

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 489

Minutes of Meeting of Board of Directors

April 21, 2025

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 489 (the "District") met in regular session, open to the public, on April 21, 2025, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Anthony T. McBride, President
Christian Carroll, Vice President
Trace Salazar, Secretary
Arlene Harper-Veith, Assistant Secretary
Madison Barrington, Assistant Secretary

and all of said persons were present, with the exception of Director Barrington, thus constituting a quorum.

Also present were Wendy Maddox of B&A Municipal Services, Inc. ("B&A"); Trevor Smith of Municipal Accounts & Consulting, LP ("Municipal Accounts"); Todd Burrer, Mackenzie Johnson and Lindsey DeLong of Inframark, L.L.C. ("Inframark"); Will Gutowsky and Kristen Turkal of BGE, Inc. ("BGE"); Barbara Nussa of Republic Services, Inc. ("Republic"); Steve Sams of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, LP (the "Developer"); Emilio Rodriguez, Steven Bosser, Bobby Reynolds, Wayne Wendle, Kay Burkhalter and Christine Creasy of The Bridgeland Community Supports Veterans, Inc. ("Bridgeland Veterans"); Louis Evans, board member of Parkland Village Homeowners' Association ("HOA"); Bill Cook, President of the Board of Directors of Harris County Water Control and Improvement District No. 159 ("WCID 159"); Sam Goodspeed, Secretary of the Board of Directors of Harris County Municipal Utility District No. 419 and President of the Board of Trustees of the Bridgeland Water Agency (the "Agency"); Jones Wilson, resident of the District; and Mitchell G. Page and Sabrina Ernst 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. The members of the public in attendance advised that they had no comments for the Board at this time.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on March 17, 2025. Following discussion, Director Carroll moved that the minutes of the March 17, 2025, meeting be

approved, as presented. Director Salazar seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated April 21, 2025, a copy of which is attached hereto as **Exhibit A**. In particular, Mr. Smith reviewed the Board (i) the 5-year cash flow forecast added to the report, (ii) schedules added to the report to differentiate expense items under the direct control of the District versus expense items for purchased services under the control of Harris County Municipal Utility District No. 418 ("No. 418") and the Bridgeland Water Agency (the "Agency"), and (iii) the historical summary of District operating reserve coverage ratios. He next presented the Quarterly Investment Report for the period ending February 28, 2025, a copy of which is included with the Bookkeeper's Report. Following discussion, it was moved by Director Carroll, seconded by Director Salazar and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, the disbursements listed therein be approved for payment, and (ii) the Quarterly Investment Report be approved.

Julie Peak of Masterson Advisors LLC ("Masterson") entered the meeting during the Bookkeeper's Report.

AMENDMENT TO OPERATING BUDGET

Mr. Smith next presented a proposed amendment to the operating budget for the District's fiscal year ending May 31, 2025. He noted updates to maintenance tax revenues based upon the District's actual tax levy for tax year 2024, as well as minor updates to other budget items. After discussion, Director Carroll moved that the operating budget for the District's fiscal year ending May 31, 2025, be amended, as discussed. Director Salazar seconded the motion, which carried unanimously. A copy of said amended budget is attached to the Bookkeeper's Report.

APPROVAL OF OPERATING BUDGET FOR THE DISTRICT'S FISCAL YEAR ENDING MAY 31, 2026; JOINT WATER PLANT AND JOINT SEWER PLANT BUDGETS FOR NO. 418

Mr. Smith presented the proposed budget for the District's fiscal year ending May 31, 2026 for the Board's review and approval. He additionally presented the proposed joint water plant and joint sewer plant budgets for No. 418, as required by the Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities among the District, No. 418, and Harris County Municipal Utility District Nos. 419, 490, 491, 492 and 493. Copies of the proposed budgets are included within the Bookkeeper's Report. After discussion, the Board concurred to defer the approval of the proposed budget, and the operating budget for the District's fiscal year ending May 31, 2026, until the next Board meeting. Director Carroll then moved to approve the joint water plant and joint sewer plant budgets for No. 418 as presented. Director Salazar seconded said motion, which unanimously carried.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

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 Sections 11.13, 11.184 and 11.142 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 the District 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. Peak then presented to the Board a 2025 Exemption Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit B**. After further discussion of the matter, the Board concurred to address this agenda item later in the meeting.

