

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418

Minutes of Special Meeting of Board of Directors

January 6, 2026

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 418 (the "District") met in special session, open to the public, on January 6, 2026, 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:

Steven P. Knabe	President
Chris Gilbert	Vice President
Bettina Parr	Secretary
Cathy Cobb	Assistant Secretary
Colby McClary	Assistant Secretary

and all of said persons were present, with the exception of Director Gilbert, thus constituting a quorum. Director Gilbert would enter 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 of BGE, Inc. ("BGE"); Mackenzie Johnson, Lindsey DeLong and Mark Landreneau of Inframark, LLC ("Inframark"); Johnnie Thompson of Wheeler & Associates, Inc. ("Wheeler"); Dan Kolkhorst of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, LP ("Developer"); Jenna Craig of Touchstone District Services, LLC ("Touchstone"); and Joseph M. Schwartz, Cullen Richardson, Chanel Holmes 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 the Board.

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 draft minutes of its meeting held on November 12, 2025. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the minutes of the November 12, 2025, meeting be approved, as presented.

BOOKKEEPER'S REPORT

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

January 6, 2026, including disbursements presented for payment, a copy of which is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment.

Director Gilbert and Julie Peak of Masterson Advisors LLC ("Masterson") entered the meeting at this time.

TAX ASSESSOR COLLECTOR REPORT

Ms. Thompson presented to and reviewed with the Board the Tax Assessor Collector Monthly Report as of December 31, 2025, a copy of which is attached hereto as **Exhibit B**. Following discussion, Director Parr moved that the Tax Assessor Collector Monthly Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Cobb seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a Delinquent Tax Report, as it was noted that none 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.

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 becomes delinquent after February 1 of a year and that remains 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 Parr, seconded by Director Cobb 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 2025 personal property tax accounts on April 1, 2026, including the filing of lawsuits, as necessary.

EXEMPTIONS FROM TAXATION

The Board considered granting exemptions from taxation for 2026. 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 2026, 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 2026, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Mr. Schwartz then advised the Board that Prologis, L.P. ("Prologis"), owner of the 350.75 acre parcel of land recently annexed into the District's boundaries, has requested that the District consider rescinding its prior action to authorize the taxation of goods-in-transit under Section 11.253 of the Texas Property Tax Code. In connection therewith, Ms. Peak confirmed for the Board that Prologis and its tenants will not likely have goods-in-transit prior to tax year 2027, and suggested that the Board defer its consideration of same until such time. After further discussion on the matter, Director Parr moved that (i) the District not grant the residential homestead exemption during the calendar year 2026, (ii) the District not grant an exemption for persons under a disability or sixty-five years of age or older during the calendar year 2026, 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 Cobb seconded said motion, which carried unanimously.

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 Parr, seconded by Director Cobb 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.

OPERATOR'S REPORT

Ms. DeLong presented to and reviewed with the Board an Operations and Maintenance Report for the month of December 2025, a copy of which is attached hereto as **Exhibit E**, and reported on the status of repairs and replacements made to the District's facilities.

Ms. DeLong next addressed the Board regarding the proposed implementation of a Prima security system and cameras to serve the District's facilities. In connection therewith, Ms. DeLong reminded the Board that, as discussed at last month's meeting, the District could enter into an agreement with AT&T or Verizon as the service provider for such system based upon available signal in the area. Following discussion, the Board concurred not to proceed with the implementation of a security system at this time.

Ms. DeLong next recalled for the Board its previous discussion regarding the need for well maintenance services at Water Plant No. 2 due to the detection of brass in Well No. 3. She then provided the Board with a proposal received from C&C Water Services for the maintenance of Well No. 3 in the amount of \$168,510.00.

