

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Special Meeting of Board of Directors

March 22, 2024

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 157 (the "District") met in special session, open to the public, on March 22, 2024, at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas 77056, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Keith Nystrom, President
Cameron Dickey, Vice President
Keith Perry, Secretary
Chad Sillman, Assistant Secretary
Ben Judd, Assistant Secretary

and all of said persons were present, with the exception of Directors Dickey and Perry, thus constituting a quorum. Director Perry entered the meeting after it was called to order, as noted herein.

Also present were Kristen Turkal of BGE, Inc. ("BGE"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Miguel Medina of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Paulina Baker of The Howard Hughes Corporation, on behalf of Bridgeland Development, LP ("Developer"); Hugh Konigsmark, Kay Burkhalter, Bobby Reynolds, Emilio Rodriguez and Robert G. Thomas, representatives of The Bridgeland Community Supports Veterans, Inc. ("The Veterans Group"); and Mitchell G. Page and Peyton Ellis 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 considered public comments, and recognized those in attendance from The Veterans Group. In connection there with, Ms. Burkhalter advised of The Veterans Group's desire to address the Board concerning matters related to the construction of Veteran's Memorial Park. Following discussion, the Board concurred to consider and discuss such matters later in the meeting, under the agenda item for that topic.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meetings held on February 8, 2024, and February 12, 2024. Following discussion, Director Judd moved that the minutes of the meetings held on February 8, 2024, and February 12, 2024, be approved, as written. Director Sillman seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Medina presented to and reviewed with the Board the Bookkeeper's Report dated March 14, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements and wire transfers presented for approval. He noted two (2) additional checks for approval in connection with the payment of the District's insurance premium, pending the Board's decision with respect to the District's insurance coverages. Director Judd inquired as to the status of discussions between Director Dickey and MA&C regarding the possibility of purchasing additional Certificates of Deposit ("CDs") for the District. Mr. Medina noted that he would follow up with Director Dickey to discuss the matter further, and would provide additional information on the subject for the Board's review and consideration. Following discussion, it was moved by Director Sillman, seconded by Director Judd and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check no. 4434, which was voided, and (ii) Directors Dickey and Judd be authorized to take any action necessary, on behalf of the Board and the District, with respect to the potential purchase of additional CDs for the investment of District funds.

UNCLAIMED PROPERTY

The Board next considered authorizing the District's consultants to research their records for unclaimed property and authorizing the District's Bookkeeper and Tax Assessor-Collector to prepare Unclaimed Property Reports as of March 1, 2024. Following discussion, Director Judd moved that the District's consultants be authorized to research the District's records for unclaimed property and that the District's Bookkeeper and Tax Assessor-Collector be authorized to prepare Unclaimed Property Reports as of March 1, 2024. Director Sillman seconded said motion, which unanimously carried.

TAX ASSESSOR COLLECTOR MONTHLY REPORT; DELINQUENT COLLECTIONS LISTING

Ms. Mata presented to and reviewed with the Board the Tax Assessor Collector Monthly Report dated as of February 29, 2024, including the disbursements presented for approval, and a Delinquent Collections Listing as of February 29, 2024, copies of which are attached hereto as **Exhibit B**. Following discussion, Director Judd moved that the Tax Assessor Collector Monthly Report be approved, and the disbursements identified therein be authorized for payment. Director Sillman seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS

Mr. Page presented to and reviewed with the Board a Delinquent Tax Report received from Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), delinquent tax attorneys for the District, and advised that Perdue is requesting Board authorization to move three (3) personal property accounts to the uncollectible roll. A copy of the Delinquent Tax Collections Report is attached hereto as **Exhibit C**. Following discussion, Director Sillman moved that Perdue be

authorized to move three (3) personal property accounts to the uncollectible roll. Director Judd seconded the motion, which unanimously carried.

Director Perry entered the meeting at this time.

ENGINEER'S REPORT

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated March 22, 2024, a copy of which is attached hereto as **Exhibit D**, including the pay estimates and change orders listed therein. Ms. Turkal discussed the status of TC East Linear OSR Phase I Landscape Improvements, and presented Pay Application No. 19 and Change Order No. 8 for the Board's approval in connection therewith. Mr. Page then presented for the Board's acceptance, a Temporary Drainage, Detention and Recreational Facilities Easement to serve Mason Road, Section 7 (the "Temporary Easement"). Following discussion, Director Judd moved that Pay Application No. 19 and Change Order No. 8 be approved, and the Temporary Easement be accepted. Director Sillman seconded said motion, which unanimously carried.

In connection with the construction of the HEB store within the Bridgeland community, Ms. Turkal advised the Board that BGE is still waiting to receive HEB's intended plans for stormwater pollution prevention controls for the new store location. She then presented and reviewed two (2) exhibits depicting a Stormceptor System for the Board's consideration, copies of which are included in the Engineer's Report. The Board requested that BGE research the costs involved with the regular and ongoing maintenance/cleaning of the proposed Stormceptor System. Following discussion, the Board concurred to defer taking any action with respect to the proposed Stormceptor System at this time, and noted that it would reconsider the matter upon receipt of HEB's intended plans for stormwater pollution prevention controls at the new store location.

In connection with the Board's previous request for the addition and/or replacement of various signage throughout the District, Ms. Turkal advised the Board that Bridgeland Council, Inc. ("Council") is currently working to obtain pricing for such signage. Director Judd noted a difference in the design of certain signage located at Josey Lake, and inquired as to whether those particular signs would be repaired or replaced. Following discussion, the Board concurred that wooden pole structures should be replaced with metal pole structures as part of the signage replacement. Ms. Turkal advised that BGE would communicate the Board's preference to Council and discuss pricing options relative to same.

