

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 439

January 13, 2022

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 13th day of January, 2022, 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
Jennifer Fisher	Vice President
Nancy Zimmerman	Secretary
Bonny Beasley	Asst. Vice Pres./ Asst. Secretary
Steve M. Burgess	Asst. Vice Pres./ Asst. Secretary

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

Also attending in person or by telephone were Jonathan Reichek, a member of the public; Bill Calderon of Calderon Economic Development Strategies, LLC; Junious Williams of Ashton Woods/Starlight Homes; Kevin Cole of Cove Matrix Development, Ltd. ("Cove Matrix"); Tony Garza of Rausch Coleman Homes; Amanda Edmondson of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Jason Hajduk of IDS Engineering Group ("IDS"); Derek Davenport of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests, Inc. ("BLI"); and David Oliver, 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.

DEVELOPMENT IN THE DISTRICT

Mr. Cole reported that the City of Houston (the "City") is currently unable to commit to supplying the District with water capacity for the entire projected buildout of the District. Mr. Oliver reported that the North Fort Bend Water Authority (the "NFBWA") is interested in potentially entering into a lease agreement with the City in order to provide additional water capacity so as to not delay development within the District. He noted the additional water capacity allotted to the City from NFBWA out of the current water plant expansion project would benefit the District until the City has additional water capacity available. Mr. Oliver then suggested that the developers and

engineers provide a phased buildout schedule so that he may present the projected schedules to the City at an upcoming meeting.

ACCEPT RESIGNATION OF DIRECTOR FISHER

The Board considered accepting Director Fisher's resignation from the Board. Following review and discussion, Director Kramer moved to accept Director Fisher's resignation. Director Burgess seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the minutes of the November 18, 2021, regular meeting. Following review and discussion, Director Zimmerman moved to approve the minutes of the November 18, 2021, regular meeting, as presented. Director Beasley seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal for renewal of the District's insurance policies from McDonald & Wessendorff. After review and discussion, Director Zimmerman moved to approve the renewal of the District's insurance policies, as reflected in the presented proposal. Director Beasley seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Davenport 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 Burgess moved to approve the bookkeeper's report and payment of the bills. Director Beasley seconded the motion, which passed unanimously.

ANNUAL DISCLOSURE STATEMENTS

Ms. Brook discussed the annual disclosure statements required by the Public Funds Investment Act for the District's Investment Officer and Bookkeeper. She explained that the statements disclose relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. Ms. Brook also explained that the statements will be filed in the District's permanent records and with the Texas Ethics Commission. Following review and discussion, Director Zimmerman moved to accept the disclosure statements and authorize filing of the disclosure statements with the Texas Ethics Commission. Director Beasley seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES

Ms. Brook presented and reviewed the District's Travel Reimbursement Guidelines ("Guidelines") with the Board, and noted that the Guidelines summarize the District's travel reimbursement policy as stated in its Code of Ethics, Travel, Professional Services and Management Policies previously adopted by the Board. After discussion, Director Zimmerman moved to approve the following reimbursements for directors attending the Association of Water Board Directors winter conference: (1) up to three fees of office; (2) all meals not provided by the conference; and (3) up to two night's hotel stay. Director Beasley seconded the motion, which passed by unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Newman presented and reviewed the tax assessor/collector's reports for the months of November and December, including the checks presented for payment. She reported that the District's 2021 taxes are 69.1% collected through December 31, 2021. Copies of the tax assessor/collector's reports are attached. After review and discussion, Director Zimmerman moved to approve the tax reports and payment of the bills from the tax account. Director Beasley seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Hajduk reviewed an engineering report from IDS Engineering Group, 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. 7 in the amount of \$76,394.25, submitted by Paskey Incorporated, as recommended by Pape-Dawson.

Mr. Hajduk reported on the construction of the Wayside Village West Phase I detention facilities and the Wayside Village Phase I Harris County Flood Control District Improvements. He reviewed and recommended approval of Pay Estimate Nos. 11 and 12 in the amounts of \$390,984.80 and \$397,896.35, respectively, submitted by Paskey Incorporated, as recommended by Pape-Dawson. Mr. Hajduk then presented and reviewed a letter to the Texas Commission on Environmental Quality (the "TCEQ") requesting approval of Change Order No. 1, which includes a detailed description of the changes as well as justification for the reimbursement.