Ms. DeLong next provided the Board with proposals from Inframark/Northside Electric for the repair or replacement of RAS Pump 1 at Wastewater Treatment Plant No. 1 (*Concrete*

Plant). She noted the total cost for the repair of RAS Pump 1 in the amount of \$16,925.00, and the total cost for the replacement of RAS Pump 1 in the amount of \$37,119.00. Ms. DeLong advised that Inframark is recommending the repair of RAS Pump 1 at this time.

Ms. DeLong next provided the Board with a proposal from Inframark/Northside Electric for the repair of Lift Pump No. 1 at Lift Station No. 2 in the amount of \$12,326.00.

Ms. DeLong next provided the Board with proposals from Inframark/Northside Electric for the repair or replacement of Lift Pump No. 2 at Lift Station No. 2. She noted the total cost for the repair of Lift Pump No. 2 in the amount of \$23,179.00, and the total cost for the replacement of Lift Pump No. 2 in the amount of \$34,015.00. Ms. DeLong advised that Inframark is recommending the repair of Lift Pump No. 2 at this time.

Ms. DeLong next provided the Board with a proposal from Southern Flowmeter, Inc. for the replacement of the well meter at Water Plant No. 4 in the amount of \$1,943.00.

Ms. DeLong next advised the Board that Inframark is recommending that a full H2S study be conducted throughout Bridgeland, and provided a quote from V&A Engineering for such work in the amount of \$38,494.00.

Following discussion, it was moved by Director Gilbert, seconded by Director Cobb and unanimously carried, that the Operations and Maintenance Report and the action items listed therein be approved and authorized, as appropriate, including (i) the maintenance of Well No. 3 at Water Plant No. 2 at the cost of \$168,510.00, (ii) the repair of RAS Pump 1 at Wastewater Treatment Plant No. 1 (*Concrete Plant*) at the cost of \$16,925.00, (iii) the repair of Lift Pump No. 1 at Lift Station No. 2 at the cost of \$12,326.00, (iv) the repair of Lift Pump No. 2 at Lift Station No. 2 at the cost of \$23,179.00, (v) the replacement of the well meter at Water Plant No. 4 at the cost of \$1,943.00, and (vi) the conducting of an H2S study at the cost of \$38,494.00.

2025 WATER LOSS AUDIT

The Board next considered authorizing the District's engineer and operator to perform the 2025 water loss audit. In connection therewith, Mr. Schwartz advised the Board that, pursuant to Section 16.0121 of the Texas Water Code, municipal utility districts that provide potable water to members of the public are required to perform and file with the Texas Water Development Board ("TWBD") every five (5) years, an audit computing the utility's most recent annual system water loss. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the District's operator and engineer be authorized to perform the 2025 water loss audit and file same with the TWBD by May 1, 2026.

AMENDMENT OF THE DISTRICT'S RATE ORDER

The Board next considered the amendment of the District's Rate Order to accommodate Inframark's request for the implementation of a new monthly fee for the installation, maintenance and inspection of temporary meters in the amount of \$120.00. Following discussion on the matter, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that (i) the

District's Rate Order be amended to include a new monthly fee for the installation, maintenance and inspection of temporary meters in the amount of \$120.00, as discussed above, (ii) any and all Rate Orders heretofore adopted be revoked, and (iii) the Rate Order, a copy of which is attached hereto as **Exhibit F**, be passed and adopted.

ENGINEER'S REPORT

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated January 6, 2026, a copy of which is attached hereto as **Exhibit G**, including the pay estimates and change orders listed therein. In connection therewith, Mr. Gutowsky requested the Board's concurrence in (i) the design and advertisement of bids for the construction of Wastewater Treatment Plant No. 2 Phase II, and (ii) the design of project by SWA Group and the advertisement of bids for the construction of Prairieland Peek 6 Medians & West Side Landscaping. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the Engineer's Report and the action items listed therein be approved, including (i) the design and advertisement of bids for the construction of Wastewater Treatment Plant No. 2 Phase II, and (ii) the design of project by SWA Group and the advertisement of bids for the construction of Prairieland Peek 6 Medians & West Side Landscaping.

