

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors

May 13, 2024

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 May 13, 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, with the exception of Director Woodall, 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"); Melissa Vasquez of FORVIS, LLP ("FORVIS"); Sam Roberts and Bobby Adams of SuperAll Environmental LLC ("SuperAll"); Ben Midgette and Dennis Vallianos, residents of the District; and Mitchell G. Page and Shelby Yllana of Schwartz, Page & Harding, L.L.P. ("SPH"). Brittany Hunter of The Jennifer Wauhob Team entered the meeting after it was called to order, as noted 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 with concerns regarding the implementation of the new heavy trash collection schedule, and noted that his residence was recently bypassed for heavy trash collection despite following the instructions on the Bridgeland Water Agency (the "Agency") website. Mr. Page responded that he would contact Barbara Nussa of Republic Services, Inc. ("Republic"), the District's collection services provider, and request clarification regarding the new heavy trash collection schedule.

Mr. Midgette next reported to the Board regarding an incident in which two non-residents were observed harassing District residents while utilizing the community pool, and inquired as to whether the Lakeland Village Homeowners' Association ("HOA") is the entity responsible for enforcing such matters. Following discussion, the Board responded that residents should call the HOA if non-residents are using HOA facilities, but that any future threats or altercations should

be referred to the Harris County Constable even if occurring on HOA property.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its special meeting held on April 1, 2024. Following discussion, Director Goodspeed moved that the minutes of the April 1, 2024, meeting be approved, as written. Director Fabian seconded said motion, which unanimously carried.

ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, AND AFFIDAVITS OF CURRENT DIRECTOR FOR NEWLY ELECTED DIRECTORS

The Board next considered the acceptance of Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information for Directors Thomas and Fabian, and Mr. Dennis Vallianos. Following discussion, it was moved by Director Goodspeed, seconded by Director Thomas and unanimously carried, that the Board accept said Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information, and declare Robert G. Thomas, Carissa Fabian and Dennis Vallianos to be duly elected and qualified Directors of the District.

ELECTION OF OFFICERS

The Board next considered the election of officers.

The Board considered nominations for the office of Assistant Secretary. Director Vallianos was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Goodspeed, seconded by Director Thomas and unanimously carried, Director Vallianos was duly elected Assistant Secretary of the Board of Directors and the District, with the remaining Directors continuing to serve in their respective officer positions.

DISTRICT REGISTRATION FORM

The Board next considered authorizing the preparation and filing of a District Registration Form, as required by the rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Page explained that, in accordance with certain provisions of the Texas Water Code and rules of the TCEQ, the District is required to provide the names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that, with the Board's approval, SPH will prepare an updated District Registration Form and file same with the TCEQ. Following discussion, Director Thomas moved that the Board authorize SPH to prepare the updated District Registration Form, as discussed, and file same with the TCEQ. Director Fabian seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICER LIST

Mr. Page reminded the Board that, pursuant to the conflict of interest disclosure

requirements of Chapter 176 of the Texas Local Government Code, the District is required to maintain a list of local government officers, which includes the members of the Board and the District's Investment Officers. He further advised that the District must update its list of local government officers in connection with the addition of Director Vallianos to the Board, and requested that the Board authorize SPH to update the District's list of local government officers accordingly. Following discussion, Director Fabian moved to authorize SPH to update the District's list of local government officers, as required by law, to include Director Vallianos. Director Thomas seconded said motion, which unanimously carried.

DIRECTOR TRAINING REQUIREMENTS

Mr. Page discussed with the Board the open government training requirements for public officials. In that regard, Mr. Page advised that public officials, including directors of a municipal utility district, must complete separate training courses regarding the Texas Open Meetings Act ("OMA") and the Texas Public Information Act ("PIA"). Mr. Page presented and reviewed with Director Vallianos a memorandum prepared by SPH summarizing the new training requirements. He advised that the deadline for public officials to complete their training is the 90th day after they either take their oath of office or otherwise assume their responsibilities as a public official. Mr. Page further noted that it is the responsibility of Director Vallianos to ensure that he completes the training by the deadline.

CONFLICTS DISCLOSURE REPORTING REQUIREMENTS

Mr. Page presented to and reviewed with Director Vallianos a memorandum prepared by SPH and a questionnaire regarding conflict of interest disclosure reporting. Directors Vallianos completed the conflicts disclosure questionnaire and provided same to SPH for the District's files.

BOOKKEEPER'S REPORT

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated May 13, 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, with the exception of check no. 8062, which was voided.

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. Upon review of the proposed budget for the District's fiscal year ending May 31, 2025, the Board noted that line item no. 16801 for security expenses should be revised to reflect payment to the Agency for same in the estimated amount of \$723,048, and that line item no. 16737 should be revised to reflect Agency expenses, other than security, in the estimated amount of \$84,473. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that the proposed joint water plant and joint sewer plant budgets prepared by No. 418, be approved, as presented, and that the proposed budget for the District's fiscal year ending May 31, 2025, be approved, as revised.