VETERAN'S MEMORIAL PARK

The Board next considered the status of the proposed construction of the Veteran's Memorial Park by Harris County Water Control and Improvement District No. 157 ("No. 157"). In connection therewith, Ms. Burkhalter introduced the members of the Bridgeland Veterans in attendance. Mr. Bosser next discussed the importance of the Veteran's Memorial Park to the community. Mr. Wilson introduced himself to the Board and expressed his concerns regarding the use of District funds for the proposed Park and lack of public input on the project. Mr. Wilson expressed that, as a veteran, he would prefer to have a park be more of a celebration of life instead of a somber memorial. After discussion, the Board concurred to make a decision on tax exemptions today and then evaluate its ability to make a contribution towards the Veteran's Memorial Park project at a later date.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION (CONTINUED)

Ms. Peak next addressed the Board concerning the tax exemptions granted by the District for the 2025 tax year. She then presented to and reviewed with the Board a 2025 Tax Rate/Homestead Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit B**, and reminded the Board that it previously granted an exemption for persons under a disability or sixty-five years of age or older in the amount of \$20,000 from ad valorem taxes levied by the District during the calendar year 2024, and did not grant a general residential homestead exemption. Director Salazar moved to adopt the same exemptions as previously adopted for tax year 2024. The motion failed for lack of second. Director McBride moved to grant the \$5,000 homestead exemption. The motion failed for lack of second. After further discussion of the matter, Director McBride moved that (i) the District grant the residential homestead exemption of one half of one percent (but not less than \$5,000) of the market value of residential homestead improvements for calendar year 2025, (ii) the District grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$20,000 from ad valorem taxes levied by the District during the calendar year 2025, and (iii) the Resolution attached hereto as **Exhibit C** relative to same be approved and adopted by the Board and District. Director Carroll seconded

said motion, which carried unanimously.

VETERAN'S MEMORIAL (CONTINUED)

The Board continued to discuss cost participation in the Veteran's Memorial Park project. The Board noted its desire to contribute to the project, but that the homestead tax exemption and other financial obligations limit the ability of the District to make a significant commitment at this time. Following discussion, Director McBride moved for the District to contribute \$75,000 in connection with the Veteran's Memorial Park project. The motion failed for lack of second. Mr. Page noted to the Board that the Board could continue consideration of the matter next month, as Harris County Water Control and Improvement District No. 157 ("No. 157") has just recently authorized preparation of design plans and specifications for the project. Director Carroll requested that a Board member of No. 157 attend the next Board meeting to help the Board better understand the Veteran's Memorial Park project and directed SPH to notify No. 157 of same.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Maddox presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month of March 2025, a copy of which is attached hereto as **Exhibit D**. Following discussion, Director McBride moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Salazar seconded said motion, which unanimously carried.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Page advised that the Board is authorized to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Salazar, seconded by Director Carroll and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit E**, be adopted by the Board, and that Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District, be authorized to proceed with the collection of the District's delinquent real property tax accounts as of July 1, 2025.

Mr. Wilson exited the meeting at this time.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a Delinquent Tax Report, as it was noted that no report was received nor is due at this time from Perdue Brandon, delinquent tax attorneys for the District.

OPERATOR'S REPORT

Mr. Burrer introduced Ms. DeLong to the Board of Directors. Ms. Johnson presented to and reviewed with the Board an Operations and Maintenance Report for the month of March 2025, a copy of which is attached hereto as **Exhibit F**.

Mr. Burrer next presented and reviewed with the Board a proposal for the fence repair at Lift Station No. 6, and an invoice for fire hydrant repairs in connection with the March 2025 Fire Hydrant Survey, copies of which are included in **Exhibit F**. In connection therewith, he recommended that the Board (i) approve the fence repair in the amount of \$4,672.00, and (ii) approve fire hydrant repairs in the amount of \$5,675.00. Following discussion, Director Carroll moved that the Operations and Maintenance Report be approved and that the action items therein be approved, including (i) enforcement of the District's Rate Order provisions with respect to delinquent customer accounts, (ii) approval of the fence repairs in the amount of \$4,672.00, and (iii) approval of fire hydrant repairs in the amount of \$5,675.00, as recommended by Inframark. Director McBride seconded said motion, which carried unanimously.

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 the annual document shred event is scheduled for May 17, 2025, at 9:00 a.m. Ms. Nussa asked for volunteers in connection with same. Directors Harper, Salazar and McBride volunteered. No action was required by the Board in connection with garbage and recycling collections at this time.

Mr. Reynolds exited the meeting at this time.

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").

Mr. Page presented and reviewed with the Board an updated Water Conservation Plan, together with a Resolution adopting same, copies of which are attached hereto as **Exhibit G**. After discussion on the matter, Director Carroll moved that the Board approve the updated Water Conservation Plan and the resolution adopting same, and that the President and Secretary be authorized to execute the resolution on behalf of the Board and District, and that the District's consultants be authorized to file same with the appropriate entities, including the West Harris County Regional Water Authority (the "Authority"). Director Salazar seconded the motion, which unanimously carried.

Mr. Page next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan ("DCP") not later than May 1, 2009, and every

five years thereafter. He further advised that the District is required to file such DCP with the Texas Commission on Environmental Quality ("TCEQ") within 90 days thereafter. Mr. Gutowsky advised that BGE has reviewed the District's current DCP and is not recommending any revisions to such DCP at this time. After discussion on the DCP, Director Carroll moved that the District adopt the Resolution Regarding Review of Drought Contingency Plan attached hereto as **Exhibit H** and that SPH be authorized to file the DCP with the TCEQ. Director McBride seconded such motion, which passed unanimously.

