

## **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419**

### **Minutes of Special Meeting of Board of Directors**

April 1, 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 April 1, 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 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"); Danae Dehoyos of Touchstone District Services, LLC ("Touchstone"); 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. Director Goodspeed advised the Board that, during the recent appreciation event held by the Bridgeland Water Agency (the "Agency"), a tree fell in Oak Meadow Park and damaged a truck belonging to one of the event's attendees. The Board concurred to further discuss the matter later in the meeting.

#### **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its special meeting held on March 4, 2024. Following discussion, Director Goodspeed moved that the minutes of the March 4, 2024, 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 April 1, 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. During such

review, the Board requested that MA&C hold check no. 8055, payable to Off Cinco for website maintenance services, pending Off Cinco's release of the District's customer data to Touchstone. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the addition of check no. 8060, payable to Director Goodspeed in the amount of \$406.93, for reimbursement of expenses related to the appreciation event.

**APPROVAL OF OPERATING BUDGET FOR THE DISTRICT'S FISCAL YEAR ENDING MAY 31, 2025; JOINT WATER PLANT AND JOINT SEWER PLANT BUDGETS FOR HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418 ("NO. 418")**

Mr. Weyand next presented the proposed budget for the District's fiscal year ending May 31, 2025 for the Board's review and comment. He additionally presented the proposed joint water plant and joint sewer plant budgets prepared by No. 418, as required by the Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities by and between the District, No. 418, and Harris County Municipal Utility District Nos. 489, 490, 491, 492 and 493. Copies of the proposed budgets are included in the Bookkeeper's Report. Following discussion, the Board concurred to defer taking action with respect to the proposed budgets until next month's meeting to allow the Board and the District's consultants enough time to review and provide any comments to same prior to Board approval.

**TAX ASSESSOR COLLECTOR REPORT**

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

**RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES**

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Page advised that the Board is authorized to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and that Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), delinquent tax collections attorney for the District, be authorized to proceed with the collection of the District's delinquent real property tax accounts as of July 1, 2024.

## **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Page noted that no Delinquent Tax Report was received nor is due at this time from Perdue.

## **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of March 2024, 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 additionally presented and reviewed with the Board an EyeOnWater Leak Detection Report for the month of March 2024, a copy of which is included in the Operations and Maintenance Report.

Ms. Osborne next presented and discussed with the Board a proposal for the replacement of Lift Pump No. 1 at Lift Station No. 4, a copy of which is included in the Operations and Maintenance Report.

Ms. Osborne next presented and discussed with the Board cost estimates for a proposed five-year Sanitary Manhole Survey for the District, copies of which are included in the Operations and Maintenance Report. Ms. Osborne reviewed such estimates in detail with the Board, noting the costs associated with each year of the five-year survey.

Ms. Osborne next presented to and reviewed with the Board quotes for the installation and monthly maintenance of a SuperAll Municipal Injection System (the "SuperAll System") to serve the District's lift stations, copies of which are included in the Operations and Maintenance Report. She additionally presented and reviewed with the Board educational materials regarding the proposed SuperAll System, copies of which are attached hereto as **Exhibit E**. Following discussion, the Board concurred to defer taking action with respect to the SuperAll System at this time, and noted that it would consider the matter further at next month's meeting.

Ms. Osborne next presented to and reviewed with the Board Inframark's annual API Rate Schedule, a copy of which is included in the Operations and Maintenance Report, and discussed Inframark's recommended adjustments to the District's Rate Order in connection with the new API Rate Schedule. Following discussion, the Board concurred that it would consider the amendment of the District's Rate Order at next month's meeting.

Following discussion, Director Goodspeed moved that the Operations and Maintenance Report and the action items listed therein be approved, including: (i) the replacement of Lift Pump No. 1 at Lift Station No. 4 in the amount of \$19,308.00; and (ii) the five-year Sanitary Manhole Survey in the total amount of approximately \$100,165.00. Director Woodall seconded said motion, which unanimously carried.

## **WATER LOSS AUDIT**

The Board considered the approval of the 2024 Water Loss Audit (the "Audit"). In

connection therewith, Ms. Osborne informed the Board that Inframark has completed the Audit and presented to and reviewed same with the Board, a copy of which is attached hereto as **Exhibit F**. Ms. Osborne noted that same would be filed with the Texas Water Development Board by the May 1, 2024 deadline. Following discussion, Director Goodspeed moved that the Audit be approved and that Inframark be authorized to file same with the Texas Water Development Board prior to the May 1, 2024 deadline, as required. Director Woodall seconded the motion, which carried unanimously.

