

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Special Meeting of Board of Directors

March 4, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 419 (the "District") met in special session, open to the public, on March 4, 2024, 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, thus constituting a quorum.

Also present were Ryan Derong and Will Gutowsky 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"); 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. There being no members of the public in attendance, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on February 12, 2024. Following discussion, Director Goodspeed moved that the minutes of the February 12, 2024, 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 March 4, 2024, 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. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed

therein be approved for payment.

UNCLAIMED PROPERTY

The Board next considered authorizing the District's consultants to research their records for unclaimed property and authorizing the District's Bookkeeper and Tax Assessor-Collector to prepare Unclaimed Property Reports as of March 1, 2024. Following discussion, Director Goodspeed moved that the District's consultants be authorized to research the District's records for unclaimed property and that the District's Bookkeeper and Tax Assessor-Collector be authorized to prepare Unclaimed Property Reports as of March 1, 2024. Director Fabian seconded said motion, which unanimously carried.

TAX ASSESSOR COLLECTOR REPORT

Ms. Washington presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of February 2024, a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for approval. After discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Tax Assessor Collector Monthly Report be approved, as presented, and the disbursements listed therein be approved for payment, with the addition of check no. 5316, payable to the Harris Central Appraisal District, for the District's quarterly assessment.

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 February 2024, a copy of which is attached hereto as **Exhibit C**, 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. Following discussion, Director Goodspeed moved that Inframark be authorized to forward one (1) delinquent account in the amount of \$126.41, to collections, as reflected in the Operations and Maintenance Report.

Ms. Osborne next presented to and reviewed with the Board the Annual Administrator's Report on the District's Identity Theft Prevention and Protection Program (the "Program"), as prepared by Inframark, a copy of which is included in the Operations and Maintenance Report. She noted that, pursuant to the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities, Inframark is recommending that no changes be made to the District's Program at this time. After discussion on the matter, the Board concurred that no changes be made to the Program at this time.

Ms. Osborne next presented to the Board an EyeOnWater Leak Detection Report for the month of January 2024, a copy of which is attached hereto as **Exhibit D**. Ms. Osborne reviewed such Report in detail with the Board, and provided an explanation on Inframark's process for verifying the leaks identified therein. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that Inframark be authorized to (i) proceed with the monthly monitoring and verification of the leaks identified in EyeOnWater Leak Detection Reports, and (ii) discontinue the distribution of "high usage" notices to the District's customers.

Director Goodspeed voiced concerns regarding the condition of the wooden fencing surrounding certain District facilities, and inquired as to whether alternative fencing options are available. Mr. Gutowsky discussed possible alternatives to the existing wooden fencing, and suggested that brick fencing would serve as a more aesthetically pleasing option. Following discussion, the Board concurred to further explore the brick fencing option as an alternative to the existing wooden fencing. Mr. Gutowsky noted that he would research the matter and obtain cost estimates for the Board's consideration at next month's meeting.

ENGINEER'S REPORT

Mr. Derong presented to and reviewed with the Board the Engineer's Report dated March 4, 2024, a copy of which is attached hereto as **Exhibit E**.

Mr. Derong advised the Board that Jay's Iron Works ("Jay's") has begun making repairs to the bridge railings at Bridge No. 1 (Paynes Creek Drive) and Bridge No. 7 (Warner Smith Boulevard), as previously authorized by the Board, and noted that Jay's has submitted a quote for repair of the bridge railings at Bridge No. 2 (Central Creek Drive at Paynes Creek Drive) in the amount of \$5,760.00 for the Board's consideration. Following discussion, Director Woodall moved to accept the quote from Jay's for the repair of Bridge No. 2 at the cost of \$5,760.00. Director Fabian seconded the motion, which unanimously carried.

