

## **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 489**

### **Minutes of Meeting of Board of Directors**

May 20, 2024

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 May 20, 2024, 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, thus constituting a quorum.

Also present were Wendy Maddox of B&A Municipal Services, Inc. ("B&A"); Jordan Weyand of Municipal Accounts & Consulting, LP ("Municipal Accounts"); Mackenzie Osborne of Inframark, L.L.C. ("Inframark"); Will Gutowsky and Kristen Turkal of BGE, Inc. ("BGE"); Danae Dehoyos of Touchstone District Services, LLC ("Touchstone"); Barbara Nussa of Republic Services, Inc. ("Republic"); Julie Peak of Masterson Advisors LLC ("Masterson"); Brian Krueger of FORVIS, LLP ("FORVIS"); Bill Cook, resident of the District and President of the Board of Directors of Harris County Water Control and Improvement District No. 159 ("No. 159"); and Gordon Cranner and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH"). Kelsey Thorne of The Howard Hughes Corporation on behalf of Bridgeland Development, LP ("Developer") entered the meeting after it was called to order, as noted herein.

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, and recognized Mr. Cook. Mr. Cook noted that he 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 April 15, 2024. Following review and discussion of the minutes presented, it was moved by Director Carroll, seconded by Director McBride and unanimously carried, that the minutes of the April 15, 2024, meeting be approved, as written.

**ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, AND AFFIDAVITS OF CURRENT DIRECTOR FOR DIRECTORS MCBRIDE, CARROLL AND BARRINGTON**

The Board next considered the acceptance of Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information for Directors McBride, Carroll and Barrington. Following discussion, it was moved by Director Carroll, seconded by Director McBride and unanimously carried, that the Board accept said Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information, and declare Anthony T. McBride, Christian Carroll and Madison Barrington to be duly elected and qualified Directors of the District.

**ELECTION OF OFFICERS**

The Board next considered the reorganization of the Board and the election of officers. Following discussion, the Board concurred that the current officers of the Board continue to serve in their respective officer positions.

**DISTRICT REGISTRATION FORM**

The Board next considered authorizing the preparation and filing of a District Registration Form, as required by the rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Craner explained that, in accordance with certain provisions of the Texas Water Code and rules of the TCEQ, the District is required to provide the names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that, with the Board's approval, SPH will prepare an updated District Registration Form and file same with the TCEQ. Following discussion, Director Carroll moved that the Board authorize SPH to prepare the updated District Registration Form, as discussed, and file same with the TCEQ. Director McBride seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT**

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated May 20, 2024, a copy of which is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Carroll, seconded by Director McBride and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment.

**OPERATING BUDGET FOR FISCAL YEAR ENDING MAY 31, 2025**

Mr. Weyand next presented the proposed operating budget for the District's fiscal year ending May 31, 2025, a copy of which is included in the Bookkeeper's Report. Following review and discussion, Director Carroll moved that the proposed operating budget for the District's fiscal year ending May 31, 2025, be approved, as presented. Director McBride seconded said motion, which unanimously carried.

## **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 April 2024, a copy of which is attached hereto as **Exhibit B**. Following discussion, Director Carroll moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be authorized for payment. Director McBride seconded said motion, which unanimously carried.

## **DELINQUENT TAX COLLECTIONS REPORT**

The Board deferred consideration of a Delinquent Tax Report, as it was noted that none was received nor is due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District.

## **UNCLAIMED PROPERTY REPORTS AS OF MARCH 1, 2024**

The Board considered approval of Unclaimed Property Reports as of March 1, 2024, and the filing of same with the Texas Comptroller of Public Accounts (the "Comptroller") prior to July 1, 2024. In connection therewith, Mr. Weyand presented to and reviewed with the Board an annual Unclaimed Property Report prepared by Municipal Accounts, a copy of which is attached hereto as **Exhibit C**, and noted that the District has unclaimed property in the amount of \$815.91 to escheat to the State of Texas for the current reporting period. Ms. Maddox then presented to and reviewed with the Board an Unclaimed Property Report prepared by B&A, a copy of which is included in **Exhibit C**, and noted that the District has no unclaimed property to report at this time. Following discussion, Director Carroll moved that Municipal Accounts be authorized to file the annual Unclaimed Property Report with the Comptroller and remit \$815.91 of unclaimed funds to the Comptroller prior to July 1, 2024. Director McBride seconded said motion, which unanimously carried.

