

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418

### NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested members of the public that the Board of Directors of the above-captioned District will hold a regular meeting at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas 77056, said address being a meeting place of the District.

The meeting will be held on **Tuesday, May 26, 2026, at 11:00 a.m.**

The Board shall consider and discuss the following matters and take any action appropriate with respect to such matters:

1. Public comments;
2. Approval of the minutes of the meeting of the Board of Directors held on April 28, 2026;
3. Bookkeeper's Report, including financial and investment reports, and authorizing the payment of invoices presented;
4. Review and approval of draft budgets for joint water plant account and joint sewer plant account for the District's fiscal year ending May 31, 2027 (reference Exhibit A and Exhibit B attached hereto), and consider any comments received from other Participants under that certain Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities with the District;
5. Adoption of operating budget for the District's general operating fund for fiscal year ending May 31, 2027 (reference Exhibit C and Exhibit D attached hereto);
6. Engagement of auditor to audit the District's financial statements and prepare the District's audit report for fiscal year ending May 31, 2026;
7. Receive Tax Assessor-Collector report and approve payment of invoices presented and moving of accounts to uncollectible roll;
8. Report on legal action taken by the District's delinquent tax collections attorney, authorize foreclosure proceedings, installment agreements, and the filing of proofs of claim;
9. Approval of Unclaimed Property Report(s) as of March 1, 2026, and authorize bookkeeper and tax assessor-collector to file Report(s) with State Comptroller prior to July 1, 2026;
10. Operator's Report, including:
  - a) Monthly report, including inspections, repairs and maintenance of District facilities and status of compliance with permits;
  - b) Status of filing of 2025 water loss audit and authorize filing of same with Texas

- Water Development Board; and
  - c) Review and approval of the annual Consumer Confidence Report and authorize Operator to provide such report to the District's website provider and distribute same to District customers;
11. Consider approval of (i) Sludge Management Agreement by and among the District, Municipal District Services, LLC, and Magna-Flow International, Inc., and (ii) Sludge Management Agreement by and among the District, Municipal District Services, LLC, and K-3BMI; authorize termination of existing Sludge Management Agreements;
  12. Authorize and direct the District's engineer and/or the District's operator to comply with the requirements of the EPA's America's Water Infrastructure Act of 2018;
  13. Engineer's Report, including:
    - a) Authorizing the design, advertisement for bids and/or award of construction contracts or concurrence in the award of a contract for the construction of water, sanitary sewer and drainage facilities within the District, and authorize acceptance of TEC Form 1295 in connection therewith, including:
      - i) Water Well No. 4 Advanced Water Quality Treatment;
      - ii) Water Well No. 10; and
      - iii) Wastewater Treatment Plant No. 2 Phase II;
    - b) Status of construction contracts, including the approval of any pay estimates, change orders and/or acceptance of facilities for operation and maintenance purposes, and authorize acceptance of TEC Form 1295's in connection therewith including:
      - i) Wastewater Treatment Plant No. 3 – 5J Services, LLC;
      - ii) Wastewater Treatment Plant No. 1 Nitrate Removal – AdEdge Water Technologies;
      - iii) Northbound Right Turn Lane at State Highway 99 Northbound Exit Ramp at Bridgeland Creek Parkway – Main Lane Industries, Inc.;
      - iv) Wastewater Treatment Plant No. 2 – 5J Services, LLC;
      - v) Water Plant No. 3 – Phase 1 – Schier Construction;
      - vi) Water Well No. 8 – Weisinger Incorporated;
      - vii) Bridgeland Peek Road Street Dedication, Section 6 – Unitas Construction, Inc.;
      - viii) Prologis Phase 1 Public Infrastructure – Carter Construction;
      - ix) Prologis Lift Station – Joeris General Contractors, LLC;
      - x) Water Quality Blending Technical Assistance – Corona Environmental Consulting, LLC;
      - xi) Wastewater Treatment Plant No. 1 Expansion to 3.0 MGD – Reytec Construction Resources, Inc.;
      - xii) Water Well No. 9 – Weisinger Incorporated; and
      - xiii) Wastewater Treatment Plant No. 3, Phase II and III – HCG;
      - xiv) Prairieland Peek 6 Medians & West Side Landscaping – Shooter & Lindsey, LLC ;
    - c) Acceptance of site deeds, easements, and conveyances for facilities constructed or

to be constructed for the District, conveyance of real property interests, and acceptance of TEC Form 1295's in connection therewith, including:

