

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

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

April 15, 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 April 15, 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, with the exception of Director McBride, 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"); 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"); Paulina Baker of The Howard Hughes Corporation on behalf of Bridgeland Development, LP ("Developer"); 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"); Sam Goodspeed, member of the Board of Directors of Harris County Municipal Utility District No. 419 ("No. 419") and President of the Board of Trustees of the Bridgeland Water Agency (the "Agency"); Bryson Goodspeed and Paxton Goodspeed, sons of Mr. Goodspeed; and Joseph M. Schwartz, Peyton Ellis and Sabrina Ernst of Schwartz, Page & Harding, L.L.P. ("SPH"). Julie Peak of Masterson Advisors LLC ("Masterson") entered the meeting after it was called to order, as noted herein.

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 it.

### **PUBLIC COMMENTS**

The Board considered public comments, and recognized Messrs. Cook and Goodspeed. Messrs. Cook and Goodspeed noted 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 18, 2024. Following review and discussion of the minutes presented, it was moved by Director Carroll,

seconded by Director Salazar and unanimously carried, that the minutes of the March 18, 2024, meeting be approved, as written.

Ms. Peak entered the meeting at this time.

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

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated April 15, 2024, a copy of which is attached hereto as **Exhibit A**. During such review, Mr. Smith addressed the Board concerning the detection of fraudulent activity involving the District's Checking Account with Central Bank, and noted that such account has been closed and a new one opened. Mr. Smith additionally presented the Quarterly Investment Inventory Report for the period ended February 29, 2024, a copy of which is included in 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, and the disbursements listed therein be approved for payment, with the addition of check no. 3995, payable to Lansdowne-Moody Co., in the amount of \$500.00, and (ii) the Quarterly Investment Inventory Report be approved, as presented, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District.

### **OPERATING BUDGET FOR FISCAL YEAR ENDING MAY 31, 2025; JOINT WATER PLANT AND JOINT SEWER PLANT BUDGETS FOR HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418 ("NO. 418")**

Mr. Smith next presented the proposed budget for the District's fiscal year ending May 31, 2025, and requested that the Board and the District's consultants review and provide any comments to same prior to next month's meeting. Mr. Smith additionally presented the proposed joint water plant and joint sewer plant budgets for the fiscal year ending May 31, 2025, as prepared by No. 418 in accordance with the Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities by and between the District, No. 418 and Harris County Municipal Utility District Nos. 419, 490, 491, 492 and 493, copies of which are included in the Bookkeeper's Report. Following review and discussion, Director Carroll moved that the proposed joint water plant and joint sewer plant budgets prepared by No. 418 for the fiscal year ending May 31, 2025, be approved, as presented, subject to final review and approval by SPH. Director Salazar 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 March 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 Salazar seconded said motion, which unanimously carried.

Ms. Peak next addressed the Board concerning the tax exemptions granted by the District for the 2024 tax year. In connection therewith, Ms. Peak advised the Board that Director Carroll

recently inquired as to whether it would be feasible for the District to grant a one-half of one percent (0.5%) general residential homestead exemption for the 2024 tax year. She then presented to and reviewed with the Board a 2024 Tax Rate/Homestead Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit C**, and reminded the Board that it previously discussed and 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. Following discussion, the Board concurred that it would not grant a general residential homestead exemption at this time, and noted that it would reevaluate the District's tax exemptions once certified taxable values are released in the fall.

### **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. Schwartz 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 Carroll, seconded by Director Salazar and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit D**, 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, 2024.

### **DELINQUENT TAX COLLECTIONS REPORT**

The Board deferred consideration of a Delinquent Tax Report, as it was noted that none was due at this time from Perdue Brandon.

### **OPERATOR'S REPORT**

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of March 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 March 2024, a copy of which is included in the Operations and Maintenance Report.

Ms. Osborne next presented and discussed with the Board cost estimates for a proposed three-year Sanitary Manhole Survey for the District, copies of which are included in the Operations and Maintenance Report. Ms. Osborne reviewed such estimates in detail with the Board, noting the costs associated with each year of the three-year survey.

Ms. Osborne next provided the Board with an update relative to the status of the District's Air Scouring Program. In connection therewith, Ms. Osborne advised the Board that, while

conducting the second phase of the Air Scouring Program, Inframark received reports that an unscheduled interruption in water service had occurred within a section of the District that was not yet due for air scouring. She further advised that Inframark investigated the issue and discovered that closed valves within the section had caused the service disruption. She then presented and reviewed materials depicting the section and the location of valves within said section, copies of which are attached hereto as **Exhibit F**. Following discussion, the Board concurred that a valve survey should be conducted prior to the start of the third phase of the District's Air Scouring Program to avoid any unanticipated service interruptions in the future.

Following discussion, Director Carroll moved that the Operations and Maintenance Report and the action items listed therein be approved, including: (i) the forwarding of one (1) delinquent account in the amount of \$205.23, to collections; and (ii) the three-year Sanitary Manhole Survey in the total amount of approximately \$55,900.00. Director Salazar seconded said motion, which unanimously carried.