## **ENGAGEMENT OF AUDITOR**

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements for the fiscal year ending May 31, 2024. In that regard, Mr. Krueger made a presentation to the Board on behalf of FORVIS, and advised that the cost to conduct such audit is approximately \$19,500, plus an administrative fee in the amount of \$1,000. After discussion on the matter, Director Carroll moved that FORVIS be engaged to prepare the District's audit report for the fiscal year ending May 31, 2024, in accordance with the terms of the engagement letter, a copy of which is attached hereto as **Exhibit D**. Director McBride seconded said motion, which carried unanimously.

## **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of April 2024, a copy of which is attached hereto as **Exhibit E**, 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. Osborne additionally

presented and reviewed with the Board an EyeOnWater Leak Detection Report for the month of April 2024, a copy of which is included in the Operations and Maintenance Report. Following discussion, Director Carroll moved that the Operations and Maintenance Report and the action items listed therein be approved, including the forwarding of eleven (11) delinquent accounts totaling \$2,732.73, to collections. Director McBride seconded said motion, which unanimously carried.

### **CONSUMER CONFIDENCE REPORT**

The Board next considered the approval of the District's Consumer Confidence Report ("CCR") for 2023. In connection therewith, Ms. Osborne distributed a draft CCR for the Board's review, a copy of which is attached to the Operations and Maintenance Report. Following discussion, it was moved by Director Carroll, seconded by Director McBride and unanimously carried, that the CCR be approved and that Inframark be authorized to distribute the CCR electronically to all customers of the District via a link provided on the next water bill, and that the CCR be posted to the District's website prior to the July 1, 2024 deadline.

Ms. Thorne entered the meeting at this time.

### **GARBAGE AND RECYCLING COLLECTION SERVICES**

Ms. Nussa provided the Board with an update relative to garbage and recycling collections for the District. In connection therewith, Ms. Nussa addressed the Board concerning the impact of the recent storm event on the Bridgeland community, and inquired as to whether additional collection services are needed for the removal of storm debris from the District. Following discussion, the Board requested that two (2) additional trucks be routed to the District on the next scheduled date for heavy trash collection services.

### **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"). In connection therewith, Mr. Cranner advised the Board that the WCP and DCP are under review by the District's consultants.

### **ENGINEER'S REPORT**

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated May 20, 2024, a copy of which is attached hereto as **Exhibit F**, including the pay estimates and change orders listed therein. In connection therewith, Ms. Turkal requested the Board's concurrence in the design and advertisement of bids for the construction of Mason Road Section 6 Buffer Landscape Improvements. Mr. Cranner then presented for the Board's acceptance a Conveyance and Bill of Sale of Facilities to serve Parkland Village, Section 60 Landscape Improvements. Following discussion of the Engineer's Report, Director Carroll moved that all action items identified in the Engineer's Report be approved, as recommended by BGE, as presented. Director McBride seconded said motion, which unanimously carried.

Ms. Nussa exited the meeting at this time.

**PROPOSED UNLIMITED TAX BONDS, SERIES 2024 ("WS&D BONDS") AND UNLIMITED TAX PARK BONDS, SERIES 2024A ("PARK BONDS")**

The Board considered the proposed issuance of the District's WS&D Bonds and Park Bonds. In connection therewith, Mr. Cranner advised the Board that the completed Bond Application Report No. 7 was filed with the TCEQ on April 5, 2024, and was declared administratively complete on April 11, 2024. It was noted that no action was required by the Board in connection with this matter at this time.

**UTILITY COMMITMENT LETTERS**

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

**LAW ENFORCEMENT**

The Board considered law enforcement matters for the District. In connection therewith, Mr. Cranner advised the Board that the Harris County Commissioners Court has approved the District's purchase and donation of an all-terrain vehicle ("ATV") to Harris County Constable, Precinct 5 ("Precinct 5"). He additionally advised that Bridgeland Council, Inc. ("Council") has approved the Board's request for an additional officer to patrol the District's parks and greenspaces, and noted that such services will begin as of July 1, 2024.

