HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Special Meeting of Board of Directors
March 27, 2023

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 27, 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, thus constituting a quorum.

Also present were Will Gutowsky 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"); Ben Midgette, resident of the District; and Mitchell G. Page and Shelby Yllana of Schwartz, Page & Harding, L.L.P. ("SPH"). Dale Anzalone with Flock Group, Inc. ("Flock") entered the meeting after it had been called to order, as indicated 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 the recent reported issues at the Kingwood plant facilities operated by Inframark. He suggested that the Board provide official updates to the residents on the status of the investigation. Director Goodspeed noted that it is important to differentiate between the two separate Inframark branches serving Bridgeland and Kingwood. Ms. Osborne then responded, noting an investigation is underway and Inframark will be preparing an official statement regarding findings.

**APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its special meeting held on February 13, 2023. After discussion, Director Goodspeed moved that the minutes of the February 13, 2023 meeting be approved, as written. Director Fabian seconded said motion, which unanimously carried.

**GARBAGE AND RECYCLING COLLECTION SERVICES**

The President announced that Ms. Nussa had a scheduling conflict and she requested to present her report at this time. Without objection, the Board considered Ms. Nussa's report.

Ms. Nussa then presented to the Board a Sixth Amendment to Residential Refuse Services Agreement to amend the Agreement to revise the listing of roll out donations provided by Republic. After discussion, Director Goodspeed moved to approve said Sixth Amendment for execution and authorize acceptance and acknowledgment of the accompanying Texas Ethics Commission Form 1295 ("TEC Form 1295"). Director Fabian seconded the motion, which carried unanimously. A copy of said Sixth Amendment is attached hereto as **Exhibit A**.

Ms. Nussa then advised that the document shred event has been moved to May 13, 2023. The Board then discussed an electronics recycling event. Ms. Nussa advised that she can contact a vendor to attend a future Board meeting to give a presentation. The Board additionally requested that Ms. Nussa clarify the protocol for disposal of yard waste, and asked if there is a composting program that can be researched. Ms. Nussa acknowledged same.

## ELECTRONIC FUNDS TRANSFERS FOR DIRECTOR PER DIEMS

The Board deferred consideration of a Client Services Agreement with HR&P Company for direct deposit of Director per diems and reimbursable expenses pending receipt of a completed HR&P Agreement for the District, and accompanying TEC Form 1295.

## BOOKKEEPER'S REPORT

Mr. Weyand presented to and reviewed with the Board the Bookkeeper s Report dated March 27, 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. After discussion, Director Goodspeed moved that moved that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Fabian seconded the motion, which carried unanimously.

Director Goodspeed inquired about updating the street lights in the District to use LED bulbs. Mr. Page responded to same, noting that an agreement to retrofit the lights would need to be discussed with CenterPoint Energy. Mr. Gutowsky and Mr. Page noted that they would further investigate same and report back to the Board at a future meeting.

## TAX ASSESSOR COLLECTOR REPORT

Ms. Dorrough presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of February 2023, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for approval. Ms. Dorrough reported on the J. Claybough tax account, advising that the resident paid their tax bill for the District through the Inframark portal in error, and requested a refund. Ms. Osborne noted that the amount paid in error was placed as a credit on the customers water account, and would be refunded. Ms. Dorrough advised that the taxpayer has now paid their tax bill in full to Wheeler, and inquired if the Board would waive the late penalty and interest due on the 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 Board waive the penalty and interest due on the J. Claybough tax payment, and Wheeler notify the customer that this is for one time only. Director Fabian seconded the motion, which carried unanimously.

## UNCLAIMED PROPERTY

As the next order of business, the Board considered authorizing certain District consultants to research their files for unclaimed property and authorizing the District's bookkeeper and tax assessor/collector to prepare an Unclaimed Property Reports as of March 1, 2023. After discussion, Director Goodspeed moved that the District's consultants be authorized to research their files for unclaimed property and that the District's bookkeeper and tax assessor/collector be authorized to prepare Unclaimed Property Reports as of March 1, 2023. Director Fabian seconded said motion, which unanimously carried.

## DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a 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.

## OPERATOR'S REPORT

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of February 2023, 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 next presented a proposal for the replacement of the discharge pipe at Lift Pump No. 2 Lift Station No. 2 in the amount of $13,500.

She then presented an invoice to engage a social media consultant, McCurdy Productions, to prepare educational videos that can be distributed to residents and linked on the District's website. A copy of the invoice is included with the Operator's Report. The Board discussed potential video topics.

Ms. Osborne next presented a proposal for the installation of a weather station, a copy of which proposal is included in the Operator's Report. The Board then discussed a potential location for the installation of the station.

Ms. Osborne then presented to the Board the recently completed annual manhole survey and proposed repairs to same, including proposals from Inframark for the lowering of ten (10) manholes, and a proposal from Southern Concrete to raise forty (40) manholes to grade. Copies of the proposals are included with the Operator's Report.

After due discussion, Director Goodspeed moved that the Operator's Report and the actions therein be approved, as presented, with the exception of (i) approval of installation of the weather

station, and (ii) raising or lowing the manholes, subject to further review and discussion of the proposals for same. Director Fabian seconded said motion, which unanimously carried.

## IDENTITY THEFT PREVENTION PROGRAM

The Board next reviewed its District's Identity Theft Prevention Program (the "Program"), a copy of which review is included under **Exhibit D**. 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, Ms. Osborne recommended that no changes be made to the District's Program. After discussion on the matter, the Board concurred that no changes to the Program were necessary at this time

Mr. Anzalone entered the meeting at this time.

