HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 490

Minutes of Meeting of Board of Directors

February 27, 2025

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 490 (the "District") met in regular session, open to the public, on February 27, 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:

C. Troy Anthony, President
Perry Miller, Vice-President
Stephanie M. Russ, Secretary
Lee Markiewicz, Assistant Secretary
Sarah Barrera, Assistant Secretary

and all of said persons were present, with the exception of Directors Anthony and Barrera, thus constituting a quorum.

Also present were Christopher Section of Municipal Accounts & Consulting L.P. ("Municipal Accounts"); Kristen Turkal of BGE, Inc. ("BGE"); Mackenzie Johnson of Inframark, LLC ("Inframark"); Danielle Harleston of B&A Municipal Services, Inc. ("B&A"); Greg Lentz of Masterson Advisors, LLC ("Masterson"); Kelsey Thorne of Howard Hughes Corporation, on behalf of Bridgeland Development, LP ("Developer"); Kay Burkhalter, Steven Bosser, and Pedro Rodriguez of The Bridgeland Supports Veterans, Inc. ("Bridgeland Veterans"); and Joseph M. Schwartz and Shelby Yllana of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, the Vice President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board considered public comments and noted that no members of the public were present.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its special meeting held on January 23, 2025. Following review, it was moved by Director Russ, seconded by Director Markiewicz and unanimously carried, that the minutes of the January 23, 2025, meeting be approved, as written.

BOOKKEEPER'S REPORT

Mr. Section presented and reviewed with the Board the Bookkeeper's Report dated

February 27, 2025, a copy of which is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Russ, seconded by Director Miller, and unanimously carried that the Bookkeeper's Report be approved as presented, and the disbursements listed therein be authorized for payment, except check nos. 2871 and 2874, which were voided.

TAX ASSESSOR COLLECTOR'S REPORT

Ms. Harleston presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month of January 2025, copies of which are attached hereto as **Exhibit B**. Following discussion, Director Russ moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Miller seconded said motion, which unanimously carried.

TAX EXEMPTIONS

Mr. Schwartz outlined for the Board the various tax exemptions available for adoption by 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. Mr. Lentz presented to and reviewed with the Board the analysis regarding the over sixty-five and disabled exemption for the 2025 tax year, a copy of which is attached hereto as **Exhibit C**. After discussion on the matter, Director Miller moved to (i) maintain the one-half of one percent (0.50%) general residential homestead exemption during the calendar year 2025, and (ii) grant an over 65 and disabled exemption for $5,000 during the calendar year 2025, and (iii) that the Resolution, attached hereto as **Exhibit D**, be approved and adopted by the Board and the District. Director Russ seconded the said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS REPORT

The Board noted that there were no delinquent tax collections report provided nor due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Schwartz 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. Schwartz 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. The Resolution is attached hereto as **Exhibit E**. After discussion, Director Russ moved that (i) the District be deemed a "Developing District", and (ii) the Resolution be approved, and the Vice President be authorized to execute same on behalf of the District. Director Miller seconded said motion, which carried unanimously.

VETERAN'S MEMORIAL PARK

The Board then recognized the members of Bridgeland Veterans. Mr. Bosser addressed the Board regarding the purpose of the Bridgeland Veterans group, and the importance of educating the residents of Bridgeland on the history of major wars. Ms. Burkhalter made a presentation to the Board regarding the design concept for the Memorial Park to be located off Creekside Crossing near the amenity lake, a copy of which presentation is attached hereto as **Exhibit F**. Ms. Burkhalter then noted the monetary commitments that will be made to the project by the Bridgeland Veterans, Harris County Municipal Utility District No. 419, and Harris County Water Control and Improvement District No. 157. She then requested the Board's consideration of a monetary contribution of $150,000.

Ms. Thorne then addressed the Board regarding the Developer's proposed Veteran's Memorial concept, including a planned educational space within Bridgeland Central. Ms. Thorne discussed the history of the proposed project and potential funding for same, noting sponsorships for the Veteran's Memorial space could be solicited.

After consideration, the Board noted that while it fully supports the mission of the project, it does have concerns regarding the surroundings of the proposed site and would like more information and discussion on the details of the final project concept and contribution agreement.