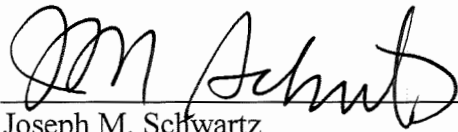
- i) Conveyance – Bridgeland Landscape Management Zone – Landscape Improvements;
  - ii) Conveyance – Summit Point Crossing Section 5 – Master Facilities;
  - iii) Special Warranty Deed – Water Plant No. 4, Phase I;
  - iv) Conveyance – Water Plant No. 4, Phase I;
  - v) Conveyance – Water Plant No. 2 Ground Storage Tank No. 2; and
  - vi) Conveyance – BLMZ A.135 Landscaping Improvements;
14. Review and discuss Capital Improvement Plan and authorize action in connection therewith;
  15. Report on status of storm water pollution prevention and storm water quality management; including status of storm water permits and the taking of any action relative thereto;
  16. Status of the District's proposed \$7,290,000 Unlimited Tax Road Bonds, Series 2026 (the "Series 2026 Road Bonds"), including approval of summary of costs related to same and engagement of auditor to prepare agreed-upon procedures report relative to payment to the District's developer from the proceeds of the Series 2026 Road Bonds;
  17. Approval of Fourth Supplemental Agreement Harris County Municipal Utility District No. 491 for allocation of additional water and wastewater capacity in Master Facilities;
  18. Matters related to the Bridgeland Water Agency (the "Agency") and directives to the District's Trustee and Alternate(s);
  19. Receive monthly Communications Report relative to the District's website by Touchstone District Services, LLC;
  20. Developer's Report;
  21. Annexation of certain land into the boundaries of the District, including proposed annexation of approximately 82.90 acres as requested by Bridgeland Development, L.P.;
  22. Attorney's Report;
  23. Discuss changes to cybersecurity and artificial intelligence training requirements applicable to directors of the District;
  24. Acceptance of Qualification Statements, Bonds, Oaths of Office, Affidavits of Current Director, and Elections Not to Disclose Certain Information for Directors, including acceptance of resignation and filling of vacancy on the Board of Directors in connection therewith;

25. Election of officers of Board of Directors;
26. Approval of District Registration Form relative to election of Directors;
27. Authorize preparation and maintenance of a local government officers list in connection with conflict of interest disclosure requirements;
28. Discuss training requirements memorandum for Directors pursuant to the Texas Open Meetings Act and the Texas Public Information Act, and the procedures for compliance with same;
29. Discuss conflicts disclosure statement reporting requirements memorandum for Directors; and
30. Schedule of future meetings and matters for possible placement on future agendas.

SCHWARTZ, PAGE & HARDING, L.L.P.

(SEAL)



By:   
Joseph M. Schwartz  
Attorneys for the District

*Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's attorney at (713) 623-4531 at least three business days prior to the meeting so that appropriate arrangements can be made.*

**EXHIBIT A**

[Proposed Joint Water Plant and Joint Sewer Plant Budgets for Fiscal Year Ending May 31, 2027]

