

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

Minutes of Meeting of Board of Directors

January 13, 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 January 13, 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, with the exception of Directors Thomas and Vallianos, thus constituting a quorum.

Also present were Will Gutowsky of BGE, Inc. ("BGE"); Dona Washington 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"); Paxton Goodspeed, son of Director Goodspeed; and Mitchell G. Page and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, the Vice 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 discussed law enforcement and first responder activity in the community and then continued to the next item of business.

APPROVAL OF MINUTES

The Board considered the approval of the draft minutes of its meeting held on December 9, 2024. 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 January 13, 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. Mr. LaConti additionally presented the Quarterly Investment Inventory Report for the period ended November 30, 2024, a copy of which is included in the Bookkeeper's Report. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check nos. 8371 and 8373, which were voided, and (ii) the Quarterly Investment Inventory Report be approved, as presented, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District.

TAX ASSESSOR COLLECTOR REPORT

Ms. Washington presented to and reviewed with the Board the Tax Assessor Collector Monthly Report for the month of December 2024, 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 Goodspeed and unanimously carried, that the Tax Assessor Collector Monthly Report be approved, as presented, and the disbursements listed therein be approved for payment.

Director Goodspeed addressed the Board concerning recent reports of resident dissatisfaction regarding the fees assessed to those who utilize the electronic check payment option for payment of District tax statements. After discussing the matter, the Board concurred to proceed with the solicitation of Requests for Qualifications ("RFQs") for services of Tax Assessor-Collector for the District, and noted that the District's current Tax Assessor-Collector, Wheeler, be included for receipt of the Board's request as well. Mr. Page advised that, as the topic was not identified on the agenda for today's meeting, he could prepare an RFQ for approval at the next Board meeting.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Page noted that no Delinquent Tax Collections Report was received nor is due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax collections attorney for the District.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Page advised the Board that it is authorized, pursuant to Section 33.07 of the Tax Code, to impose, under certain conditions, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes, in accordance with Section 33.11 of the Tax Code, as amended. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that: (i) the Resolution Authorizing an Additional Penalty on Delinquent

Personal Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and (ii) Perdue Brandon, the District's delinquent tax collections attorneys, be authorized to proceed with collection of the District's delinquent 2024 personal property tax accounts on April 1, 2025, including the filing of lawsuits, as necessary.

EXEMPTIONS FROM TAXATION

The Board considered granting exemptions from taxation for 2025. In connection therewith, Mr. Page outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Ms. Washington then presented to and reviewed with the Board a 2025 Exemption Analysis prepared by Wheeler, a copy of which analysis is attached hereto as **Exhibit D**. After further discussion on the matter, it was moved by Director Fabian, seconded by Director Goodspeed and unanimously carried, that (i) the District grant an exemption in the amount of \$30,000 for residents 65 years of age or older, (ii) the District grant an exemption for persons under a disability in the amount of \$35,000, (iii) the District grant a general homestead exemption of 10%, and (iii) the Resolution Concerning Exemptions from Taxation, a copy of which is attached hereto as **Exhibit E**, be approved and adopted by the Board and the District.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Page informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, it was moved by Director Goodspeed, seconded by Director Fabian and unanimously carried, that Forvis Mazars, LLP, the District's auditor, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

OPERATOR'S REPORT

Ms. Johnson presented to and reviewed with the Board an Operations and Maintenance Report for the month of December 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. Johnson next presented to and reviewed with the Board a Sanitary Manhole Survey Summary of Recommended Repairs, a copy of which is included in the Operations and

Maintenance Report, and advised that 131 manholes out of the 318 manholes inspected are in need of repair. Ms. Johnson further advised that the recommended manhole repairs have been separated into three (3) categories based on level of priority, with the Priority 1 repairs estimated to cost \$7,050.00, the Priority 2 repairs estimated to cost \$48,100.00, and the Priority 3 repairs estimated to cost \$138,200.00. She noted that, in an effort to remain within budget, Inframark is recommending that the Board proceed with the Priority 1 and Priority 2 repairs at this time, and address the Priority 3 repairs at a later date.

Ms. Johnson next presented to and reviewed with the Board two (2) competitive quotes obtained by Inframark for facility landscape maintenance services to be provided at all of the District's irrigation pump stations, copies of which are attached hereto as **Exhibit G**.

