

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 490

Minutes of Meeting of Board of Directors

January 23, 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 January 23, 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 Director Russ, 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"); Barbara Nussa of Republic Services, Inc. ("Republic"); Wendy Maddox of B&A Municipal Services, Inc. ("B&A"); Paulina Baker of Howard Hughes Corporation, on behalf of Bridgeland Development, LP ("Developer"); and Joseph M. Schwartz and Shelby Yllana of Schwartz, Page & Harding, L.L.P. ("SPH"). Greg Lentz of Masterson Advisors, LLC ("Masterson") entered after the meeting 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 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 December 19, 2024. Following review, it was moved by Director Barrera, seconded by Director Markiewicz and unanimously carried, that the minutes of the December 19, 2024, meeting be approved, as written.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

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

23, 2025, a copy of which is attached hereto as **Exhibit A**. Mr. Section then presented a Quarterly Investment Report for the reporting period ended November 30, 2024. Following discussion, it was moved by Director Barrera, seconded by Director Miller and unanimously carried, (i) the Bookkeeper's Report be approved as presented, and the disbursements listed therein be authorized for payment, except check no. 2850, which was voided, and (ii) the Quarterly Investment Report for the reporting period ended November 30, 2024 be approved, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District.

Mr. Lentz entered the meeting at this time.

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 December 2024, copies of which are attached hereto as **Exhibit B**. Following discussion, Director Miller moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Barrera 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 noted that Masterson has recommended that the District maintain its current exemptions but noted that Masterson could complete additional analyses if requested. Director Markiewicz suggested that the Board maintain its current general homestead exemption, and Masterson be directed to prepare an analysis for the over-sixty-five and disabled exemption. After discussion, the Board concurred to defer action on said exemptions until the Board's February meeting.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Schwartz then advised the Board that it is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property accounts that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes. The Board next considered the adoption of a resolution authorizing such additional penalty. After discussion, it was moved by Director Barrera, seconded by Director Markiewicz, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit C**, be approved and adopted.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS INFORMATION DATABASE

Mr. Schwartz reminded the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit annually information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Schwartz advised the Board that, Forvis Mazars, LLP ("Forvis"), the District's auditor, has included this work in its engagement letter previously approved by the Board. He noted that the work will be performed on an hourly basis at an estimated cost of \$600. After discussion, on the matter, it was moved by Director Miller, seconded by Director Markiewicz and unanimously carried, that Forvis be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

DELINQUENT TAX COLLECTIONS REPORT

The Board noted that there was 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.

OPERATOR REPORT

Ms. Johnson presented to and reviewed with the Board an Operations and Maintenance Report for the month of December 2024, a copy of which is attached hereto as **Exhibit D**. Ms. Johnson advised that several District blowoff valves were difficult to locate, and suggested that a valve survey be conducted to assess all blowoff valve locations. Ms. Johnson next presented quotes for landscaping at Lift Station No. 1 prepared by GSI Landscape Services and Texas Groundworks Management, Inc., copies of which are included with the Operations and Maintenance Report. After discussion, Director Barrera moved that (i) the Operator's Report and all action items noted therein, including the proposal for GSI Landscape Services, be approved, and (ii) Inframark be authorized to prepare a quote for completion of a valve survey for review at the Board's February meeting. Director Markiewicz seconded said motion, which unanimously carried.

Director Markiewicz inquired about the placement of Fleetzoom monitors at various locations in the District and if they were effective during the freeze event. Director Markiewicz then inquired about the leaks identified in the Operations and Maintenance Report and noted that a reminder to residents about conservation efforts may be helpful. He additionally inquired about builder damages for line breaks, to which Ms. Johnson replied.

ENGINEER'S REPORT

Ms. Turkal presented and reviewed with the Board the Engineer's Report dated January 23, 2025, a copy of which is attached hereto as **Exhibit E**, including the pay estimates and change orders listed therein. In connection therewith, Ms. Turkal requested the Board's concurrence on the award of bids for construction of: (i) Prairieland Village, Section 35 Landscaping to Gulf Coast Landscape Services, Inc., and (ii) Prairieland Village, Section 31 Landscaping to Allgreen

Associates. She additionally requested the Board's concurrence in the design and advertisement of bids for construction of North Bridgeland Lake Parkway 9 Medians. Mr. Schwartz noted that the Conveyances and Bills of Sale of Facilities listed in the Engineer's Report will be deferred. 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. Director Barrera seconded said motion, which unanimously carried.

A brief discussion ensued regarding the review of landscaping bids for the Papillon Park shade structure. Ms. Turkal noted that the Developer and SWA Group are addressing same, and she anticipates having options to present to the Board at the February meeting.

Director Markiewicz noted that the entry monument lighting is out and asked about responsibility for repair. Ms. Baker noted she will investigate same.