CAPITAL IMPROVEMENT PLAN

Mr. Gutowsky advised that he had nothing new to report to the Board in connection with the District's Capital Improvement Plan at this time.

STORM WATER POLLUTION PREVENTION AND STORM WATER QUALITY MANAGEMENT

Mr. Schwartz advised that he had nothing new to report to the Board with respect to this matter at this time.

BRIDGELAND WATER AGENCY ("AGENCY")

Mr. Schwartz provided the Board with a brief update on Agency matters, including the status of the Agency's scheduling of the following community events: (i) the 2026 hazardous waste collection and electronics recycling event, which has been tentatively scheduled for October 24, 2026; (ii) the 2026 annual document shred event, which has been tentatively scheduled for March 28, 2026; and (iii) the 2026 barbecue and outreach event, which has been tentatively scheduled for March 20, 2026, and March 21, 2026. It was noted that no action was required by the Board in connection with this matter.

DEVELOPER'S REPORT

Mr. Kolkhorst presented to and reviewed with the Board the home inventory report through December 2025, as prepared by the Developer, a copy of which is attached hereto as **Exhibit H**. It was noted that no action was required by the Board in connection with such report.

ANNEXATIONS

The Board next considered the status of the Developer's request for the annexation of 82.90 acres adjacent to the boundary of the District. In connection therewith, Mr. Schwartz advised the Board that the City of Houston recently updated its annexation consent application form, and that the District's consultants are now working to prepare and update the District's consent package accordingly. No action was required by the Board in connection with this matter at this time.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Schwartz presented and reviewed with the Board correspondence received from Masterson relative to disclosure requirements imposed by the Municipal Securities Rulemaking Board's Rule G-10, a copy of which is attached hereto as **Exhibit I**. Following discussion, the Board concurred to formally acknowledge receipt of said disclosure.

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, 2026. 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 requested that SPH solicit a renewal proposal from Gallagher, its current provider, for consideration at the next meeting Board meeting.

CREATION OF DISTRICT WEBSITE

The Board next considered the status of creation of the District's website. In connection therewith, Ms. Craig advised the Board that Touchstone has prepared a draft of the District's website, and circulated same to Director Gilbert for review and comment. Director Knabe requested to receive the draft website for his review, to which Ms. Craig responded that she would provide access to same via email. Following discussion, it was noted that no action was required by the Board in connection with this matter.

RATIFY ADOPTION OF RESOLUTION REQUESTING APPRAISAL OF DISTRICT PROPERTY AS OF DECEMBER 1, 2025

Mr. Schwartz advised the Board that, following last month's meeting cancellation and due to the pressing nature of the matter, Director Parr took action on the Board's behalf to approve and execute a Resolution Requesting Appraisal of District Property as of December 1, 2025, in advance of today's Board meeting. He then requested that the Board ratify Director Parr's handling of same. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the actions taken by Director Parr to approve and execute the Resolution Requesting Appraisal of District Property as of December 1, 2025, on behalf of the Board and the District, be approved and ratified in all respects.

TRACEAIR FLYOVER AS OF JANUARY 1, 2026

Mr. Schwartz next discussed with the Board the District's participation in the annual aerial flyover of the Bridgeland development. Mr. Schwartz reminded the Board that said flyover provides for the gathering of data and photographs to assist in, among other things, the evaluation of Harris Central Appraisal District's assessment of land values as of January 1, 2026. In that regard, Mr. Schwartz advised the Board that, following last month's meeting cancellation and due to the pressing nature of the matter, Director Knabe took action on the Board's behalf to approve and execute a proposal for the TraceAir flyover as of January 1, 2026, in advance of today's Board meeting. He then requested that the Board ratify Director Knabe's handling of same. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that: (i) the actions taken by Director Knabe to approve and execute the proposal for the TraceAir flyover as of January 1, 2026, on behalf of the Board and the District, be approved and ratified in all respects; (ii) the District's participation in the cost for such flyover be authorized; (iii) the District enter into a letter agreement, in a form prepared by SPH, to share the costs of the flyover with the other Bridgeland water districts; and (iv) the President be authorized to execute said letter agreement on behalf of the Board and the District. A copy of the letter agreement, thus approved, is attached hereto as **Exhibit J**.