DEVELOPER'S REPORT

Ms. Thorne 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 G**. Ms. Thorne then provided an update regarding the road construction activity and commercial development in the Bridgeland community.

In connection with the prior discussion on planning and funding of landscaping projects, Ms. Thorne noted that the Developer and Bridgeland Council will discuss supplementing the landscaping budget to help improve existing landscaping and replantings and scaling back initial plantings during the project planning phase.

Ms. Thorne next presented three options of drawings for the proposed shade structure at Papillon Park. She noted the proposed costs of the shade coverings plus patching work of damaged turf ranged from $325,000 to $415,000. The Board noted that it would like to further review the options and deferred additional action on this item.

OPERATOR 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 H**. In connection with the prior month's discussion on completion of a valve survey, Ms. Johnson presented to the Board a quote prepared by Inframark for same, a copy of which is included with **Exhibit H**. Ms. Johnson noted a cost of $55.00 per valve for the investigation of 455 valves. Ms. Johnson next presented four quotes: one received from Hahn Equipment Co., Inc. for installation of a Godwin portable generator, and three received from Inframark for installation of various sizes or portal generators at different price points, copies of which are included with the Operations and Maintenance Report. She noted that Inframark recommends the Godwin generator. After discussion, the Board concurred to defer action on approval of the valve survey and generator rental.

In connection with the prior discussion on the placement of Fleetzoom monitors at various locations in the District, Ms. Johnson presented a map, a copy of which is included with the Operations and Maintenance Report, depicting proposed locations for additional monitors. The Board requested that Inframark provide a quote for the placement of two additional monitors near the Dog Park and Lift Station No. 4 for review at a future Board meeting.

ENGINEER'S REPORT

Ms. Turkal presented and reviewed with the Board the Engineer's Report dated February 27, 2025, a copy of which is attached hereto as **Exhibit I**, including the pay estimates and change orders listed therein. In connection therewith, Ms. Turkal requested the Board's concurrence on the design and advertisement of bids for construction of: (i) Prairieland Village, Section 37 Landscaping, (ii) Prairieland Village, Section 42 water, sewer, drainage, and paving facilities, (iii) Prairieland Village, Section 43 water, sewer, drainage, and paving facilities, (iv) Prairieland Village, Section 47 water, sewer, drainage, and paving facilities, (v) Migration Way Section 3 water, sewer, drainage, and paving facilities, and (vi) North Bridgeland Lake Parkway Section 9 BLMZ Landscaping. She additionally requested the Board's concurrence in award of bids for construction of North Bridgeland Lake Parkway 9 Medians to Shooter and Lindsey, Inc. in the amount of $833,521.90. Mr. Schwartz noted that the Conveyances and Bills of Sale of Facilities listed in the Engineer's Report will be deferred. Mr. Schwartz then presented a Storm Sewer Easement to serve Prairieland Village, Section 34 for acceptance. Following discussion of the Engineer's Report, Director Miller moved that all action items identified in the Engineer's Report be approved, as recommended by BGE, including acceptance of the Storm Sewer Easement. Director Russ seconded said motion, which unanimously carried.

ANNUAL REVIEW OF CONNECTION CHARGES

Ms. Turkal next reported on BGE's review of the connection charges for the purchase of capacity in Master Facilities under the Master Facilities Contract among the District and Harris County Municipal Utility District Nos. 418, 419, 489, 491, 492 and 493. In connection therewith, she noted that BGE is recommending increases to the base water and sanitary sewer connection charges and the sanitary sewer zone charges, as reflected on the recommendation letter presented, a copy of which is attached hereto as **Exhibit J**. Mr. Schwartz then presented to the Board a Resolution Regarding Review of Connection Charge Under Master Facilities Contract, a copy of which is attached hereto as **Exhibit J**. After discussion, Director Russ moved that said Resolution be approved. Director Miller seconded said motion, which unanimously carried.

SUBMERGED STORM SEWER AGREEMENTS

The Board considered submerged storm sewer agreements to serve Bridgeland Creek Parkway Sections 10 and 11. After consideration, Director Miller moved that the submerged storm sewer agreements be approved, as presented, and the Vice President be authorized to execute the same on behalf of the Board and the District. Director Russ seconded the said motion, which was unanimously carried.

