

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 493

Minutes of Meeting of Board of Directors

January 28, 2025

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 493 (the "District") met in regular session, open to the public, on January 28, 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:

Burt Lazar, President
Tommy J. Vicknair, Vice President
Kaci Schlachter, Secretary
Greg Garner, Jr., Assistant Secretary
Summer Guderian, Assistant Secretary

and all of said persons were present, except for Director Guderian, thus constituting a quorum. Director Guderian entered the meeting after it was called to order, as noted herein.

Also present were Miguel Medina of Municipal Accounts & Consulting, L.P. ("MA&C"); Will Gutowsky and Edgar Britt of BGE, Inc. ("BGE"); Mackenzie Johnson of Inframark, LLC ("Inframark"); Nikki Moore of B&A Municipal Services ("B&A"); Barbara Nussa of Republic Services, Inc. ("Republic"); Julie Peak of Masterson Advisors, LLC ("Masterson"); and Joseph Schwartz and Lindsey Pittman 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 opened the meeting for public comment. There being no members of the public present, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its meeting held on December 20, 2024. Following review and discussion of the minutes presented, it was moved by Director Schlachter, seconded by Director Lazar, and unanimously carried that the minutes of the Board meeting held on December 20, 2024, be approved, as written.

Director Guderian entered the meeting at this time.

BOOKKEEPER'S REPORT

Mr. Medina presented to and reviewed with the Board the Bookkeeper's Report dated January 28, 2025, and the Quarterly Investment Report for the period ending on November 30, 2024, copies of which are attached hereto as **Exhibit A**. Following discussion, it was moved by Director Schlachter, seconded by Director Lazar and unanimously carried, that the Bookkeeper's Report and the Quarterly Investment Report be approved, as presented, and the disbursements listed therein be approved for payment.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Schwartz informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, it was moved by Director Schlachter, seconded by Director Guderian and unanimously carried, that Forvis Mazars, LLP, the District's auditor, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

TAX ASSESSOR COLLECTOR'S REPORT

Ms. Moore presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month ending December 31, 2024, a copy of which is attached hereto as **Exhibit B**. Following discussion, Director Schlachter moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be authorized for payment. Director Lazar 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., delinquent tax attorneys for the District.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Schwartz advised the Board that it is authorized, pursuant to Section 33.11 of the Tax Code, to impose, under certain conditions, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property 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, in accordance with Section 33.11 of the Tax Code, as amended. Following discussion, it was moved by Director Schlachter, seconded by Director Lazar and unanimously carried, that: (i) the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and (ii) Perdue Brandon, the District's delinquent tax collections attorneys, be authorized to proceed with

collection of the District's delinquent 2024 personal property tax accounts on April 1, 2025, including the filing of lawsuits, as necessary.

EXEMPTIONS FROM TAXATION

The Board considered granting exemptions from taxation for 2025. In connection therewith, Mr. Schwartz 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. After further discussion on the matter, Director Schlachter moved that (i) the District not grant the residential homestead exemption during the calendar year 2025, (ii) the District not grant an exemption for persons under a disability or sixty-five years of age or older during the calendar year 2025, and (iii) the Resolution Concerning Exemptions from Taxation, a copy of which is attached hereto as **Exhibit D**, be approved and adopted by the Board and the District. Director Guderian seconded said motion, which carried unanimously.

OPERATOR REPORT

Ms. Johnson presented to and reviewed with the Board an Operations and Maintenance Report, a copy of which is attached hereto as **Exhibit E**. Ms. Johnson reviewed with the Board a proposal regarding the annual fire hydrant inspection survey, with costs to the District estimated to be approximately \$855.00. She further advised that Inframark recommends completing the inspection annually, and requested the Board's approval to proceed. Ms. Johnson also discussed an effluent violation reported to the Texas Commission on Environmental Quality on November 11, 2024, caused by damage to the electrical components controlling a reuse filter basin PLC. Ms. Johnson reported that the filter basin was switched to backup mode and is currently operating manually until the damaged components can be replaced. Following review and discussion, Director Schlachter moved that (i) the Operations and Maintenance Report be approved, as presented, and (ii) the annual fire hydrant inspection survey be approved, as recommended by Inframark. Director Guderian seconded said motion, which unanimously carried.

