the District. Director Goodspeed advised that the Bridgeland safety committee recently met with Sergeant Joe Duke of Precinct 5 Constable's Office ("Precinct 5") to further discuss the needs of the community and review the security contract structure. The Board took no action regarding this item.

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

Mr. Page advised the Board that a landing page for all Bridgeland districts is under development, and regular committee meetings will need to commence to discuss the landing page and proposed Bridgeland communication smart phone application for residents. Director Goodspeed provided his comments to the Board on the smart phone application. The Board took no action regarding this item.

## **WEBSITE UPDATES**

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

## **DEVELOPER'S REPORT**

The Board then considered the Developer's Report. Ms. Thorne presented to the Board the monthly home inventory report as prepared by Bridgeland Development, LP, a copy of which report is attached hereto as **Exhibit H**.

## **TRACE AIR**

Mr. Page presented to the Board the Letter Agreement among district participants for an aerial fly over of the Bridgeland development to gather data and photographs for, among other purposes. Mr. Page advised that the District's share of the costs would be approximately \$813.80. A copy of the Letter Agreement is attached hereto as **Exhibit I**. After discussion, Director Goodspeed moved that the Letter Agreement be approved, as presented, and Director Thomas be authorized to execute same on behalf of the Board and the District. Director Fabian seconded said motion, which unanimously carried.

## **ATTORNEY'S REPORT**

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

## **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 Thomas, and unanimously carried, the meeting was adjourned.

\_\_\_\_\_  
Secretary

DRAFT

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Bookkeeper's Report
- Exhibit B – Tax Assessor-Collector Report
- Exhibit C – Program Documents
- Exhibit D – Operator's Report
- Exhibit E – PUC Memorandum
- Exhibit F – Rate Order
- Exhibit G – Engineer's Report
- Exhibit H – Inventory Report
- Exhibit I – TraceAir Letter Agreement

655023\_1

DRAFT