Following discussion, it was moved by Director Woodall, seconded by Director Fabian and unanimously carried, that (i) Inframark be authorized to proceed with enforcement of the District's Rate Order, including the forwarding of three (3) delinquent accounts totaling \$238.12, to collections, as reflected in the Operations and Maintenance Report; (ii) Inframark be authorized to proceed with the recommended Priority 1 and Priority 2 sanitary manhole repairs, as discussed; and (iii) the proposal submitted by GSI Landscape Services ("GSI") for facility landscape maintenance services at all of the District's irrigation pump stations, be accepted, with such services to include ant control/treatment, and that SPH be authorized to prepare, and the President or Vice President be authorized to execute, a letter agreement between the District and GSI accordingly.

WATER CONSERVATION PLAN

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

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, Ms. Nussa presented to and reviewed with the Board the 2025 Collection Schedule, as prepared by Republic, a copy of which is attached hereto as **Exhibit H**. 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. Gutowsky next presented to and reviewed with the Board the Engineer's Report dated January 13, 2025, a copy of which is attached hereto as **Exhibit I**, including the pay estimates listed therein. Following discussion, it was moved by Director Fabian, seconded by Director Goodspeed and unanimously carried, that the Engineer's Report and the action items listed therein be approved, as recommended by BGE, as presented.

VETERAN'S MEMORIAL

Mr. Page provided the Board with a brief update on the progress of 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. Following discussion, it was noted that no action was required by the Board in connection with Agency matters at this time.

WEBSITE UPDATES

Mr. Page next presented to and reviewed with the Board a Monthly Communications Report dated January 13, 2025, as prepared by Touchstone District Services, LLC, a copy of which is attached hereto as **Exhibit J**. It was noted that no action was required of the Board in connection with the Monthly Communications Report at this time.

ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY

The Board next considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit K**. Mr. Page advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Page noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Page further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Goodspeed moved that the Technology Policy be adopted, and that the Vice President and Secretary be authorized to execute the same. Director Fabian seconded said motion, which unanimously carried.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through December 2024, 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.

Director Goodspeed addressed the Board concerning a recent spike in criminal activity within the Bridgeland community, and noted the coordination with the Developer to relocate a

Flock license plate reader to the intersection of N. Bridgeland Lake Parkway and Mason Road. He suggested that the Board consider authorizing the review and relocation of the District's Flock security cameras more, as necessary, to benefit the District. Following discussion, it was moved by Director Woodall, seconded by Director Fabian and unanimously carried, that the relocation of the District's Flock security cameras to the District's entrances and exits be authorized at a cost not to exceed \$2,000.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Page reported to the Board that the District's current insurance coverage through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2025. He informed the Board of the other insurance companies available to the District that provide coverage to water districts, and inquired as to whether the Board desired to solicit proposals from such companies for review prior to the expiration of the District's current policies. Following discussion, the Board concurred that SPH be authorized to solicit a renewal proposal from Gallagher, its current provider, for consideration at the next meeting Board 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 noted that it had nothing new to discuss with respect to the status of park and landscaping repairs/improvements to serve Lakeland Village at this time.

TRACE AIR FLYOVER AS OF JANUARY 1, 2025

Mr. Page next advised the Board that the annual aerial flyover of the Bridgeland development by Trace Air has been completed, and that results of same will be distributed to the Board upon receipt from Trace Air.

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.

SCHEDULE FOR FUTURE BOARD MEETINGS; 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 Fabian, seconded by Director Woodall and unanimously carried, the meeting was adjourned.

(SEAL)



Robert G. Thomas
Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 419

LIST OF ATTACHMENTS TO MINUTES

January 13, 2025

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector Monthly Report
- Exhibit C –** Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit D –** 2025 Exemption Analysis
- Exhibit E –** Resolution Concerning Exemptions from Taxation
- Exhibit F –** Operations and Maintenance Report
- Exhibit G –** Proposals for Facility Landscape Maintenance Services
- Exhibit H –** 2025 Collection Schedule
- Exhibit I –** Engineer's Report
- Exhibit J –** Monthly Communications Report by Touchstone District Services, LLC
- Exhibit K –** Order Establishing Policy for Covered Applications and Prohibited Technology
- Exhibit L –** Home Inventory Report through December 2024