Mr. Hajduk updated the Board regarding the construction of water, sewer, and drainage facilities to serve Wayside Village, Section 4. He stated that bids were received for construction of water, sewer, and drainage facilities to serve Wayside Village, Section 4. Mr. Hajduk recommended that the Board award the contract to

Principal Services, Ltd. ("Principal Services") in the amount of \$1,699,820.50, as recommended by Pape-Dawson. The Board concurred that, in its judgment, Principal Services was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Hajduk updated the Board regarding the construction of water, sewer, and drainage facilities to serve Wayside Village Parker Road Phase I and Wayside Village, Section 6. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$827,267.95, submitted by Clearwater Utilities, Inc. ("Clearwater Utilities").

Mr. Hajduk updated the Board regarding the construction of water, sewer, and drainage facilities to serve Wayside Village, Section 11. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$339,304.68, submitted by Clearwater Utilities.

Following review and discussion, and based upon recommendation by the engineer, Director Zimmerman moved to (1) approve the engineer's report prepared by IDS; (2) approve Pay Estimate No. 7 in the amount of \$76,394.25 for the construction of the Wayside Village East Phase I detention facilities, as recommended by Pape-Dawson; (3) approve Pay Estimate Nos. 11 and 12 in the amounts of \$390,984.80 and \$397,896.35, respectively, for the construction of the Wayside Village West Phase I detention facilities and the Wayside Village Phase I Harris County Flood Control District Improvements, as recommended by Pape-Dawson; (4) approve and authorize submission of the letter to the TCEQ requesting approval of Change Order No. 1 for the construction of the Wayside Village West Phase I detention facilities and the Wayside Village Phase I Harris County Flood Control District Improvements, as recommended by Pape-Dawson; (5) award the contract for construction of water, sewer, and drainage facilities to serve Wayside Village, Section 4 to Principal Services in the amount of \$1,699,820.50, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor, as recommended by Pape-Dawson; (6) approve Pay Estimate No. 2 in the amount of \$827,267.95 for the construction of water, sewer, and drainage facilities to serve Wayside Village Parker Road Phase I and Wayside Village, Section 6, as recommended by Pape-Dawson; and (7) approve Pay Estimate No. 2 in the amount of \$339,304.68 for the construction of water, sewer, and drainage facilities to serve Wayside Village, Section 11, as recommended by Pape-Dawson. Director Beasley seconded the motion, which passed unanimously.

ACCEPT DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

2022 DIRECTORS ELECTION

Ms. Brook discussed procedures related to the 2022 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2022 Directors Election Period.

Ms. Brook reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2022 Directors Election.

Ms. Brook stated that the District may contract with Harris County (the "County") to conduct the District's 2022 Directors Election.

The Board considered adopting an Order Calling Director's Election ("Order"). Ms. Brook stated that the election will be held on May 7, 2022. She reported on requirements to post a Notice of Election if the District holds the 2022 Directors Election.

Following review and discussion, Director Zimmerman moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2022 Directors Election Period appointing Ashley Ramos as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election and authorize the agent to post the related notice as required; (2) authorize the Secretary's agent to post the notice as required; (3) contract with the County to administer the District's elections; (4) adopt the Order; and (5) authorize the Secretary's agent to post the notice as required, if the District holds the 2022 Directors Election. Director Beasley seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Brook reported ABHR has filed the District's eminent domain authority annual report with the comptroller of the State of Texas pursuant to Senate Bill 1812. She then updated the board on an ongoing case related to the use of eminent domain authority by a governmental entity against another governmental entity, *Hidalgo County Water Improvement District No. 3 v. Hidalgo County Water Irrigation District No. 1*.

Ms. Brook reviewed with the Board a memorandum regarding designating addresses and methods for receipt of requests for public information under the Texas Public Information Act ("TPIA Requests"), a copy of which is attached. The Board considered designating a mailing address and an email address and approving other methods for receipt of TPIA Requests, pursuant to Section 552.234 of the Texas Government Code. After review and discussion, Director Beasley moved to: (1) adopt a Resolution Establishing Addresses and Methods for Texas Public Information Act Requests ("Resolution") to (a) designate the address of the District's official office as the mailing address and har439@txdistricts.info as the email address for receipt of TPIA

Requests to the District, and (b) direct that the designated addresses and methods be printed on the sign displayed by the District under Section 552.205, Texas Government Code; and (2) direct the Resolution to be filed appropriately and retained in the District's official records. Director Burgess seconded the motion, which passed unanimously.

Ms. Brook reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

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



Nancy Zimmermann
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Tax Assessor/Collector's Reports	3
IDS engineering report.....	3
Memorandum regarding TPIA requests	5