ANNUAL REVIEW OF CONNECTION CHARGES

Mr. Gutowsky next reported on BGE's review of the connection charges for the purchase of capacity in Master Facilities under the Master Facilities Contract among the District and Harris County Municipal Utility District Nos. 418, 489, 490, 491, 492 and 493. In connection therewith, he noted that BGE is recommending increases to the base water and sanitary sewer connection charges and the sanitary sewer zone charges, as reflected on the recommendation letter presented, a copy of which is attached hereto as **Exhibit F**. Mr. Page then presented to the Board a Resolution Regarding Review of Connection Charge Under Master Facilities Contract, also included under **Exhibit F**. After discussion, Director Goodspeed moved that the connection charges be approved and the Resolution be adopted, as presented. Director Fabian seconded said motion, which unanimously carried.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa provided a collections update to the Board. In connection therewith, Ms. Nussa presented to and reviewed with the Board a proposed Seventh Amendment to Exclusive Residential Refuse Service Contract (the "Seventh Amendment"), a copy of which is attached hereto as **Exhibit G**. Ms. Nussa advised that the Seventh Amendment provides for additional heavy trash collection and recycling collection services on Wednesday of every week, beginning April 1, 2024, and a five-year extension of the District's current contract term. Mr. Page noted that the current rate for residential trash service will increase by \$1.98 per home/month (from \$16.92 per home/month to \$18.90 per home/month), and the current rate for recycling service will increase by \$2.72 per home/month (from \$4.81 per home/month to \$7.53 per home/month), resulting in a total rate increase of \$4.70 per home/month for both services. Following discussion, Director Goodspeed moved that the Seventh Amendment be approved, subject to final review and approval by SPH, and the President be authorized to execute same on behalf of the Board and the District. Director Fabian seconded the motion, which carried unanimously.

AMENDMENT OF THE DISTRICT'S RATE ORDER

The Board next considered amending the District's Rate Order to provide for the adjustment of rates associated with (i) the implementation of additional heavy trash and recycling collection services in accordance with the Seventh Amendment, and (ii) the adjustment of residential deposits required by the District's Rate Order for service to owners and renters of property within the District. In connection therewith, Mr. Page reviewed the proposed rate adjustments with the Board, including an increase in the monthly rate for residential sanitary sewer service from \$54.28 to \$58.98 to accommodate the additional heavy trash and recycling collection services provided in the Seventh Amendment, and an increase in the District's residential deposit amounts from \$100 to \$200 for owners of property within the District, and from \$125 to \$300 for renters of property within the District. Following review and discussion, Director Goodspeed moved that the District's Rate Order be amended to incorporate the proposed rate adjustments, as discussed. Director Woodall seconded said motion, which unanimously carried. A copy of the District's Rate Order thus amended is attached hereto as **Exhibit H**.

SECURITY MATTERS

The Board considered law enforcement matters for the District. In connection with the District's purchase and donation of a utility vehicle ("ATV") to the office of the Harris County Constable, Precinct 5, Ms. Osborne confirmed that the ATV is now being stored at the District's Lift Station No. 2 site at Parkside Haven, as previously authorized by the Board.

BRIDGELAND WATER AGENCY (THE "AGENCY")

Director Goodspeed provided the Board with a general update regarding current Agency matters, and noted the upcoming meeting of the Board of Trustees scheduled for March 5, 2024. A discussion ensued regarding Agency participation in NatureFest, including promotion of the EyeOnWater application and other subjects at the event.

WEBSITE UPDATES; PROPOSAL FOR WEBSITE SERVICES

The Board discussed the status of development of the District's new website through Touchstone District Services ("Touchstone"). In connection therewith, Director Goodspeed advised the Board that he received Touchstone's draft of the District's new website and has conducted a review of same. No action was required by the Board in connection with this matter.

Director Goodspeed informed the Board that the Bridgeland Council, Inc. ("Council") website is currently showing outdated information with respect to the District's new garbage and recycling collection schedule. Mr. Page advised that he would contact Melissa Hargrove with Council and request that such information be updated.

DEVELOPER'S REPORT

The Board deferred consideration of a Developer's Report, as there were no developer representatives present at the meeting.