ENGAGEMENT OF AUDITOR

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements for the fiscal year ending May 31, 2024. In that regard, Ms. Vasquez made a presentation to the Board on behalf of FORVIS, and advised that the cost to conduct such audit is approximately \$22,500, plus an administrative fee in the amount of \$1,000. After discussion on the matter, Director Goodspeed moved that FORVIS be engaged to prepare the District's audit report for the fiscal year ending May 31, 2024, in accordance with the terms of the engagement letter, a copy of which is attached hereto as **Exhibit B**. Director Vallianos seconded said motion, which carried unanimously.

UNCLAIMED PROPERTY REPORTS AS OF MARCH 1, 2024

The Board considered approval of Unclaimed Property Reports as of March 1, 2024, and the filing of same with the Texas Comptroller of Public Accounts (the "Comptroller") prior to July 1, 2024. In connection therewith, Mr. Weyand presented to and reviewed with the Board an annual Unclaimed Property Report prepared by MA&C, a copy of which is attached hereto as **Exhibit C**, and noted that the District has unclaimed property in its operating account in the amount of \$2,231.43 to escheat to the State of Texas for the current reporting period. Ms. Washington then presented to and reviewed with the Board an Unclaimed Property Report prepared by Wheeler, a copy of which is included in **Exhibit C**, and noted that the District has no unclaimed property in its tax account to report at this time. Following discussion, Director Goodspeed moved that MA&C be authorized to file the annual Unclaimed Property Report with the Comptroller and remit \$2,231.43 of unclaimed funds to the Comptroller prior to July 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 April 2024, a copy of which is attached hereto as **Exhibit D**, including the disbursements presented for approval. After discussion, it was moved by Director Goodspeed, seconded by Director Vallianos and unanimously carried, that the Tax Assessor Collector Monthly Report be approved, as presented, and the disbursements listed therein be approved for payment.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Page presented to and reviewed with the Board the Delinquent Tax Collections Report received from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District, a copy of which is attached hereto as **Exhibit E**. Mr. Page noted that Perdue Brandon is requesting authorization to move four (4) delinquent accounts to the uncollectible roll. Following discussion, it was moved by Director Goodspeed, seconded by Director Vallianos and unanimously carried, that Perdue Brandon be authorized to move the delinquent accounts to the uncollectible roll, as proposed by Perdue Brandon.

OPERATOR'S REPORT

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of April 2024, a copy of which is attached hereto as **Exhibit F**, 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 April 2024, a copy of which is included in the Operations and Maintenance Report. Following discussion, Director Goodspeed moved that Inframark be authorized to forward four (4) delinquent accounts in the total amount of \$2,319.30, to collections, as reflected in the Operations and Maintenance Report.

Messrs. Roberts and Adams next gave a presentation to the Board regarding the proposed installation and monthly operation of a SuperAll Municipal Injection System (the "SuperAll System") to serve the District's lift station nos. 1, 2 and 3 (the "Lift Stations"). Copies of the related presentation materials are attached hereto as **Exhibit G**. Messrs. Roberts and Adams then presented and reviewed cost estimates for such work, copies of which are included in the Operations and Maintenance Report. Following discussion, the Board concurred to defer taking action with respect to the SuperAll System at this time, and requested that SuperAll provide a quote for the installation and monthly operation of the SuperAll System at all of the District's lift stations for consideration.

STATUS OF REVIEW OF WATER CONSERVATION PLAN AND DROUGHT CONTINGENCY PLAN

The Board considered the status of the review of the District's Water Conservation Plan ("WCP") and Drought Contingency Plan ("DCP"). In connection therewith, Mr. Page advised the Board that the WCP and DCP are under review by the District's consultants.

CONSUMER CONFIDENCE REPORT

The Board then considered the approval of the District's Consumer Confidence Report ("CCR") for 2023. In connection therewith, Ms. Osborne distributed a draft CCR for the Board's review, a copy of which is attached to the Operations and Maintenance Report. Following discussion, it was moved by Director Goodspeed, seconded by Director Vallianos and unanimously carried, that the CCR be approved and that Inframark be authorized to distribute the

CCR electronically to all customers of the District pursuant to a link to be provided on the next water bill, and that the CCR be posted to the District's website prior to the July 1, 2024 deadline.

Ms. Hunter entered the meeting at this time.

AMENDMENT OF DISTRICT RATE ORDER

Ms. Osborne presented and reviewed with the Board the annual API Rate Schedule and recommended adjustments from Inframark, a copy of which is attached hereto as **Exhibit H**. Mr. Page then presented to and reviewed with the Board redlined pages of the District's Rate Order, and noted that SPH is recommending that only the temporary water service deposit amount be adjusted at this time, as SPH is in the process of reviewing the other changes recommended by Inframark. After discussion, Director Vallianos moved that the District's Rate Order be amended to increase the temporary water service deposit amount from \$800 to \$2,500, as recommended by Inframark. Director Fabian seconded said motion, which unanimously carried. A copy of the Rate Order thus amended is attached hereto as **Exhibit I**.