# Proposed Budget

Harris County MUD No. 418 - JWP - Fiscal Year Ending 05/2027

	Nine Month Actuals 06/25 - 02/26	Twelve Months Annualized FYE 05/26	Approved 2026 Budget	Proposed 2027 Budget
<b>Revenues</b>				
84801 · Interest Earned on Checking	1,877	2,528	5,000	2,500
85301 · Harris County MUD 418	34,387	46,301	147,062	53,367
85302 · Harris County MUD 419	2,196,109	2,956,973	2,962,116	2,916,798
85303 · Harris County MUD 489	1,940,412	2,612,688	2,678,288	2,607,859
85304 · Harris County MUD 490	904,931	1,218,454	913,368	1,374,565
85305 · Harris County MUD 491	451,470	607,886	569,606	859,165
85306 · Harris County MUD 492	0	0	0	19,437
85307 · Harris County MUD 493	159,373	214,589	305,660	428,058
<b>Total Revenues</b>	<b>\$5,688,559</b>	<b>\$7,659,419</b>	<b>\$7,581,100</b>	<b>\$8,261,750</b>
<b>Expenditures</b>				
86701 · Legal Fees	5,753	8,630	17,500	18,500
86702 · Auditing Fees	8,450	8,450	8,000	9,000
86703 · Engineering Fees	61,092	81,456	56,000	85,000
86704 · Bookkeeping Fees	15,942	21,256	17,000	23,000
86705 · Printing & Office Supplies	190	254	200	300
86707 · Postage Expense	24	32	0	40
86708 · Insurance & Surety Bond	0	79,386	65,000	85,000
86709 · Bank Charges	120	160	100	360
86711 · HC 418 General & Admin Expense	67,610	90,146	70,000	84,950
86712 · Environmental Consulting Study	8,561	8,561	0	75,000
87301 · Operations - Water	46,898	62,531	70,000	80,000
87302 · Maintenance & Repairs	705,064	940,085	1,000,000	1,000,000
87303 · Chemicals - Water	117,330	156,441	185,000	185,000
87304 · Laboratory Expense	19,545	26,060	16,000	40,000
87305 · Utilities	243,375	324,501	410,000	350,000
87306 · Mowing Expense	17,332	23,110	50,000	35,000
87308 · Telephone Expense	400	533	300	600
87310 · WHCROWA Pumpage Fee	4,370,145	5,826,860	5,600,000	6,160,000
87312 · Air Scouring Expense	0	0	15,000	15,000

# Proposed Budget

Harris County MUD No. 418 - JWP - Fiscal Year Ending 05/2027

	<b>Nine Month Actuals</b> 06/25 - 02/26	<b>Twelve Months Annualized</b> FYE 05/26	<b>Approved</b> 2026 Budget	<b>Proposed</b> 2027 Budget
87313 · AWIA RRA and ERP Renewal	0	0	0	15,000
87801 · Miscellaneous Expense	726	967	1,000	0
<b>Total Expenditures</b>	<b>\$5,688,559</b>	<b>\$7,659,419</b>	<b>\$7,581,100</b>	<b>\$8,261,750</b>
<b>Net Excess Revenues &lt;Expenditures&gt;</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Proposed Budget