STATUS OF REVIEW OF WATER CONSERVATION PLAN

The Board considered the status of the review of the District's Water Conservation Plan ("WCP"). In connection therewith, Mr. Schwartz advised the Board that the WCP is currently under review by the District's consultants.

ENGINEER'S REPORT

Mr. Britt next presented to and reviewed with the Board the Engineer's Report dated January 28, 2025, a copy of which is attached hereto as **Exhibit F**, including the pay estimates and change orders listed therein. Mr. Britt requested that acceptance of all other conveyances listed in the report be deferred. Following discussion of the Engineer's Report, Director Schlachter moved that (i) all action items identified in the Engineer's Report be approved, as recommended by BGE, and (ii) the acceptance of conveyances be deferred. Director Guderian seconded said motion, which unanimously carried.

STATUS OF PROPOSED UNLIMITED TAX BONDS, SERIES 2025 (THE "SERIES 2025 BONDS") AND ADOPTION OF ORDER AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

The Board considered the proposed issuance of the District's Series 2025 Bonds. In connection therewith, Mr. Britt advised the Board that BGE will begin preparation of Bond Application Report No. ("BAR No. 1") for filing on an expedited basis with the TCEQ. He then presented to and reviewed with the Board a preliminary draft of the Summary of Costs for BAR No. 1 in the total amount of \$12,855,000, a copy of which is attached hereto as **Exhibit G**. Ms. Peak then presented to and reviewed with the Board a Cash Flow Analysis for the proposed Series 2025 Bonds, a copy of which is also attached under as **Exhibit G**. Upon review and discussion of the materials presented, it was moved by Director Schlachter, seconded by Director Guderian and unanimously carried, that (i) the draft Summary of Costs for the District's BAR No. 1 be approved, subject to completion of the final Summary of Costs by BGE, with final par amounts not to exceed \$13,000,000 (ii) the Board authorize the District's consultants to coordinate the filing of the District's BAR No. 1 with the TCEQ, and (iii) the Board adopt the Order Authorizing Application to the TCEQ for Approval of Project and Bonds attached hereto as **Exhibit H**.

SECOND SUPPLEMENTAL AGREEMENT

The Board considered approval of a Second Supplemental Agreement with Harris County Municipal Utility District No. 418 ("No. 418"), a copy of which is attached hereto as **Exhibit I**. Mr. Schwartz noted that 959 additional water connections, 959 additional wastewater connections, and 959 additional sanitary sewer connections in various service areas are proposed to be committed by No. 418 to the District. Mr. Schwartz stated that payment by the District to No. 418 will be in the estimated amount of \$9,709,839 and will be made from the proceeds of the District's bond issue discussed previously in the meeting. After discussion, Director Schlachter moved that (i) said Second Supplemental Agreement be approved as presented, and (ii) the President be authorized to execute same on behalf of the Board and District. Director Guderian seconded said motion, which unanimously carried.

SUBMERGED STORM SEWER AGREEMENTS

The Board deferred consideration of Submerged Storm Sewer Agreements, as it was noted that none were presented for approval.

STREET LIGHT LETTER AGREEMENTS

The Board next considered approval and execution of an updated Street Light Letter Agreements for Street Light Installation at Bridgeland Central, Section 3 (the "updated Agreement"), a copy of which is attached hereto as **Exhibit J**. Mr. Schwartz noted that an earlier version of the Agreement was approved and executed on December 20, 2024 (the "original Agreement"), but that due to a difference in price, said updated Agreement would be required. The price outlined in the original Agreement was \$45,992, and that the price reflected in the updated Agreement is \$48,754. After discussion, Director Schlachter moved that (i) the updated Agreement be approved and (ii) the President be authorized to execute the updated Agreement on behalf of the Board and the District. Director Guderian seconded said motion, which carried unanimously.

GARBAGE COLLECTION SERVICES

Ms. Nussa advised the Board that there were no issues to report regarding the District's garbage and recycling collection, but noted that garbage pick-up had resumed its regular schedule following disruptions caused by the winter storms during the week of January 20.