ENGINEER'S REPORT

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated April 21, 2025, a copy of which is attached hereto as **Exhibit I**, including the pay estimates and change orders listed therein. She updated the Board in connection with the installation of signalization at intersection of Tuckerton Road and Cooper Breaks Crossing. In connection therewith, Ms. Turkal reported that BGE has submitted plans to Harris County and is awaiting final approval for same.

Ms. Turkal next reported that a resident inquired regarding the timeline of completion of a sidewalk along Mason Road between Tuckerton Road and Bridge Creek Terrace Drive. In connection therewith, Ms. Turkal reported that BGE has no update at this time. Following discussion it was moved by Director Carroll, seconded by Director Salazar and unanimously carried, that the Engineer's Report and the action items listed therein be approved, as recommended by BGE, as presented.

PROPOSED UNLIMITED TAX BONDS, SERIES 2025 (THE "BONDS") AND UNLIMITED TAX PARK BONDS, SERIES 2025A (THE "PARK BONDS")

The Board considered the proposed issuance of the District's Bonds and Park Bonds. In connection therewith, Ms. Turkal reported to the Board that BGE is working on the Bond Application Report and will send to SPH on April 22, 2024, for SPH's review. BGE estimated submittal of the Bond Application Report to the TCEQ in mid-May. It was noted that no action was required by the Board in connection with same.

UTILITY COMMITMENT LETTERS

Mr. Page advised that there were no new requests for commitments received.

WEBSITE UPDATES

Mr. Page reminded the Board that last month they had approved for Touchstone to provide the District with quarterly reports, and noted the next report will be presented in June 2025.

Mr. Cook exited the meeting at this time.

BRIDGELAND WATER AGENCY ("AGENCY")

Director Carroll next presented and reviewed with the Board a constable report and beat

summary data sheet. Director Carroll noted several items for discussion including: (i) several incidents involving safety concerns at McGowan Elementary School; (ii) reports of people using the parcel of land near the school as a parking lot and consideration of the installation of "No Parking" signs to address the issue, and (iii) the need for more Flock cameras and/or relocation of existing Flock cameras to get better coverage. In connection with the Flock cameras, Director Carroll reported that discussions are ongoing with Flock regarding the assignment of Flock contracts to the Agency. Mr. Page also noted that a draft of the Agency's proposed budget for the fiscal year ending May 31, 2026, is included in the Bookkeeper's Report. Director Carroll noted that the budget may be amended later in 2025 if the Agency adds approximately 4 additional patrols to its contract with the Office of the Harris County Constable, Precinct 5, as anticipated, and if the Agency assumes the Flock contracts from the District and the other municipal utility districts in Bridgeland. Finally, Director Carroll noted pending updates to the Agency website to provide security information.

DEVELOPER'S REPORT

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

MATTERS RELATIVE TO BRIDGELAND COUNCIL, INC. ("COUNCIL")

The Board noted that it had nothing new to discuss with respect to Council matters for the District at this time.

MATTERS RELATIVE TO PARKLAND VILLAGE HOMEOWNERS' ASSOCIATION ("HOA")

The Board noted that it had nothing new to discuss with respect to HOA matters for the District at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page reported on discussions with Harris County Municipal Utility District No. 419 ("No. 419") related to the District's payment of fifty percent (50%) of the costs incurred by No. 419 to acquire a 5.0-acre tract of land for a shared administrative site. He noted that No. 419 authorized two board members to meet with District representatives to discuss options to restructure the District's payment obligations to No. 419. Following discussion, Director Salazar moved to authorize Directors McBride and Carroll to represent the District in such discussions with No. 419. Director McBride seconded the motion, which unanimously carried.

DISCUSSION OF CUSTOMER SERVICE AND PERFORMANCE ISSUES RELATED TO DISTRICT OPERATIONS

The Board discussed customer service and performance issues related to District

operations. In connection therewith, Inframark provided a response and documentation as requested by the Board at the last meeting, a copy of which is attached hereto as **Exhibit K**. Following a lengthy discussion, the Board concurred to defer review of the documentation until next month.

EXECUTIVE SESSION

The President noted that the Board would not need to enter Executive Session.


MATTERS FOR FUTURE AGENDAS

The Board considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters and those discussed above, were requested.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Carroll, seconded by Director Salazar and unanimously carried, the meeting was adjourned.




Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 489

LIST OF ATTACHMENTS TO MINUTES

April 21, 2025

Exhibit A –	Bookkeeper and Quarterly Investment Report
Exhibit B –	2025 Tax Rate/Homestead Analysis
Exhibit C –	Resolution Concerning Exemptions from Taxation
Exhibit D –	Tax Assessor-Collector's Report
Exhibit E –	Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
Exhibit F –	Operations and Maintenance Report
Exhibit G –	Resolution Regarding Review of Water Conservation Plan
Exhibit H –	Resolution Regarding Review of Drought Contingency Plan
Exhibit I –	Engineer's Report
Exhibit J –	Home Inventory Report through March 2025
Exhibit K –	Inframark's Response and Documentation of Operation Issues