

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors

February 10, 2025

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 February 10, 2025, 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
Dennis Vallianos, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Ryan Derong of BGE, Inc. ("BGE"); Dona Washington and Darce' Ahlschlager of Wheeler & Associates, Inc. ("Wheeler"); Mackenzie Johnson of Inframark, LLC ("Inframark"); Charlie LaConti of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Paulina Baker of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, LP (the "Developer"); Greg Lentz of Masterson Advisors LLC ("Masterson"); and Mitchell G. Page and Peyton McKelvey 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 considered the approval of the draft minutes of its meeting held on January 13, 2025. Following review and discussion of the draft minutes presented, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that such minutes be approved, as written.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Mr. LaConti presented to and reviewed with the Board the Bookkeeper's Report dated

February 10, 2025, 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, along with check nos. 8430 and 8431, payable to Directors Goodspeed and Thomas, respectively, for AWBD conference expenses.

Mr. LaConti requested to add an agenda item to next month's agenda to amend the District's Operating Budget for the current fiscal year. Following discussion, the Board concurred to add an agenda item to next month's agenda regarding same.

TAX ASSESSOR COLLECTOR REPORT

Ms. Washington presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of January 2025, a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for approval. Following discussion, it was moved by Director Fabian, 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., delinquent tax attorneys for the District, a copy of which is attached hereto as **Exhibit C**. Mr. Page noted that no action was required by the Board in connection with the Delinquent Tax Collections Report.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Page reminded the Board of the tax rate adoption procedures for special districts pursuant to Senate Bill No. 2. He noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Page then reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2025 Tax Year. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that the Resolution Concerning Developed District Status for 2025 Tax Year, attached hereto as **Exhibit D**, confirming that the District shall not be considered a "Developed District" for the 2025 Tax Year, be passed and adopted by the Board and the District.

OPERATOR'S REPORT

Ms. Johnson presented to and reviewed with the Board an Operations and Maintenance Report for the month of January 2025, a copy of which is attached hereto as **Exhibit E**.

Ms. Johnson next presented to and reviewed with the Board an Asset Survey, a copy of which is included in the Operations and Maintenance Report, and advised that Inframark is not recommending any action regarding same at this time. In connection therewith, she noted that, should the District decide to budget for same for the next fiscal year, the cost would approximately \$99,620 to address all items, and that the Asset Survey would be utilized to identify costs to replace equipment that has exceeded its expected service life.

Following discussion, it was moved by Director Goodspeed, seconded by Director Vallianos and unanimously carried, that (i) the Operations and Maintenance Report for the month of January 2025, be approved, as presented, and (ii) Inframark be authorized to proceed with enforcement of the District's Rate Order, including the forwarding of five (5) delinquent accounts totaling \$1,700.92, to collections, as reflected in the Operations and Maintenance Report.

WATER CONSERVATION PLAN

The Board deferred consideration of the District's Water Conservation Plan and any amendments thereto at this time.

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, 2025. 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 2025 CCR template.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa next provided the Board with a general update regarding the District's garbage and recycling collections. In connection therewith, she reported that she had nothing to report at this time. It was noted that no action was required by the Board in connection with the District's garbage and recycling collections at this time.

ENGINEER'S REPORT

Mr. Derong next presented to and reviewed with the Board the Engineer's Report dated February 10, 2025, a copy of which is attached hereto as **Exhibit F**, including the pay estimates listed therein. He next updated the Board regarding Lift Station fencing options. In connection therewith, he reported that BGE received two quotes for same and that he will finalize the quotes for presentation to the Board at next month's meeting. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that the Engineer's Report and the action items listed therein be approved, as recommended by BGE.

Mr. Derong next presented to and reviewed with the Board a Summary of Costs for the proposed seventh Road Bond Issue, a copy of which is attached hereto as **Exhibit G**. In connection

therewith, he reported that the preliminary size of the Bond Issue is estimated at \$3,330,000.

Mr. Lentz next presented to and reviewed with the Board a Proforma Cash Flow Analysis regarding the proposed 2025 Road Bond debt, a copy of which is attached hereto as **Exhibit H**. The Board concurred to issue the 2025 Road Bonds in April and close in May. Following discussion, it was moved by Director Goodspeed, seconded by Director Woodall, and unanimously carried that Masterson be authorized to prepare offering documents for presentation at the March meeting.

QUARTERLY REGIONAL WATER AND WASTEWATER SYSTEM CAPACITY AND EXPANSION PLANNING UPDATE

The Board considered a Quarterly Regional Water and Wastewater System Capacity and Expansion Planning update. Following discussion, the Board concurred to move same to an annual update schedule and that Mr. Derong present an update to the Board for review and discussion at next month's meeting.

ANNUAL REVIEW OF CONNECTION CHARGES

Mr. Derong 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 the District owes \$584,923.46 to Harris County Municipal Utility District No. 418, as reflected on the recommendation letter presented, a copy of which is attached hereto as **Exhibit I**. Following discussion, the Board concurred to defer taking action on the matter until the next month's meeting.

Mr. Lentz exited the meeting at this time.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES

The Board next considered the adoption of prevailing wage rate scales for various types of construction projects and the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Resolution") in connection therewith. In that regard, Mr. Page advised the Board that SPH is recommending that the District adopt the United States Department of Labor updated wage rate scales applicable for Harris County, Texas, effective January 1, 2025, as permitted under Section 2258.022 of the Texas Government Code. Following discussion, Director Goodspeed moved that the Resolution, a copy of which is attached hereto as **Exhibit J**, be adopted, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Fabian seconded said motion, which unanimously carried.