Harris County MUD No. 418 - STP - Fiscal Year Ending 05/2027

	Nine Month Actuals 06/25 - 02/26	Twelve Months Annualized FYE 05/26	Approved 2026 Budget	Proposed 2027 Budget
<b>Revenues</b>				
74801 · Interest Earned on Checking	183	244	30	200
75201 · Harris County MUD 418	13,150	17,469	26,104	27,496
75202 · Harris County MUD 419	855,282	1,136,217	832,685	825,112
75204 · Harris County MUD 489	728,495	967,784	852,022	849,500
75205 · Harris County MUD 490	378,552	502,895	414,530	521,463
75206 · Harris County MUD 491	170,575	226,604	204,243	253,200
75207 · Harris County MUD 492	0	0	0	23,909
75208 · Harris County MUD 493	67,349	89,471	121,096	137,240
<b>Total Revenues</b>	<b>\$2,213,585</b>	<b>\$2,940,684</b>	<b>\$2,450,710</b>	<b>\$2,638,120</b>
<b>Expenditures</b>				
76302 · Dumpster	2,850	3,801	4,000	5,000
76701 · Legal Fees	6,298	8,397	10,000	12,000
76702 · Auditing Fees	8,450	8,450	7,500	9,000
76703 · Engineering Fee	39,406	52,541	72,000	72,000
76704 · Bookkeeping Fee	16,590	22,119	17,000	23,000
76705 · Printing & Office Supplies	226	301	150	310
76707 · Postage	24	32	0	50
76708 · Insurance & Surety Bond	0	75,139	50,000	80,000
76709 · Bank Charges	120	160	110	360
77201 · Operations - Wastewater	115,116	172,674	205,000	205,000
77202 · Utilities	147,224	220,836	156,000	220,000
77203 · Maintenance & Repairs	1,184,300	1,458,370	1,000,000	1,000,000
77204 · Pond Repair - STP	2,073	2,073	1,500	0
77205 · Chemicals	115,070	153,427	200,000	200,000
77206 · Laboratory Expense	77,289	103,052	70,000	125,000
77207 · Sludge Removal	283,786	378,381	400,000	400,000
77208 · Mowing - Wastewater	12,588	16,784	10,000	25,000
77209 · Telephone Expense	0	0	450	450
77211 · Permit Fee	16,271	16,271	20,000	20,000

# Proposed Budget

Harris County MUD No. 418 - STP - Fiscal Year Ending 05/2027

	<b>Nine Month Actuals</b> 06/25 - 02/26	<b>Twelve Months Annualized</b> FYE 05/26	<b>Approved</b> 2026 Budget	<b>Proposed</b> 2027 Budget
77216 · HC 418 General & Admin Expense	67,610	90,146	70,000	84,950
77217 · WWTP Lease	117,000	156,000	156,000	156,000
77801 · Miscellaneous Expense	1,296	1,728	1,000	0
<b>Total Expenditures</b>	<b>\$2,213,585</b>	<b>\$2,940,683</b>	<b>\$2,450,710</b>	<b>\$2,638,120</b>
<b>Net Excess Revenues &lt;Expenditures&gt;</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **EXHIBIT B**

### TAXPAYER IMPACT STATEMENT

Harris County Municipal Utility District No. 418 (the "MUD 418") does not levy an operations and maintenance tax to fund the Joint Water Plant budget or the Joint Sewer Plant budget. The Joint Water Plant budget and the Joint Sewer Plant budget are adopted by MUD 418 in its capacity as the "Master District" pursuant to the terms and conditions of that certain Contract for Financing, Operation and Maintenance of Master Water and Sanitary Sewer Facilities by and among MUD 418 and Harris County Municipal Utility District Nos. 419, 489, 490, 491, 492, and 493 (the "Master Contract"). The Joint Water Plant budget and the Joint Sewer Plant budget are funded by revenues received by MUD 418 under the Master Contract. The proposed Joint Water Plant budget and the proposed Joint Sewer Plant budget will not impact the property tax bill of a homestead within the boundaries of MUD 418.

**EXHIBIT C**

[Proposed Operating Budget for Fiscal Year Ending May 31, 2027]