ENGINEER'S REPORT

Mr. Derong presented to and reviewed with the Board the Engineer's Report dated May 13, 2024, a copy of which is attached hereto as **Exhibit J**. Following discussion, it was noted that no action was required by the Board in connection with the Engineer's Report.

GARBAGE AND RECYCLING COLLECTION SERVICES

Director Goodspeed addressed the Board with concerns regarding the dumpsters located near the tennis courts. He noted that there is not a contract in place for service to these dumpsters. After discussion, it was moved by Director Goodspeed, seconded by Director Thomas and unanimously carried, that Republic provide a proposed contract amendment and proposal for such services for the Board's consideration at next month's meeting.

SECURITY MATTERS

The Board discussed general updates to law enforcement matters for the District. In connection therewith, Director Goodspeed reported on the recent decision of Cypress-Fairbanks I.S.D. to suspend bus service to areas within certain distances to area schools. He noted that BGE prepared a map showing areas affected in Bridgeland, a copy of which map follows the Engineer's Report attached hereto as Exhibit J. Mr. Goodspeed noted that contract patrols may need to assist with traffic management and pedestrian safety. The Board also asked BGE to discuss the matter with representatives of Bridgeland Development, LP (the "Developer") to determine if any sidewalk or walking trails proposed for construction should be accelerated under the circumstances.

BRIDGELAND WATER AGENCY (THE "AGENCY")

Director Goodspeed provided the Board with a general update regarding current Agency

matters, and noted the success of the recently held Bridgeland NatureFest.

WEBSITE UPDATES; PROPOSAL FOR WEBSITE SERVICES

The Board discussed matters relative to the District's website through Touchstone District Services, LLC. Following discussion, it was noted that no action was required by the Board in connection with the District's website at this time.

DEVELOPER'S REPORT

Mr. Page noted that the Developer advised that a representative would not be available to attend 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 noted that it had nothing new to discuss with respect to the HOA at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**, regarding the use of social media by public officials. In connection therewith, Mr. Page advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

FUTURE AGENDA ITEMS

Mr. Page next advised the Board that The Bridgeland Community Supports Veterans, Inc. is requesting donations from the municipal utility districts and water control and improvement districts comprising the Bridgeland community to put towards the construction of Veteran's Memorial Park. Following discussion, the Board concurred to include an item on the agenda for next month's meeting to consider the matter further.

OPERATOR'S REPORT (SUPERALL SYSTEM CONT'D)

The Board revisited its prior discussion regarding the proposed installation and monthly operation of a SuperAll System to serve the District's lift stations. In connection therewith, Messrs. Roberts and Adams advised that the installation of the SuperAll System to serve all seven (7) of the District's lift stations is expected to cost approximately \$14,875, and the monthly operation of all of said lift stations is expected to cost approximately \$12,650 per month. Following discussion, the Board requested to receive additional data between meetings to generate a cost comparison for

the cleaning and operation of lift station nos. 1, 2 and 3 versus all seven (7) of the District's lift stations, and upon motion made by Director Goodspeed and seconded by Director Vallianos, with Directors Thomas, Dennis and Goodspeed voting in favor of such motion, and Director Fabian abstaining, the Board agreed to enter into a one-year trial period with the SuperAll System beginning on May 31, 2024, pending the Board's receipt and review of the aforementioned cost data.

CLOSED SESSION

The President noted that the Board would enter into Closed Session at 12:58 p.m., pursuant to Section 551.071 of the Texas Government Code, for discussion with the District's attorney regarding the possible acquisition of property located within Bridgeland boundaries to construct an administrative office space. Those in attendance other than Directors Thomas, Fabian, Goodspeed and Vallianos, Ms. Hunter, Mr. Page and Ms. Yllana, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened into Open Session at 1:25 p.m. Upon a motion by Director Goodspeed, seconded by Director Vallianos and unanimously carried, the Board authorized Ms. Turner to represent the District and to prepare a Letter of Intent for the purchase of land for administrative offices, as discussed 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 Fabian and unanimously carried, the meeting was adjourned.

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Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

LIST OF ATTACHMENTS TO MINUTES

May 13, 2024

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Engagement Letter (FORVIS, LLP)
- Exhibit C –** Unclaimed Property Reports
- Exhibit D –** Tax Assessor-Collector Monthly Report
- Exhibit E –** Delinquent Tax Collections Report
- Exhibit F –** Operations and Maintenance Report
- Exhibit G –** Materials regarding SuperAll Municipal Injection System
- Exhibit H –** API Rate Schedule
- Exhibit I –** Rate Order
- Exhibit J –** Engineer's Report
- Exhibit K –** Memorandum regarding Use of Social Media by Public Officials