BRIDGELAND COUNCIL, INC.

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

LAKELAND VILLAGE HOMEOWNERS' ASSOCIATION ("HOA")

The Board next discussed various matters relative to the Lakeland Village HOA's proposed park and landscaping repairs/improvements to serve Lakeland Village. Director Goodspeed requested that MA&C proceed with performing an assessment of the District's financials to determine the amount of surplus operating funds that could be allocated towards potential future projects in the May 2025 budget amendment.

RENEWAL OF DISTRICT INSURANCE COVERAGES

In connection with the renewal of the District's insurance coverages for 2024-2025, Mr. Page presented to and reviewed with the Board a proposal from Arthur J. Gallagher ("Gallagher"), the District's current provider, a copy of which is attached hereto as **Exhibit I**. Mr. Page noted that McDonald & Wessendorff Insurance declined to submit a proposal for the Board's consideration at this time. Following review and discussion, Director Goodspeed moved that the proposal from Gallagher be accepted, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District. Director Woodall seconded said motion, which unanimously carried.

ARBITRAGE COMPLIANCE

Mr. Page presented to and reviewed with the Board the Fifth Year Reports prepared by Arbitrage Compliance Specialists, Inc. for the District's (i) \$4,180,000 Unlimited Tax Bonds, Series 2018, (ii) \$5,000,000 Unlimited Tax Road Bonds, Series 2018, and (iii) \$1,225,000 Unlimited Tax Park Bonds, Series 2018A. Copies of said Fifth Year Reports are attached hereto

as **Exhibit J**. It was noted that no action was required by the Board in connection with such reports, and no payment is due to the Internal Revenue Service at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page advised that he had nothing further of a legal nature to discuss with the Board at this time.

SUPPLEMENTAL AGENDA

The Board next considered cancellation of the Directors Election called for May 4, 2024. Mr. Page advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. Mr. Page reported that, in such case, the Board may declare the unopposed candidates to be elected. Mr. Page then presented to and reviewed with the Board an Order Declaring Candidates Elected, a copy of which Order is attached hereto as **Exhibit K**. After discussion, Director Goodspeed moved that (i) the Order Declaring Candidates Elected be adopted by the Board declaring Robert G. Thomas, Carissa Fabian, and Dionysis "Dennis" Vallianos elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, (ii) the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and (iii) the Directors Election called for May 4, 2024, be cancelled. Director Woodall seconded said motion, which unanimously carried.

SCHEDULE FOR FUTURE BOARD MEETINGS

Mr. Page reminded the Board that its regular meeting date in April has been rescheduled to April 1, 2024, at 11:00 a.m.

CLOSED SESSION

The President noted that the Board would enter into Closed Session at 12:06 p.m. Those in attendance other than Directors Thomas, Fabian, Goodspeed and Woodall, Mr. Page and Ms. Ellis, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened into Open Session at 12:13 p.m. and noted that there was no action resulting from discussion in Closed Session.

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 Goodspeed, seconded by Director Fabian, and unanimously carried, the meeting was adjourned.



[Handwritten signature]

Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A** – Bookkeeper's Report
- Exhibit B** – Tax Assessor-Collector Monthly Report
- Exhibit C** – Operations and Maintenance Report
- Exhibit D** – EyeOnWater Leak Detection Report
- Exhibit E** – Engineer's Report
- Exhibit F** – Resolution Regarding Review of Connection Charge Under Master Facilities Contract
- Exhibit G** – Seventh Amendment to Exclusive Residential Refuse Service Contract
- Exhibit H** – Rate Order
- Exhibit I** – Insurance Proposal by Arthur J. Gallagher
- Exhibit J** – Fifth Year Reports for the District's \$4,180,000 Unlimited Tax Bonds, Series 2018, its \$5,000,000 Unlimited Tax Road Bonds, Series 2018, and its \$1,225,000 Unlimited Tax Park Bonds, Series 2018A
- Exhibit K** – Order Declaring Candidates Elected