STREET LIGHT LETTER AGREEMENT

The Board considered a street light letter agreement to serve Prairieland Village, Section 31. After consideration, Director Miller moved that the street light letter agreements be approved, as presented, and the Vice President be authorized to execute the same on behalf of the Board and the District. Director Russ seconded the said motion, which was unanimously carried.

PROPOSED UNLIMITED TAX BONDS, SERIES 2025 (THE "BONDS")

The Board considered the proposed issuance of the District's Bonds. In that regard, Mr. Schwartz advised that the District's consultants are preparing the bond application report to be filed in early April 2025 with the Texas Commission on Environmental Quality. The Board took no action regarding this item.

APPROVE PREVAILING WAGE RATES FOR CONSTRUCTION PROJECTS

Mr. Schwartz presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit K**. He reviewed various provisions of the Resolution with the Board. Mr. Schwartz advised the Board that the District previously adopted the wage rates for Harris County and noted that BGE is recommending that the District adopt the Department of Labor's updated wage rates for Harris County effective January 1, 2025, and discussed same in detail with the Board. After discussion and consideration of the survey and the proposed Resolution, Director Russ moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the wage rates for the Department of Labor for Harris County, and that the Vice President and the Secretary be authorized to execute and attest same on behalf of the Board and the District. Director Miller seconded said motion, which unanimously carried.

WILDLIFE MANAGEMENT

The Board deferred consideration of wildlife management matters, noting there were items of note at this time.

STATUS OF ANNEXATION OF LAND INTO THE DISTRICT BOUNDARIES

Mr. Schwartz reminded the Board of the proposed annexation of 159.20 acres into the District and noted that SPH filed the consent application package with the City of Houston on November 18, 2024, and the consent package is awaiting placement on the next City Council agenda. The Board took no action regarding this item.

GARBAGE AND RECYCLING COLLECTION SERVICES

It was noted that Barbara Nussa of Republic Services, Inc. would not be in attendance today, and there were no collection issues to report at this time.

WEBSITE ADMINISTRATION

The Board noted that it had nothing new to discuss with respect to the District's website administration at this time. Ms. Burkhalter requested the District's financial information be placed on the District's website, including the current fiscal year end budget. The Board concurred with same and requested the operating budget be posted to the District's website.

BRIDGELAND WATER AGENCY (THE "AGENCY")

The Board considered matters relative to the Agency. Mr. Schwartz advised the Board of upcoming planned events, including a Document Shred Event in May, a Pool Safety Event in late Spring, and a Hazardous E-Waste Event in October. Mr. Schwartz additionally noted that the Agency is working on the assumption of the Flock camera contracts for all utility districts. The Board took no action regarding this item.

INSURANCE

Mr. Schwartz reported that the District's current insurance coverage and directors and consultants' bonds, issued through McDonald Wessendorf ("McDonald"), will expire on March 31, 2025. He informed the Board that, pursuant to their request at the last meeting, SPH solicited proposals from Arthur J. Gallagher ("Gallagher") and Brown & Brown ("HARCO"). He reported that Gallagher and HARCO declined to provide proposals, and then presented the renewal proposal received from McDonald, attached hereto as **Exhibit L**. After due discussion, Director Markiewicz moved that (i) the proposal from McDonald for renewal of the District's insurance policies and bonds be approved, and (ii) the accompanying Texas Ethics Commission Form 1295 be acknowledged. Director Miller seconded the motion, which carried unanimously.

CLOSED SESSION

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

FUTURE MEETING AGENDA

The Board noted it had no items for consideration on future agendas.

ADJOURNMENT

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

Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 490

LIST OF ATTACHMENTS TO MINUTES

February 27, 2025

Exhibit A - Bookkeeper's Report

Exhibit B - Tax Assessor Collector Report

Exhibit C – 2025 Tax Rate/ Over 65 Analysis

Exhibit D – Tax Exemption

Exhibit E – Developed District Status

Exhibit F – Veteran's Memorial Park Presentation

Exhibit G – Inventory Report

Exhibit H – Operator's Report

Exhibit I – Engineer Report

Exhibit J – Resolution Regarding Review of Connection Charge Under Master Facilities Contract; Recommendation Letter

Exhibit K - Resolution Adopting Prevailing Wage Rate Scale for Construction Projects

Exhibit L – Insurance Proposal – 2025-2026