VETERAN'S MEMORIAL

The Board considered the proposed construction of Veteran's Memorial by Harris County Water Control and Improvement District No. 157. Following discussion, it was noted that no action was required by the Board in connection with this matter at this time.

BRIDGELAND WATER AGENCY ("AGENCY")

Director Goodspeed provided the Board with a brief update on Agency matters. In connection therewith, the Board considered transitioning its contract regarding license plate readers to the Agency to administer same. Following discussion, it was moved by Director Woodall, seconded by Director Goodspeed, and unanimously carried that the District move forward with the transition of its contract regarding license plate readers to the Agency for administration, subject to other Flock contract holders in Bridgeland also transitioning their contracts to the Agency.

WEBSITE UPDATES

Mr. Page next presented to and reviewed with the Board a Monthly Communications Report dated February 10, 2025, as prepared by Touchstone District Services, LLC, a copy of which is attached hereto as **Exhibit K**. It was noted that no action was required of the Board in connection with the Monthly Communications Report at this time.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through January 2025, as prepared by the Developer, a copy of which is attached hereto as **Exhibit L**. It was noted that no action was required by the Board in connection with such report.

RENEWAL OF DISTRICT INSURANCE COVERAGES

In connection with the renewal of the District's insurance coverages for 2025-2026, Mr. Page presented to and reviewed with the Board a proposal from Arthur J. Gallagher & Co. ("Gallagher"), the District's current provider, a copy of which is attached hereto as **Exhibit M**. Director Goodspeed noted that he would be willing to solicit an insurance proposal from Carroll Insurance. Following review and discussion, the Board concurred to defer the approval of a proposal for renewal of the District's insurance coverages at this time, and authorized Director Goodspeed to solicit a proposal from Carroll Insurance for the Board's consideration at next month's meeting.

BRIDGELAND COUNCIL, INC. ("COUNCIL")

The Board noted that there was nothing to discuss with respect to Council matters at this time.

LAKELAND VILLAGE HOMEOWNERS' ASSOCIATION

The Board considered the status of park and landscaping repairs/improvements to serve Lakeland Village at this time. Following discussion, the Board concurred to request that Melissa Hargrove attend next month's meeting to provide an update regarding House Hahl Trail and that the new landscape manager attend next month's meeting to discuss landscape management.

ATTORNEY'S REPORT

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

All exited the meeting at this time, with the exception of the Board, Mr. Page, Ms. McKelvey, Ms. Ahlschlager, Ms. Washington and Ms. Johnson.

DISCUSSION OF E-CHECK CONVENIENCE FEES CHARGED BY TAX ASSESSOR-COLLECTOR'S PAYMENT PROCESSING VENDOR

Ms. Ahlschlager addressed the Board regarding a 1% fee charged for e-check payments and explained the reason for the increase in processing fee. In connection therewith, she reported that Wheeler negotiated with the payment processing vendor and agreed to a fee not to exceed \$5.00. Following discussion, the Board concurred that no further action was necessary regarding same.

Ms. Ahlschlager and Ms. Washington exited the meeting at this time.

DISCUSSION OF CUSTOMER SERVICE AND PERFORMANCE ISSUES REALTED TO DISTRICT OPERATIONS

Ms. Johnson addressed the Board regarding work order issues, presenting the information attached hereto as **Exhibit N**. In connection therewith, she explained to the Board the steps taken by Inframark to address the matter.

EXECUTIVE SESSION

The President announced at 12:57 p.m. that the Board would convene in closed session, as authorized by Texas Government Code Section 551.071. Ms. Johnson exited the meeting at this time and the Board, Mr. Page and Ms. McKelvey then convened in closed session.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 1:27 p.m. Ms. Johnson re-entered the meeting at this time.

Director Vallianos then moved to issue requests for proposals for operating services to Inframark and Si Environmental, LLC for consideration at the April Board of Directors meeting. Director Goodspeed seconded said motion, which unanimously carried.

SCHEDULE FOR FUTURE BOARD MEETINGS; MATTERS FOR PLACEMENT ON FUTURE AGENDAS

The Board concurred to reschedule its regular meeting date in March to March 3, 2025, at 11:00 a.m.

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.



Secretary

(SEAL)



HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

LIST OF ATTACHMENTS TO MINUTES

February 10, 2025

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector Monthly Report
- Exhibit C –** Delinquent Tax Report
- Exhibit D –** Resolution Concerning Developed District Status for 2025 Tax Year
- Exhibit E –** Operations and Maintenance Report
- Exhibit F –** Engineer's Report
- Exhibit G –** Preliminary Summary of Cost for proposed Road Bond Issue
- Exhibit H –** Proforma Cash Flow Analysis
- Exhibit I –** 2024 Annual Review of Connection Charges for Capacity in Master Facilities
- Exhibit J –** Resolution Adopting Prevailing Wage Rate Scale for Constructino Projects
- Exhibit K –** Monthly Communications Report by Touchstone District Services, LLC
- Exhibit L –** Home Inventory Report through December 2024
- Exhibit M** Proposal of Insurance prepared by Arthur J. Gallagher
- Exhibit N** Inframark Word Order