**EMERGENCY COMMUNICATIONS**

The Board concurred that there were no emergency matters to discuss at this time.

**WEBSITE UPDATES**

Ms. Dehoyos presented to and reviewed with the Board the Communications Report dated May 20, 2024, a copy of which is attached hereto as **Exhibit G**. In connection therewith, Ms. Dehoyos inquired as to whether the Board desired to distribute a mass notification to the District's residents regarding the additional trucks being routed to the District on the upcoming date for heavy trash collection. Following discussion, the Board requested that Touchstone prepare a draft notification and provide same to the Board for review as soon as possible after today's meeting so that said notification can be distributed to the District's residents sometime tonight.

**BRIDGELAND WATER AGENCY**

The Board discussed matters relative to the Bridgeland Water Agency (the "Agency"). In connection therewith, Mr. Cranner presented to and reviewed with the Board a First Amended and Restated Interlocal Cooperation Contract Providing for the Creation of an Administrative Agency and the Performance of Certain Functions and Services (the "Amended and Restated Contract"), a copy of which is attached hereto as **Exhibit H**, and advised that the Amended and Restated

Contract provides for the removal of any references to water control and improvement districts following the recent withdrawals of Harris County Water Control and Improvement District Nos. 158 and 159 from the Agency. Following discussion, it was moved by Director Carroll, seconded by Director McBride and unanimously carried, that the Amended and Restated Contract be approved, as presented.

### **DEVELOPER'S REPORT**

Ms. Thorne provided the Board with an update regarding the recent storm event and the impact of same on the Bridgeland community. It was noted that no action was required by the Board in connection with this matter.

### **MATTERS RELATIVE TO BRIDGELAND COUNCIL, INC.**

The Board noted that it had nothing new to discuss in regards to Council at this time.

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

The Board considered HOA matters for the District, and noted there were no items to discuss at this time.

### **ARBITRAGE COMPLIANCE**

Mr. Cranner presented to and reviewed with the Board the annual Arbitrage Maintenance Report prepared by Municipal Risk Management Group, LLP, a copy of which is included in **Exhibit I**, and noted that no action was required by the Board in connection with said Report, and no payment is due to the Internal Revenue Service at this time.

Mr. Cranner next presented to and reviewed with the Board an Engagement Letter for Compliance Services, as prepared by Arbitrage Compliance Specialists, Inc., for preparation of (i) a Fifth Year Report for the District's \$11,200,000 Unlimited Tax Bonds, Series 2019, and (ii) a Fifth Year Report for the District's \$19,450,000 Unlimited Tax Road Bonds, Series 2019. Following discussion, it was moved by Director Carroll, seconded by Director McBride and unanimously carried, that the Engagement Letter for Compliance Services, attached hereto as **Exhibit J**, be approved, and the President be authorized to execute same, on behalf of the Board and the District.

### **ATTORNEY'S REPORT**

The Board considered the attorney's report. In connection therewith, Mr. Cranner presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**, regarding the use of social media by public officials. In connection therewith, Mr. Cranner advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

**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 McBride and unanimously carried, the meeting was adjourned.



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Secretary

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 489**

**LIST OF ATTACHMENTS TO MINUTES**

May 20, 2024

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- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector's Report
- Exhibit C –** Unclaimed Property Reports
- Exhibit D –** Engagement Letter by FORVIS, LLP
- Exhibit E –** Operations and Maintenance Report
- Exhibit F –** Engineer's Report
- Exhibit G –** Communications Report
- Exhibit H –** First Amended and Restated Interlocal Cooperation Contract Providing for the Creation of an Administrative Agency and the Performance of Certain Functions and Services
- Exhibit I –** Annual Arbitrage Maintenance Report by Municipal Risk Management Group, LLP
- Exhibit J –** Engagement Letter for Compliance Services by Arbitrage Compliance Specialists, Inc.
- Exhibit K –** Memorandum regarding Use of Social Media by Public Officials