### **AUTHORIZE PREPARATION OF DRAFT CONSUMER CONFIDENCE REPORT**

The Board considered authorizing Inframark to prepare the annual Consumer Confidence Report ("CCR") for the District to be provided to all customers of the District by July 1, 2024. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that Inframark be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with all applicable regulatory requirements and the Texas Commission on Environmental Quality's 2024 CCR template.

### **ENGINEER'S REPORT**

Mr. Derong presented to and reviewed with the Board the Engineer's Report dated April 1, 2024, a copy of which is attached hereto as **Exhibit G**. Following discussion, it was moved by Director Goodspeed, seconded by Director Thomas and unanimously carried, that the Engineer's Report and the action items listed therein be approved, including the design and advertisement of bids for the construction of water, sewer, drainage and paving facilities to serve Mason Road, Section 9.

Mr. Derong next presented to and discussed with the Board cost estimates for the replacement of the existing wooden fencing surrounding certain District facilities with brick fencing. The Board considered the possibility of utilizing surplus funds to cover the costs for such work. Following discussion, Mr. Derong advised that BGE would confirm whether the District has enough surplus funds to cover the costs for the brick fencing. The Board further requested that SPH bring the matter before the Board of Directors of Harris County Water Control and Improvement District No. 157 to see if it would be interested in contributing funds for brick fencing around Lift Station No. 1.

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

Ms. Nussa provided a collections update to the Board. In connection therewith, Ms. Nussa reported to the Board that a collections worker recently sustained serious injuries due to exposure to hazardous chemicals that had been improperly disposed of by a District resident. Mr. Page advised that the District's Rate Order provides for the imposition of penalties and fines by the District for improper disposal of hazardous waste/chemicals by District customers.

Director Goodspeed informed the Board that he and Director Carroll recently toured a recycling facility to learn how recycled materials are processed, and showed an educational video

to the Board regarding same. Ms. Nussa noted that she plans to adjust the current protocols for recyclable materials to exclude any glass products.

### **SECURITY MATTERS**

The Board considered law enforcement matters for the District, and noted that it had nothing new to discuss at this time.

### **BRIDGELAND WATER AGENCY (THE "AGENCY")**

Director Goodspeed provided the Board with a general update regarding current Agency matters, including the upcoming Bridgeland NatureFest. In connection therewith, Director Goodspeed inquired whether the Board desired to order polo shirts for each Director featuring the Bridgeland community logo at a cost not to exceed \$60.00 per shirt. Director Goodspeed additionally inquired if the Board would be amenable to authorizing a \$500.00 allowance for NatureFest supplies. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that the ordering of the aforementioned polo shirts be approved, and the \$500.00 allowance be authorized.

### **WEBSITE UPDATES; PROPOSAL FOR WEBSITE SERVICES**

Ms. Dehoyos next presented to and reviewed with the Board a Communications Report dated April 1, 2024, as prepared by Touchstone, a copy of which is attached hereto as **Exhibit H**. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall and unanimously carried, that Touchstone be authorized to distribute a mass text notification to the District's residents on Tuesday, April 9, 2024, regarding the updated garbage and recycling collections schedule.

### **DEVELOPER'S REPORT**

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

Ms. Washington exited the meeting at this time.

### **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. Mr. Weyand advised that MA&C is in the process of 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.

**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.

**SCHEDULE FOR FUTURE BOARD MEETINGS**

The Board made note of its next meeting to be held in the offices of SPH on May 13, 2024, at 11:00 a.m.

**CLOSED SESSION**

The President noted that the Board would enter into Closed Session at 1:03 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 1:16 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 Thomas, seconded by Director Woodall, and unanimously carried, the meeting was adjourned.

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Secretary

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419**

**LIST OF ATTACHMENTS TO MINUTES**

April 1, 2024

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- Exhibit A** – Bookkeeper's Report
- Exhibit B** – Tax Assessor-Collector Monthly Report
- Exhibit C** – Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit D** – Operations and Maintenance Report
- Exhibit E** – Materials regarding SuperAll Municipal Injection System
- Exhibit F** – 2024 Water Loss Audit
- Exhibit G** – Engineer's Report
- Exhibit H** – Communications Report