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

The Board considered the proposed issuance of the District's Bonds. In that regard, Ms. Turkal then presented to and reviewed with the Board the Summary of Costs, a copy of which is included with **Exhibit F**. Mr. Schwartz presented an Order Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds and Use of Surplus Funds and Interest Earned on Construction Funds for an amount not to exceed \$35,000,000 (the "Order"), a copy of which is attached hereto as **Exhibit G**. After discussion, Director Barrera moved that (i) the Summary of Costs for the Bonds be approved, as presented, and (ii) the Order be adopted in connection therewith. Director Miller seconded said motion, which unanimously carried.

SECOND SUPPLEMENTAL AGREEMENT

The Board next considered the approval of a Second Supplemental Agreement between the District and Harris County Municipal Utility District No. 418 ("No. 418"), a copy of which is attached hereto as **Exhibit H**. In connection therewith, Mr. Schwartz advised the Board that the Second Supplemental provides that No. 418 will commit to the District 954 additional water connections, 954 additional wastewater connections, 404 additional sanitary sewer connections in Service Area 2.1, and 550 additional sanitary sewer connections in Service Area 2.6, as defined in that certain Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities. Mr. Schwartz further advised that the District will remit payment to No. 418 for such capacity in the estimated amount of \$8,920,924 from the proceeds of the Bonds. Following discussion, Director Miller moved that the Second Supplemental Agreement be approved, as presented, and that the President be authorized to execute same on behalf of the Board and District. Director Markiewicz seconded said motion, which unanimously carried.

SUBMERGED STORM SEWER AGREEMENTS

The Board deferred consideration of submerged storm sewer agreements as it was noted that no requests were received at this time.

STREET LIGHT LETTER AGREEMENT

The Board deferred consideration of street light letter agreements as it was noted that no requests were received at this time.

WILDLIFE MANAGEMENT

The Board considered wildlife management matters. In connection therewith, Director Markiewicz advised that an alligator was discovered outside of the amenity pond. Ms. Baker noted that the HOA is aware of the matter. Director Barrera noted that she would attend the next Harris County Water Control and Improvement District No. 158 ("No. 158") meeting to request that No. 158 consider action on future nuisances.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through December 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit I**. Ms. Baker then provided an update regarding the road construction activity and commercial development in the Bridgeland community.

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.

GARBAGE AND RECYCLING COLLECTION SERVICES

Ms. Nussa provided the Board with a general update relative to garbage and recycling collections for the District. She advised that the next community document shredding event is tentatively scheduled for May 17, 2025. She then discussed the collection calendar for 2025, noting same has been provided to the District's website provider for posting.

WEBSITE ADMINISTRATION

The Board noted that it had nothing new to discuss with respect to the District's website administration at this time.

BRIDGELAND WATER AGENCY (THE "AGENCY")

The Board considered matters relative to the Agency. Mr. Schwartz advised that annually, each participant district should provide its authorization to its operator for release of its customer contact information to Touchstone District Services on behalf of the Agency for customer notification purposes. After discussion, Director Barrera moved that Inframark be authorized to release the District's customer contact information to Touchstone District Services for notification purposes only. Director Miller seconded said motion, which unanimously carried.

TRACE AIR FLYOVER

Mr. Schwartz advised that the flyover occurred January 7, 2025 and the District's share of the flyover cost is \$1,259. After discussion, Director Barrera moved that (i) the District participate in the annual Trace Air flyover for an estimated cost in the amount of \$1,259, and (ii) a cost sharing agreement be approved with No. 418, and the President be authorized to execute same on behalf of the Board and the District. Director Markiewicz seconded said motion, which unanimously carried.

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 other insurance companies provide such policies to water districts and inquired whether the Board wished to solicit proposals from other companies for insurance to review prior to the expiration of the current policies. After discussion, the Board concurred that SPH be authorized to obtain proposals for insurance coverage and bonds for the District from Arthur J. Gallagher, Brown & Brown, and McDonald for review at the next Board meeting.

ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY

The Board next considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit J**. Mr. Schwartz advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state adopt a policy that prohibits the installation of certain social media applications such as TikTok and any other software owned by ByteDance Limited, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Schwartz noted that, although Senate Bill 1893 may not apply to the District, he recommends the adoption of such a policy. Mr. Schwartz further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources. After discussion on the matter, Director Miller moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Barrera seconded said motion, which unanimously carried.

CLOSED SESSION

The 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 Miller, seconded by Director Barrera and unanimously carried, the meeting was adjourned.




Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 490

LIST OF ATTACHMENTS TO MINUTES

January 23, 2025

Exhibit A - Bookkeeper's Report; Quarterly Investment Report

Exhibit B - Tax Assessor Collector Report

Exhibit C - Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes

Exhibit D - Operations and Maintenance Report

Exhibit E - Engineer Report

Exhibit F - Summary of Costs

Exhibit G - Order Authorizing Application to TCEQ

Exhibit H - Second Supplemental Agreement

Exhibit I - Inventory Report

Exhibit J - Technology Policy