## ENGINEER'S REPORT

Mr. Gutowsky presented the Engineer's Report dated March 27, 2023, a copy of which is attached hereto as **Exhibit E**. The Board noted that no action on its part was necessary on the Engineer's Report.

Director Brazzale-Anderson noted the condition of the House Hahl trail and inquired about the maintenance responsibility. Mr. Gutowsky advised that he would review the locations in question and determine the maintenance responsibility for discussion at a future meeting.

## USE OF SURPLUS CONSRTUCTION FUNDS

The Board then discussed the use of surplus construction funds to reimburse the Developer for certain approved projects, such as the Bridgeland Creek Parkway Utility Extension. Mr. Gutowsky noted he would compile a final pro rata share summary for said project, and provide same to the Board at a future Board meeting.

## 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.

## WAGE RATE SCALES

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Page reported that the United States Department of Labor ("DOL") wage rate scale adopted by the Board at its February 2022, meeting have been revised. After discussion on the matter, Director Goodspeed moved that (i) as permitted under Section 2258.022 of the Government Code, the revised DOL wage rate scales be adopted as the District's prevailing wage rate scales for construction projects, and (ii) the Resolution Adopting Prevailing Wage Rate Scales for Construction Projects attached hereto as **Exhibit G** be adopted by the Board. Director Fabian seconded said motion, which unanimously carried.

## SECURITY MATTERS

The Board considered law enforcement matters for the District. Director Goodspeed presented to the Board the results of a survey of District residents regarding security needs for the District. Director Fabian raised concerns regarding resident privacy, data housing, and the sample size used for the resident survey. Mr. Anzalone then discussed the features of the proposed Services Agreement for license plate readers, noting the cost for twelve readers would be $30,000 annually, and $4,200 for implementation which includes right-of-way permitting and constable coordination. The Board discussed entering into a one-year trial agreement, and obtaining feedback from the Precinct 5 Constable's Office to determine if the program is worthwhile and useful to law enforcement in the Bridgeland community. Mr. Anzalone noted that if the contract was terminated prior to the expiration date of the initial term, there would be a cost to remove the cameras, along with a prorated cost for the remainder of the term. Mr. Anzalone noted a price increase per reader will become effective as of April 1, 2023. After due discussion, Director Goodspeed moved that (i) the Services Agreement with Flock be approved, as presented, for a one-year trial term, (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) the accompanying TEC Form 1295 be acknowledged. Director Woodall seconded said motion, and with Directors Goodspeed, Woodall and Thomas voting "aye", and Directors Brazzale-Anderson and Fabian voting "nay", the motion carried. A copy of the Agreement is attached hereto as **Exhibit H**.

## BRIDGELAND EMERGENCY COMMUNICATIONS COMMITTEE

The Board then considered an Emergency Communications Committee Charter ("Charter") prepared by committee members. Mr. Page explained the purpose of the Charter, including to better define the mission and responsibilities of the committee during an emergency crisis. A copy of the Charter is attached hereto **Exhibit I**. After discussion, Director Goodspeed moved that the Charter be approved. Director Fabian seconded said motion, which unanimously carried.

Mr. Anzalone and Mr. Weyand exited the meeting at this time.

## ADMINISTRATIVE AGENCY CREATION

The Board discussed the status of formation of a proposed Bridgeland water administrative agency to be comprised of one Board member from each Bridgeland district to make decisions relative to security matters and streamlining of messaging to residents, among other tasks. Mr.

Page presented to the Board a conflict of interest letter amongst all the participant Districts to authorize SPH's representation and preparation of an Interlocal Agreement amongst the other Bridgeland districts. A copy of the conflict of interest letter is attached hereto as **Exhibit J**. After discussion, Director Goodspeed moved that the conflicts letter be approved, as presented, and the President be authorized to execute same on behalf of the Board and the District. Director Fabian seconded said motion, which unanimously carried.

## WEBSITE UPDATES

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

## DEVELOPER'S REPORT

The Board then considered the Developer's Report. Mr. Page presented to the Board the monthly home inventory report as prepared by the Developer, a copy of which report is attached hereto as **Exhibit K**.

The Board then considered the annual maintenance contribution to Bridgeland Council ("Council"). Mr. Page discussed with the Board a historical overview of the Recreational Facilities Maintenance Agreement between the District and Council, wherein the District, on an annual basis, provides a contribution to Council calculated based on the percentage of acreage Council owns and maintains within the District's boundaries. Mr. Page additionally presented the invoice received from Council, attached hereto as **Exhibit L**. After discussion, Director Goodspeed moved that the $130,000 reimbursement to Council be approved, as presented. Director Fabian seconded said motion, which unanimously carried.

Director Goodspeed raised concerns regarding recent policies enacted by Council.

## TRACE AIR

Mr. Page advised that the results of the Trace Air flyover conducted in January have been distributed.

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

Secretary



# LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Sixth Amendment to Residential Refuse Contract
Exhibit B – Bookkeeper's Report
Exhibit C – Tax Assessor-Collector Report
Exhibit D – Operator's Report
Exhibit E – Engineer's Report
Exhibit F – Resolution Regarding Review of Connection Charge Under Master Facilities Contract; Recommendation Letter
Exhibit G – Resolution Adopting Prevailing Wage Rate Scale for Construction Project
Exhibit H – Flock Agreement
Exhibit I – Emergency Charter
Exhibit J – Conflicts Letter
Exhibit K – Inventory Report
Exhibit L – Council Reimbursement

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