# Proposed Budget

Harris County MUD No. 418 GOF - Fiscal Year Ending 05/2027

	Ten Month Actuals 06/25 - 03/26	Twelve Months Annualized FYE 05/26	Approved 2026 Budget	Proposed 2027 Budget
<b>Revenues</b>				
14101 · Water-Customer Service Revenue	19,417	23,300	53,000	28,000
14102 · WHCRWA Revenue	30,863	37,035	108,703	44,000
14201 · Wastewater-Customer Service Rev	12,112	14,534	59,000	17,000
14203 · Grease Trap Inspection Fees	3,100	3,720	9,500	4,500
14301 · Maintenance Tax Collections	610,000	610,000	245,000	1,093,954
14501 · Tap Connections	399,600	399,600	200,000	200,000
14502 · Inspection Fees	11,720	11,720	10,000	14,000
14701 · General & Admin Payments - JWP	73,392	88,071	70,000	84,950
14702 · General & Admin Payments - STP	73,392	88,071	70,000	84,950
14706 · Penalties & Interest	5,109	6,131	15,000	7,500
14801 · Interest Earned on Checking	1,125	1,350	0	500
14802 · Interest Earned on Temp. Invest	11,654	13,985	9,000	25,000
<b>Total Revenues</b>	<b>\$1,251,483</b>	<b>\$1,297,516</b>	<b>\$849,203</b>	<b>\$1,604,354</b>
<b>Expenditures</b>				
16104 · Purchase Water / JWP	11,002	13,203	38,359	12,470
16105 · Maintenance & Repairs - Water	0	0	20,000	10,000
16116 · Permit Expense - Water	125	125	130	130
16117 · TCEQ Regulatory Expense - Water	40	40	0	95
16118 · WHCRWA Expense	33,656	40,388	108,703	40,897
16120 · Bridgeland Water Agency	2,935	3,522	2,295	7,171
16204 · Purchase Wastewater Service	17,767	21,321	26,104	27,496
16205 · Maint & Repairs - Wastewater	545	654	20,000	10,000
16217 · TCEQ Regulatory Exp-Wastewater	40	40	0	95
16501 · Tap Connection Expense	132,090	132,090	158,200	175,000
16502 · Inspection Expense	3,778	3,778	1,000	7,500
16701 · Administrative Fees	2,782	3,709	17,000	4,000
16703 · Legal Fees	89,553	107,464	87,000	115,000
16705 · Auditing Fees	10,300	10,300	10,000	11,000
16706 · Engineering Fees	164,188	197,026	135,000	200,000

# Proposed Budget

Harris County MUD No. 418 GOF - Fiscal Year Ending 05/2027

	Ten Month Actuals 06/25 - 03/26	Twelve Months Annualized FYE 05/26	Approved 2026 Budget	Proposed 2027 Budget
16709 · Election Expense	354	471	10,000	0
16710 · Website Expense	5,413	5,906	1,000	3,500
16712 · Bookkeeping Fees	54,293	65,151	63,000	68,000
16714 · Printing & Office Supplies	3,212	3,854	3,600	4,200
16715 · Filing Fees	996	1,195	3,200	3,000
16716 · Delivery Expense	853	1,024	700	1,200
16717 · Postage	167	201	250	250
16718 · Insurance & Surety Bond	0	6,615	6,200	7,000
16719 · AWBD Expense	2,976	2,976	6,500	4,000
16721 · Meeting Expense	3,245	3,894	3,600	4,000
16722 · Bank Charges	205	246	100	400
16723 · Travel Expense	1,948	2,337	4,500	3,000
16728 · Record Storage Fees	966	1,159	1,200	1,200
16729 · Developer Reimb Audit	25,900	25,900	15,000	25,000
16737 · Smart Meter Subscription	155	186	500	500
16737 · FlyOver Expense - TraceAir	1,613	1,613	0	2,000
16801 · Patrol Expense	17,965	21,819	19,647	22,000
17101 · Payroll Expenses	14,586	17,503	20,000	20,000
17102 · Payroll Administration	500	600	1,500	1,000
17103 · Payroll Tax Expense	1,116	1,339	1,500	1,500
17802 · Miscellaneous Expense	2,635	2,629	3,000	0
<b>Total Expenditures</b>	<b>\$607,900</b>	<b>\$700,278</b>	<b>\$788,788</b>	<b>\$792,604</b>
<b>Net Excess Revenues &lt;Expenditures&gt;</b>	<b>\$643,584</b>	<b>\$597,238</b>	<b>\$60,415</b>	<b>\$811,750</b>

M&O Calculation : \$111,627,998 / 100 \*.98 \*\$1.00

## **EXHIBIT D**

### TAXPAYER IMPACT STATEMENT

The proposed budget will have no impact on the property tax bill for an average residential homestead as there are no properties that qualify for a residential homestead exemption within the boundaries of Harris County Municipal Utility District No. 418 as of the date of the most recent certified values provided by Harris Central Appraisal District.