Ms. Osborne next reviewed with the Board Inframark's Annual Administrator's Report on Identity Theft Prevention and Protection, a copy of which is included in the Operations and Maintenance Report, and advised that Inframark is recommending that no changes be made to the District's program at this time. After discussion on the matter, the Board concurred that no changes were necessary to the District's program at this time.

#### **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, 2024. Following discussion, it was moved by Director Carroll, seconded by Director Salazar 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 Texas Commission on Environmental Quality's 2024 CCR template.

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

Ms. Nussa provided the Board with an update relative to garbage and recycling collections for the District, noting the upcoming document shred event scheduled to be held within the District on May 4, 2024. No action was required by the Board in connection with garbage and recycling collections.

#### **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. Schwartz 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 April 15, 2024, a copy of which is attached hereto as **Exhibit G**, including the pay estimates and change orders listed therein. Mr. Schwartz noted that the acceptance of the Conveyances and Bills of Sale of Facilities reflected in the Engineer's Report would be deferred. 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 Salazar seconded said motion, which unanimously carried.

**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. Schwartz advised the Board that the completed Bond Application Report No. 7 was filed with the Texas Commission on Environmental Quality 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.

**SIXTH SUPPLEMENTAL AGREEMENT**

The Board next considered the approval of a Sixth Supplemental Agreement between the District and No. 418 (the "Sixth Supplemental"), a copy of which is attached hereto as **Exhibit H**. In connection therewith, Mr. Schwartz advised the Board that the Sixth Supplemental provides that No. 418 will commit to the District 100 additional water connections, 100 additional wastewater connections, and 100 additional sanitary sewer connections in Service Area 1.9, 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 \$918,565.00 from the proceeds of the District's eighth bond issue. Following discussion, Director Carroll moved that the Sixth Supplemental be approved, as presented, and that the Vice President be authorized to execute same on behalf of the Board and District. Director Salazar seconded said motion, which unanimously carried.

**UTILITY COMMITMENT LETTERS**

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

**LAW ENFORCEMENT**

The Board considered law enforcement matters for the District. Director Carroll addressed the Board concerning a recent security incident that occurred at Dragonfly Park. In that regard, Director Carroll expressed his desire for added security measures in the District, and suggested hiring an additional officer to patrol the District's parks and greenspaces. He additionally suggested purchasing and donating an all-terrain vehicle ("ATV") to Harris County Constable, Precinct 5 ("Precinct 5") for patrol use in the District. Following discussion, it was moved by Director Carroll, seconded by Director Salazar and unanimously carried, that SPH be authorized

to (i) coordinate the engagement of an additional parks officer to patrol the District, and (ii) obtain the necessary documentation for the purchase and donation of an ATV to Precinct 5, including a proposal for the purchase of said ATV and an Agreement between the District and Precinct 5 for the donation of same.

### **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 April 15, 2024, a copy of which is attached hereto as **Exhibit I**. Following discussion, it was noted that no action was required by the Board in connection with the Communications Report.

### **BRIDGELAND WATER AGENCY**

The Board discussed matters relative to the Bridgeland Water Agency (the "Agency"). In connection therewith, Director Carroll presented to the Board a preliminary outline of potential projects/budgeted expenses currently under consideration by the Agency, a copy of which is attached hereto as **Exhibit J**. Director Carroll discussed such outline in detail with the Board, and requested that any comments/suggestions be provided to him for incorporation in the Agency budget. Following discussion, it was moved by Director Carroll, seconded by Director Salazar and unanimously carried, that the preliminary outline of the proposed budget for the Agency be approved.

### **DEVELOPER'S REPORT**

Ms. Baker presented to and reviewed with the Board the home inventory report through March 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit K**. It was noted that no action was required by the Board in connection with such report.

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

The Board noted that it had nothing new to discuss in regards to Bridgeland Council, Inc. 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.

### **ATTORNEY'S REPORT**

The Board considered the attorney's report. Mr. Schwartz advised that he had nothing

further of a legal nature to discuss with the Board at this time.

**CLOSED SESSION**

The Vice President noted that the Board would enter into Closed Session at 12:23 p.m. Those in attendance other than the Board, Mr. Schwartz, Ms. Ellis and Ms. Ernst exited the meeting at this time.

**RECONVENE IN OPEN SESSION**

The Board reconvened into Open Session at 12:29 p.m., with the Board, Mr. Schwartz, Ms. Ellis and Ms. Ernst in attendance.

Mr. Goodspeed and his sons reentered the meeting at this time.

No action was taken by the Board in connection with the matters discussed in Closed 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.

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Secretary

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

**LIST OF ATTACHMENTS TO MINUTES**

April 15, 2024

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- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector's Report
- Exhibit C –** 2024 Tax Rate/Homestead Analysis
- Exhibit D –** Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit E –** Operations and Maintenance Report
- Exhibit F –** Air Scouring Program Depictions
- Exhibit G –** Engineer's Report
- Exhibit H –** Sixth Supplemental Agreement
- Exhibit I –** Communications Report
- Exhibit J –** Preliminary Outline of Proposed Budget for Bridgeland Water Agency
- Exhibit K –** Home Inventory Report through March 2024