

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 489

Minutes of Meeting of Board of Directors

February 17, 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 February 17, 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, thus constituting a quorum.

Also present were Avik Bonnerjee of B&A Municipal Services, Inc. ("B&A"); Trevor Smith of Municipal Accounts & Consulting, LP ("Municipal Accounts"); Mackenzie Johnson of Inframark, L.L.C. ("Inframark"); Will Gutowsky and Kristen Turkal of BGE, Inc. ("BGE"); Barbara Nussa of Republic Services, Inc. ("Republic"); Julie Peak of Masterson Advisors LLC ("Masterson"); Paulina Baker of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, LP (the "Developer"); Bill Cook, President of the Board of Directors of Harris County Water Control and Improvement District No. 159; Victoria McBride, wife of Mr. McBride; 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, and recognized Mr. Cook. Mr. Cook advised 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 January 20, 2025. Following discussion, Director McBride moved that the minutes of the January 20, 2025, meeting be approved, as presented. Director Carroll seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated February 17, 2025, a copy of which is attached hereto as **Exhibit A**. Following discussion, it was

moved by Director McBride, seconded by Director Carroll and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Bonnerjee presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month of January 2025, a copy of which is attached hereto as **Exhibit B**. 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 Carroll seconded said motion, which unanimously carried.

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, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District.

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 Texas 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 and reviewed with the Board a 2025 Exemption Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit C**. In connection therewith, the Board discussed amending its operating budget and concurred to add an agenda item for same to next month's agenda. After further discussion, the Board concurred to defer action until its May meeting.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Page reminded the Board of the tax rate adoption procedures for special districts pursuant to Senate Bill No. 2. He noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Page then reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2025 Tax Year. Following discussion, it was moved by Director McBride, seconded by Director Carroll, and unanimously carried, that the Resolution Concerning Developed

District Status for 2025 Tax Year, attached hereto as **Exhibit D**, confirming that the District shall not be considered a "Developed District" for the 2025 Tax Year, be passed and adopted by the Board and the District.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Page reminded the Board that the District's current insurance coverages through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2025. He then presented to and discussed with the Board the renewal proposal received from Gallagher, a copy of which is attached hereto as **Exhibit E**. Mr. Page next reported that SPH requested a proposal from McDonald Wessendorff Insurance and that same has not yet been received. Following discussion, the Board concurred to defer consideration of insurance renewal until next month's meeting.

OPERATOR'S REPORT

Ms. Johnson presented to and reviewed with the Board an Operations and Maintenance Report for the month of January 2025, a copy of which is attached hereto as **Exhibit F**. In connection therewith, Ms. Johnson reported that a vactor truck passing through Bridgeland experience a spill on Tuckerton Road. Inframark verified with the Texas Commission on Environmental Quality ("TCEQ") that no damage was caused.

Ms. Johnson next presented and reviewed with the Board a proposal for repair and replacement of lift pump no. 1 at Lift Station No. 6, a copy of which is included in **Exhibit F**. In connection therewith, she explained the differences between a Godwin pump and an electric generator.

Ms. Johnson next presented to and reviewed with the Board four (4) proposals for generators, copies of which are included in **Exhibit F**. She next presented to and reviewed with the Board a manhole survey, a copy of which is included in **Exhibit F**. In connection therewith, she recommended that the Board proceed with priority items nos. 1 and 2. Following discussion, Director McBride moved that the Operations and Maintenance Report be approved and that the action items therein be approved, including (i) that Inframark be authorized to forward eleven (11) delinquent accounts in the total amount of \$2,683.84 to collections, (ii) the approval of repair of lift pump no.1 at Lift Station No. 6, (iii) the approval of manhole repair for priority items nos. 1 and 2, and (iv) defer consideration of Godwin pump and electric generator proposals. Director Carroll seconded said motion, which carried unanimously.

Mr. Smith next proposed adding a cash report column in the Bookkeeper's Report for next month. Following discussion, the Board concurred to add a cash report column in the Bookkeeper's Report.