MATTERS RELATED TO MAY 2, 2026 DIRECTORS ELECTION

Mr. Schwartz next reported on issues related to the District's Directors Election (the "Election") to be held on May 2, 2026. In connection therewith, Mr. Schwartz presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**, regarding the benefit of participating in a joint election administered by Harris County. Mr. Schwartz advised that Harris County has not yet indicated whether or not it will offer joint election services to political subdivisions for the May 2, 2026 election. He further discussed the challenges of administrating an independent election.

SUPPLEMENTAL AGENDA

The Board considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Schwartz presented the Order Calling Directors Election (the "Order"), attached hereto as **Exhibit L**, calling the Election to be held on May 2, 2026. He noted that the Order is structured for an independent election and could be amended if Harris County determines to offer contracts for participation in a joint election. It was noted that the terms of office of Directors Knabe, Parr and Cobb expire in May of this year. In reviewing the Order with the Board, Mr. Schwartz advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Peyton McKelvey as such agent (the "Election Agent"). Mr. Schwartz further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Schwartz advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting

the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District and on the District's website. After discussion on the matter, Director Parr moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Cobb seconded said motion, which unanimously carried. Mr. Schwartz advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2026, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board next considered the establishment of fees to be paid to officials for the Election. Mr. Schwartz advised the Board that, in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Parr moved that the judges and clerks for the Election, including early voting clerks, be paid \$10.00 per hour. Director Cobb seconded said motion, which unanimously carried.

EVALUATION OF RESPONSES TO REQUESTS FOR PROPOSALS (RFPs) FOR OPERATIONS SERVICES

The Board concurred that it would discuss and further evaluate responses to the District's RFPs for operations services in Executive Session.

EXECUTIVE SESSION

The President announced that the Board would enter into Executive Session at 12:01 p.m. pursuant to Section 551.071 of the Texas Government Code, as amended. All those in attendance, with the exception of the Board, Mr. Gutowsky, Ms. Holmes, Mr. Richardson, Mr. Schwartz and Ms. Pittman, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 12:27 p.m.

Ms. DeLong and Mr. Landreneau re-entered the meeting at this time.

Following review and discussion of the proposals submitted for the District's operations services, Director Cobb moved that (i) SPH be authorized to negotiate the terms of a proposed Agreement between the District and Municipal District Services, LLC ("MDS") for the District's operations services, as discussed in Executive Session, and, if such negotiations are successful, the President be authorized to execute said Agreement and SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 submitted by MDS in connection therewith; and (ii) SPH be

authorized to deliver a written notice of termination to Inframark, the District's current provider of operations services. The motion was seconded by Director Parr, and, with Directors Gilbert, McClary, Parr and Cobb voting in favor of such motion, and with Director Knabe abstaining, the motion carried.

MATTERS FOR PLACEMENT ON FUTURE AGENDAS

The Board considered items for placement on future agendas. No other specific agenda items other than routine and ongoing matters, or those discussed above, were requested.

ADJOURNMENT

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



Bettina Parr
Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418

LIST OF ATTACHMENTS TO MINUTES

January 6, 2026

- 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 –** Rate Order
- Exhibit G –** Engineer's Report
- Exhibit H –** Home Inventory Report through December 2025
- Exhibit I –** MSRB Rule G-10 Disclosure
- Exhibit J –** Letter Agreement for TraceAir Flyover as of January 1, 2026
- Exhibit K –** Memorandum regarding Harris County Elections
- Exhibit L –** Order Calling Directors Election