

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418

Minutes of Meeting of Board of Directors

February 24, 2026

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 418 (the "District") met in regular session, open to the public, on February 24, 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 Directors Gilbert and McClary, thus constituting a quorum.

Also present were Miguel Medina of Municipal Accounts & Consulting, L.P. ("MA&C"); Will Gutowsky of BGE, Inc. ("BGE"); Missy Steadman of Inframark, LLC ("Inframark"); Dan Kolkhorst of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, LP ("Developer"); Jenna Craig of Touchstone District Services, LLC ("Touchstone"); Greg Lentz of Masterson Advisors LLC ("Masterson"); and Joseph M. Schwartz, Cullen Richardson, Chanel Holmes and Sabrina Ernst 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 January 27, 2026. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the minutes of the January 27, 2026, meeting be approved, as presented.

BOOKKEEPER'S REPORT

Mr. Medina presented to and reviewed with the Board the Bookkeeper's Report dated February 24, 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.

TAX ASSESSOR-COLLECTOR REPORT

The Board concurred to defer its consideration of the Tax Assessor-Collector Report until later in the meeting, upon the arrival of a representative from Wheeler & Associates, Inc. ("Wheeler").

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., delinquent tax attorneys for the District.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2026 TAX YEAR

Mr. Schwartz reminded the Board of the tax rate adoption procedures for special districts pursuant to Senate Bill No. 2. He noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Section 49.23602 of the Texas Water Code. Mr. Schwartz then reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2026 Tax Year. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the Resolution Concerning Developed District Status for 2026 Tax Year, attached hereto as **Exhibit B**, confirming that the District shall not be considered a "Developed District" for the 2026 Tax Year, be passed and adopted by the Board and the District.

OPERATOR'S REPORT

Ms. Steadman presented to and reviewed with the Board an Operations Report for the month of February 2026, a copy of which is attached hereto as **Exhibit C**, and reported on the status of repairs and replacements made to the District's facilities. In connection therewith, Ms. Steadman reported that the District's facilities will be officially turned over to Municipal District Services, LLC ("MDS") for operations as of Monday, March 2, 2026. She noted that Inframark will continue to attend monthly Board meetings to ensure a smooth transition in the District's operations from Inframark to MDS. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the Operations and Maintenance Report be approved, as presented, and that Inframark and MDS be authorized to proceed with enforcement of the District's Rate Order, as appropriate, in accordance therewith.

The Board considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Ms. Steadman presented Inframark's annual report and advised the Board regarding the District's experience with identity theft during the prior year,

current identity theft prevention methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Ms. Steadman recommended that no changes be made to the District's Program. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

CONSUMER CONFIDENCE REPORT

The Board next discussed certain regulations promulgated by the United States Environmental Protection Agency and the Texas Commission on Environmental Quality relative to the annual Consumer Confidence Report ("CCR"). In connection therewith, Mr. Schwartz explained that, pursuant to such CCR regulations, the District is required to (i) provide various information regarding the District's water supply to any district which received water from the District during the prior calendar year by April 1, 2026, and (ii) prepare and provide a copy of the District's CCR to all District customers by July 1, 2026. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that MDS be authorized and directed to provide certain required information to districts which received water from the District during 2025, the prior calendar year relative to the annual CCR, and to prepare a draft of the District's CCR for the Board's approval.

Johnnie Thompson of Wheeler entered the meeting at this time.

APPROVAL OF CONTRACT WITH MUNICIPAL DISTRICT SERVICES, LLC, FOR OPERATING SERVICES

The Board next considered the approval of a contract with MDS for the District's operations services. In connection therewith, Mr. Schwartz advised the Board that SPH is in the process of reviewing MDS's draft of the proposed contract for the District's operations services, and noted that SPH will provide MDS with any comments to same upon completion of such review. He then presented to and reviewed with the Board a summary of the various terms and provisions of the proposed contract, a copy of which is attached hereto as **Exhibit D**. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the proposed contract between the District and MDS for the District's operations services be approved, subject to the review and final approval of same by SPH.

TAX ASSESSOR COLLECTOR REPORT

Ms. Thompson presented to and reviewed with the Board the Tax Assessor Collector Monthly Report as of January 31, 2026, a copy of which is attached hereto as **Exhibit E**. 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.

ENGINEER'S REPORT

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated February 24, 2026, a copy of which is attached hereto as **Exhibit F**, including the pay estimates

listed therein.

Mr. Gutowsky next presented to and reviewed with the Board an updated proposal prepared by C&C Water Services for the maintenance of Well No. 3 at the District's Water Plant No. 2, a copy of which is included in **Exhibit F**.

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 the updated proposal for the maintenance of Well No. 3 at the District's Water Plant No. 2.

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.