AUTHORIZE PREPARATION OF DRAFT CONSUMER CONFIDENCE REPORT

The Board considered authorizing Inframark to prepare the annual Consumer Confidence Report ("CCR") for the District to be provided to all customers of the District by July 1, 2025. Following discussion, it was moved by Director McBride, seconded by Director Carroll and

unanimously carried, that Inframark be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with all applicable regulatory requirements and the TCEQ's 2025 CCR template.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa next provided the Board with a general update regarding the District's garbage and recycling collections. No action was required by the Board in connection with garbage and recycling collections 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"). In connection therewith, Mr. Page advised the Board that the required five-year review of the District's DCP has been completed, but that the WCP is still under review by the District's consultants. Following discussion, the Board concurred to defer consideration of the District's updated DCP at this time.

ENGINEER'S REPORT

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated February 17, 2025, a copy of which is attached hereto as **Exhibit G**, including the pay estimates and change orders listed therein. Following discussion it was moved by Director McBride, seconded by Director Carroll and unanimously carried, that the Engineer's Report and the action items listed therein be approved, as recommended by BGE, as presented.

ANNUAL REVIEW OF CONNECTION CHARGES

Mr. Gutowsky next reported on BGE's review of the connection charges for the purchase of capacity in the Master Facilities under the Master Facilities Contract among the District and Harris County Municipal Utility District Nos. 418, 419, 490, 491, 492 and 493. In connection therewith, Mr. Gutowsky presented to and reviewed with the Board a recommendation letter, a copy of which is attached hereto as **Exhibit H**. Following discussion, the Board concurred to defer taking action on the matter until the next month's meeting.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES

The Board next considered the adoption of prevailing wage rate scales for various types of construction projects and the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Resolution") in connection therewith. In that regard, Mr. Page advised the Board that SPH is recommending that the District adopt the United States Department of Labor updated wage rate scales applicable for Harris County, Texas, effective January 1, 2025, as permitted under Section 2258.022 of the Texas Government Code. Following discussion, Director McBride moved that the Resolution, a copy of which is attached hereto as **Exhibit I**, be adopted, and that the President and Secretary be authorized to execute same on behalf of the Board and the

District. Director Carroll seconded said motion, which unanimously carried.

UTILITY COMMITMENT LETTERS

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

WEBSITE UPDATES

Mr. Page reported that there were no updates to the District's website.

BRIDGELAND WATER AGENCY ("AGENCY")

Mr. Page provided the Board with a brief update on Agency matters. In connection therewith, the Board considered transitioning its contract with Flock Safety for license plate readers to the Agency so that the Agency may implement a community-wide program with Flock Safety. Director McBride expressed concern over the Agency's control of the contract if assigned. Director Carroll noted that data from the license plate readers is only shared with Harris County law enforcement. Following discussion, the Board concurred that SPH draft an assignment for the Board's review.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through January 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")

Mr. Page updated the Board with respect to Council matters. In connection therewith, the Board concurred to coordinate schedules with the Council representative to attend next month's Board of Directors meeting.

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 noted that he had nothing further of a legal nature to report that had not already been discussed.

EXECUTIVE SESSION

At 12:40 p.m. the Board convened in closed session, as authorized by Texas Government

Code Section 551.071. All exited the meeting at this time, with the exception of the Board, Mr. Page, and Ms. Ernst.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 12:49 p.m. Ms. Johnson re-entered the meeting at this time.

The Board discussed customer service and performance issues related to District operations. In connection therewith, Director Carroll outlined concerns with various operations issues, including air scouring, contract rates, and invoicing. Ms. Johnson reported to certain issues raised. Following a lengthy discussion, the Board concurred that Directors McBride and Barrington will review the issues raised by Director Carroll and supporting documentation, prepare a one page summary of these issues for further discussion at next month's meeting.

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 McBride, seconded by Director Harper-Veith and unanimously carried, the meeting was adjourned.




Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 489

LIST OF ATTACHMENTS TO MINUTES

February 17, 2025

- Exhibit A** – Bookkeeper's Report
- Exhibit B** – Tax Assessor-Collector's Report
- Exhibit C** – 2025 Tax Rate/Homestead Analysis
- Exhibit D** – Resolution Concerning Developed District Status for 2025 Tax Year
- Exhibit E** – Insurance Proposal for 2025-2026 prepared by Arthur J. Gallagher
- Exhibit F** – Operations and Maintenance Report
- Exhibit G** – Engineer's Report
- Exhibit H** – Annual Review of Connection Charges
- Exhibit I** – Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit J** – Home Inventory Report through January 2025