

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 439

September 20, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 439 (the "District") met in regular session, open to the public, on the 20th day of September, 2021, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, with access by telephone available to the public, and the roll was called of the members of the Board:

Adam Kramer	President
Vacant	Vice President
Jennifer Underwood	Secretary
Nancy Zimmerman	Asst. Vice Pres./ Asst. Secretary
Bonny Beasley	Asst. Vice Pres./ Asst. Secretary

and all of the above were present, thus constituting a quorum.

Also attending in person or by telephone were Craig Rathmann of Rathmann & Associates, L.P.; Kevin Cole of Cove Matrix Development, Ltd. ("Cove Matrix"); Jason Hajduk of IDS Engineering Group ("IDS"); Pamela Redden of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests, Inc. ("BLI"); and Hannah Brook and Ashley Ramos of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Brook offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Ms. Brook moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the August 12, 2021, regular meeting. Following review and discussion, Director Zimmerman moved to approve the minutes of the August 12, 2021, regular meeting, as presented. Director Underwood seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Redden presented and reviewed the bookkeeper's report, including a list of checks presented for approval, and the District's budget comparison. After review and discussion, Director Zimmerman moved to approve the bookkeeper's report and

payment of the bills. Director Underwood seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Newman presented and reviewed the tax assessor/collector's report for the month of August, including the checks presented for payment. She reported that the District's 2020 taxes are 98.3% collected through August 31, 2021. A copy of the tax assessor/collector's report is attached. After review and discussion, Director Zimmerman moved to approve the tax report and payment of the bills from the tax account. Director Underwood seconded the motion, which passed unanimously.

DISCUSS 2021 TAX RATE

The Board considered the District's 2021 tax rate. Ms. Brook discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2021 tax year.

Mr. Rathmann reviewed a maintenance and operations tax rate analysis reflecting the recommendation for the District to levy a 2021 operations and maintenance tax rate of \$0.80 per \$100 of assessed valuation, based on the District's initial 2021 certified value of \$29,880,090, plus \$2,216,680 representing 100% of the uncertified value under protest. A copy of the tax rate analysis is attached. Ms. Brook discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Zimmerman moved to: (1) adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developing district for the 2021 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) set the public hearing date for October 14, 2021; and (3) authorize the tax assessor/collector to publish notice of the District's meeting on October 14, 2021, to set the proposed 2021 total tax rate of \$0.80 per \$100 of assessed valuation, allocated for operations and maintenance. Director Kramer seconded the motion, which passed unanimously.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202,
GOVERNMENT CODE, AND RELATED CONTRACT AMENDMENT

Ms. Brook discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She stated the new requirements apply to districts that levy a property tax, are required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Brook reviewed a summary of the new requirements, a copy of which is attached.

The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements. Ms. Newman discussed the services currently provided by BLI to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. She presented a proposed amendment to the District's contract with BLI to incorporate the new posting requirements on the existing website.

After review and discussion, Director Kramer moved to approve the amendment to the contract between the District and BLI as presented and direct that the amendment be filed appropriately and retained in the District's official records. Director Underwood seconded the motion, which passed unanimously.

SERIES 2021 UNLIMITED TAX BONDS (THE "SERIES 2021 BONDS")

Mr. Rathmann reviewed the procedures and proposed schedule for the issuance of the Series 2021 Bonds. He then reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2021 Bonds. Mr. Rathmann noted the bond sale is scheduled for October 14, 2021.

Mr. Rathmann stated the District will not be engaging a rating agency to perform a credit rating analysis for the Series 2021 Bonds.

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A. ("BONY"), as the Paying Agent/Registrar for the bonds.

The Board discussed authorizing McCall Gibson Swedlund Barfoot, PLLC ("McCall Gibson") to prepare a developer reimbursement report for the sale of the District's Series 2021 Bonds.

Following review and discussion, Director Zimmerman moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to consultant

review; (2) appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the bonds; (3) schedule the bond sale for October 14, 2021; (4) authorize advertisement for sale of the bonds; and (5) authorize McCall Gibson to prepare the developer reimbursement report for the Series 2021 Bonds. Director Underwood seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Hajduk reviewed an engineering report from IDS Engineering Group ("IDS"), a copy of which is attached.

Mr. Hajduk reported on the construction of the Wayside Village East Phase I detention facilities. He reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$104,704.09, submitted by Paskey Incorporated ("Paskey"), as recommended by Pape-Dawson Engineer's, Inc. ("Pape-Dawson"). Mr. Hajduk reviewed and recommended approval of Change Order No. 1 to the contract with Paskey for the Wayside Village East Phase I detention facilities to increase the contract in the amount of \$34,186.63 for concrete slope paving, which was required by the Harris County Flood Control District, as recommended by Pape-Dawson. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Hajduk reported on the construction of the Wayside Village Phase I detention facilities and the Wayside Village Phase I Harris County Flood Control District Improvements. He reviewed and recommended approval of Pay Estimate No. 8 in the amount of \$433,012.25, submitted by Paskey, as recommended by Pape-Dawson.

Following review and discussion, and based upon recommendation by the engineer, Director Beasley moved to (1) approve the engineer's report prepared by IDS; (2) approve Pay Estimate No. 4 in the amount of \$104,704.09 for the construction of the Wayside Village East Phase I detention facilities, as recommended by Pape-Dawson; (3) approve Change Order No. 1 for the construction of the Wayside Village East Phase I detention facilities in the amount of \$34,186.63 as an increase to the contract with Paskey, based upon the Board's finding that the Change Order is beneficial to the District and the recommendation by Pape-Dawson; and (4) approve Pay Estimate No. 8 in the amount of \$433,012.25 for the construction of the Wayside Village Phase I detention facilities and the Wayside Village Phase I Harris County Flood Control District Improvements, as recommended by Pape-Dawson. Director Underwood seconded the motion, which passed unanimously.

ACCEPT DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

DEVELOPMENT IN THE DISTRICT

Mr. Cole discussed the status of development in the District on the east side of North Wayside Drive.

ATTORNEY'S REPORT

There was no additional attorney report.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



Asst. Marcy Zimmerman
Secretary, Board of Directors

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