UTILITY COMMITMENTS

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

BRIDGELAND WATER AGENCY

In connection with the recent actions of the Bridgeland Water Agency (the "Agency"), Mr. Schwartz advised the Board that the Agency is currently planning a pool safety event in the spring, as well as its annual document shred event on May 17, 2025 at Josey Park. Mr. Schwartz also advised that the Agency has begun using laser speed detectors within the District.

Mr. Schwartz next addressed the Board concerning the Agency's need for current District customer data for incorporation in the Agency's communications platforms, and requested that the Board authorize the annual release of such data from the District's customer database maintained by Inframark to the Agency for such purpose. Following discussion, it was moved by Director Schlachter, seconded by Director Guderian and unanimously carried, that Inframark be authorized to release, on an annual basis until rescinded by the Board, the necessary data from the District's customer database to the Agency for incorporation in the Agency's communications platforms.

WEBSITE UPDATES

Mr. Schwartz presented to and reviewed with the Board the Communications Report dated January 28, 2025, prepared by Touchstone District Services, LLC, a copy of which is attached hereto as **Exhibit K**. Following discussion, it was noted that no action was required by the Board in connection with the Communications Report at this time.

DEVELOPER'S REPORT

Mr. Schwartz presented to and reviewed with the Board the home inventory report through December 2024, as prepared by the Bridgeland Development, LP (the "Developer"), a copy of which is attached hereto as **Exhibit L**. It was noted that no action was required by the Board in connection with such report.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Schwartz reported to the Board that the District's current insurance coverage through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2025. He informed the Board of the other insurance companies available to the District that provide coverage to water districts, and inquired as to whether the Board desired to solicit proposals from such companies for review prior to the expiration of the District's current policies. Following discussion, the Board concurred that SPH be authorized to solicit a renewal proposal from Gallagher, its current provider, for consideration at the next meeting Board meeting.

PROPOSED ANNEXATIONS

The Board considered the status of annexation of the 154 acres (the "Rue Tract") and the adjacent 168 acres (the "Hornberger Tract") as previously requested by TPHTL House Hahl, LLC ("TPHTL"). Mr. Schwartz advised that SPH is awaiting the acknowledgment letter from the West Harris County Regional Water Authority in reference to the proposed annexation, and that upon receipt of that letter, the consent petition will be submitted to the City of Houston. It was noted that no action was required by the Board in connection with this matter.

COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY

The Board 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 M**. Mr. Schwartz advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Schwartz noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. 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 ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Schlachter moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Guderian seconded said motion, which unanimously carried.

DISTRICT PARTICIPATION IN THE JANUARY 1, 2025 TRACE AIR FLYOVER

Mr. Schwartz next discussed the Trace Air flyover, which was completed on January 1,

2025. Mr. Schwartz advised the Board that the final cost to the District for participation in the flyover was \$1,260. Following discussion, it was moved by Director Schlachter that the final cost to the District be approved. Director Guderian seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Mr. Schwartz noted that he had no additional matters of a legal nature to discuss, which had not already been discussed.

FUTURE AGENDA ITEMS

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 Schlachter, seconded by Director Guderian and unanimously carried, the meeting was adjourned.


Secretary



HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 493

LIST OF ATTACHMENTS TO MINUTES

JANUARY 28, 2025

Exhibit A –	Bookkeeper's Report
Exhibit B –	Tax Assessor Collector's Report
Exhibit C –	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
Exhibit D –	Resolution Concerning Exemptions from Taxation
Exhibit E –	Operations and Maintenance Report
Exhibit F –	Engineer's Report
Exhibit G –	Summary of Costs (Series 2025 Bonds)
Exhibit H –	Order Authorizing Application to the TCEQ for Approval of Project and Bonds
Exhibit I –	Second Supplemental Agreement
Exhibit J –	Street Light Letter Agreement
Exhibit K –	Communications Report
Exhibit L –	Developer's Home Inventory Report
Exhibit M	Order Establishing Policy for Covered Applications and Prohibited Technology