ANNUAL REVIEW OF CONNECTION CHARGES

The Board next considered the status of approval by Harris County Municipal Utility District Nos. 419, 489, 490, 491, 492 and 493 (the "Participants") of the updated connection charges for the purchase of capacity in the Master Facilities under the Master Facilities Contract following BGE's annual review of same. In connection therewith, Mr. Schwartz advised the Board that he expects the review and approval by all Participants of the updated connection charges will be completed by the Board's next meeting. Following discussion, it was noted that no action was required by the Board in connection with this matter.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES

The Board next considered the adoption of prevailing wage rate scales for various types of construction projects and the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects in connection therewith. In that regard, Mr. Schwartz advised the Board that SPH is recommending that the District adopt the United States Department of Labor updated wage rate scales applicable for Harris County, Texas, effective January 1, 2026, as permitted under Section 2258.022 of the Texas Government Code. Following discussion, Director Parr moved that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit G**, be adopted, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Cobb seconded said motion, which unanimously carried.

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")

The Board next considered the status of matters related to the Agency. In connection therewith, Ms. Craig presented to and reviewed with the Board the Agency's 2025 Year In Review report, a copy of which is attached hereto as **Exhibit H**. Following review and discussion, it was noted that no action was required by the Board in connection with this matter.

WEBSITE UPDATES

The Board next considered the status of creation of the District's website. In connection therewith, Ms. Craig advised the Board that the District's website went live on February 16, 2026. Following review and discussion, it was noted that no action was required by the Board in connection with the District's website at this time.

DEVELOPER'S REPORT

Mr. Kolkhorst presented to and reviewed with the Board the home inventory report through January 2026, as prepared by the Developer, a copy of which is attached hereto as **Exhibit I**. In connection therewith, Mr. Kolkhorst advised the Board that the Toro District has been announced for future development in Bridgeland Central. He noted that a press conference will be held on Wednesday, February 25, 2026, with additional information on the project. Following discussion, it was noted that no action was required by the Board in connection with this matter.

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 SPH is awaiting receipt of the West Harris County Regional Water Authority's consent letter. No action was required by the Board in connection with this matter at this time.

PROPOSED ANNEXATION OF LAND OWNED BY THE DISTRICT INTO THE BOUNDARIES OF HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159 ("WCID 159")

Mr. Schwartz next advised the Board of a request received from the Developer for the annexation of approximately 267.49 acres of land into the boundaries of WCID 159. In preparing the annexation documents, SPH noted that a District site was included in said 267.49 acres and that the District must join the Developer in the execution of annexation Petitions. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the proposed annexation of land into the boundaries of WCID 159 be approved, and that the President and Secretary be authorized to join in the Petitions and related documents for such annexation on behalf of the Board and the District.

RESOLUTION ACCEPTING DESIGNATION AS REPRESENTATIVE DISTRICT FOR BRIDGELAND AND AUTHORIZING OTHER RELATED MATTERS

The Board next considered the approval of a Resolution Accepting Designation as Representative District for Bridgeland and Authorizing Other Related Matters (the "Resolution"). In connection therewith, Mr. Schwartz advised the Board that the proposed Resolution designates the District as the "Representative District" to act on behalf of the Participants, as necessary, with respect to matters associated with the National Finance Authority's issuance of bonds for the purpose of funding the Developer for projects that comprise a portion of the public facilities located within one or more of the Participant districts, in advance of the Participant districts issuing bonds to pay the Developer for same. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the Resolution, attached hereto as **Exhibit J**, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and the District.

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 then presented to and reviewed with the Board a renewal proposal from Gallagher, a copy of which is attached hereto as **Exhibit K**. Following discussion, it was moved by Director Parr, seconded by Director Cobb and unanimously carried, that the renewal proposal be accepted and that the President be authorized to execute same on behalf of the Board and the District.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Schwartz advised that he had nothing further of a legal nature to discuss with the Board at this time.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 2, 2026. In connection therewith, Mr. Schwartz advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 17, 2026. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Schwartz then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit L**. Following discussion, Director Parr moved that the Order Declaring Candidates Elected be adopted by the Board declaring Steven P. Knabe, Bettina Parr and Cathy Cobb elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 2, 2026, be cancelled. Director Cobb seconded said motion, which unanimously carried.

EXECUTIVE SESSION

The President noted that the Board would not need to enter into Executive Session at this time.

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 Park
Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418

LIST OF ATTACHMENTS TO MINUTES

February 24, 2026

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Resolution Concerning Developed District Status for 2026 Tax Year
- Exhibit C –** Operations and Maintenance Report
- Exhibit D –** Summary of Contract with Municipal District Services, LLC
- Exhibit E –** Tax Assessor-Collector Monthly Report
- Exhibit F –** Engineer's Report
- Exhibit G –** Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit H –** BWA 2025 Year In Review
- Exhibit I –** Home Inventory Report through January 2026
- Exhibit J –** Resolution Accepting Designation as Representative District for Bridgeland and Authorizing Other Related Matters
- Exhibit K –** Accepted Insurance Proposal
- Exhibit L –** Order Declaring Candidates Elected