With respect to the Board's prior request for the addition of signage at the District's lakes for 'Members Only' fishing, Director Nystrom informed the Board that the Bridgeland Fish Habitat Group was not amenable to the addition of such signage. Following discussion, the Board concurred that it would forgo the addition of 'Members Only' fishing signage.

In connection with the repair of the pedestrian bridge located at Josey Lake, Director Judd advised the Board that he received and subsequently approved a proposal for repair of the pedestrian bridge in advance of today's meeting, as previously authorized by the Board, and noted that the cost of such work was in the amount of \$11,697.00. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the prior action

taken by Director Judd with respect to the repair of the pedestrian bridge located at Josey Lake, be approved and ratified in all respects.

The Board recalled its prior discussion regarding its desire to clear the small island within the District lake located near Bridge Cove Drive and Hidden Pass Drive ("Bird Island"). In connection therewith, Ms. Turkal advised the Board that BGE requested proposals for such work, and received one from Embark for the removal of dead trees from Bird Island at a cost of approximately \$7,017.90. The Board considered and discussed the matter at length. Following discussion, the Board concurred to defer taking action with respect to the clearing of Bird Island at this time, and noted that it would discuss the matter further at next month's meeting.

The Board next considered authorizing BGE to prepare and complete a submission to electric utility providers regarding District facilities that qualify for critical load status. Following discussion, Director Judd moved that BGE be authorized to prepare and complete such filing on behalf of the Board and the District. Director Sillman seconded said motion, which unanimously carried.

The Board then recognized The Veterans Group. Ms. Burkhalter introduced herself to the Board and gave a presentation regarding the proposed construction of Veteran's Memorial Park. In connection therewith, Ms. Burkhalter described the proposed design of Veteran's Memorial Park and noted that the projected cost for such project is approximately \$1,250,000. Ms. Burkhalter informed the Board that The Veterans Group previously acquired the right to lease approximately 2.6 acres of land located within Lakeland Village, but that such land is sloped, and therefore, not ideal due to earthwork and grading that would be required. She then inquired as to whether there is any available vacant land owned by the District that the Board could consider dedicating towards the construction of Veteran's Memorial Park. She additionally inquired if the Board would be amenable to contributing funds towards such project. The Board considered and discussed the matter at length.

It was noted that Director Nystrom recused himself from taking any action with respect to Veteran's Memorial Park due to Director Nystrom's active membership within The Veterans Group.

After further discussion, it was moved by Director Perry, seconded by Director Judd and unanimously carried, that BGE be authorized to perform a siting survey within the District at a cost not to exceed \$10,000, in order to determine whether the District has any potential sites available for the construction of Veteran's Memorial Park.

Messrs. Konigsmark, Reynolds, Rodriguez and Thomas exited the meeting at this time.

USE OF SURPLUS FUNDS

The Board next considered the use of surplus park and recreational bond proceeds to reimburse the District's General Operating Fund for repairs and rehabilitation work performed at the District's Irrigation Pump Stations, and the adoption of a Resolution in connection therewith. In connection therewith, Mr. Page informed the Board that the District has the ability to self-

authorize the use of surplus funds to recover the costs associated with the aforementioned repairs and rehabilitation work performed at the District's Irrigation Pump Stations, and noted that no approval would be necessary from the Texas Commission on Environmental Quality for same. After discussion, Director Judd moved that, (i) the Board allocate surplus bond proceeds to cover the costs associated with the repair and rehabilitation work, as discussed, (ii) the Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds, attached hereto as **Exhibit E**, be approved, as presented, and (iii) the President be authorized to execute same on behalf of the Board and the District. Director Perry seconded said motion, which unanimously carried.

OPERATIONS AND MAINTENANCE

Ms. Osborne presented the Operator's Report for the month of February 2024, a copy of which is attached hereto as **Exhibit F**, and reviewed the charges, related repairs, and make up well pumpage listed therein. She additionally presented to and reviewed with the Board the results of the Ground Survey completed at the District's Irrigation Pump Station ("IPS") Nos. 1, 2, 3 and 4, following Inframark's installation of grounding rods, a copy of which is included in **Exhibit F**.

Ms. Osborne next advised the Board that the meter located at IPS No. 2 experienced a failure and required replacement in advance of today's Board meeting. She further advised that she immediately notified Directors Nystrom and Dickey of the meter failure after it had occurred, and received authorization to proceed with the replacement of said meter at a cost of approximately \$13,729.00. She then presented to and reviewed with the Board the proposal for such work, which was provided to Directors Nystrom and Dickey and subsequently approved, a copy of which is included in the Operator's Report. Following discussion, Director Sillman moved that the prior actions taken by Directors Nystrom and Dickey with respect to the replacement of the meter at IPS No. 2, be approved and ratified in all respects. Director Perry seconded the motion, which unanimously carried.

Ms. Osborne next presented and discussed with the Board a proposal for the replacement of certain parts associated with the filters serving IPS Nos. 1, 2, 3 and 4, a copy of which is included in **Exhibit F**. Following discussion, it was moved by Director Sillman, seconded by Director Perry and unanimously carried, that the proposal for the replacement of such filter parts in the amount of \$6,448.00, be approved.

MOWING AND MAINTENANCE; INSTALLATION OF SECURITY CAMERAS; GRAFITTI REMOVAL; PRESSURE WASHING; EROSION CONTROL; TREE PRUNING; GENERAL MATTERS

The Board considered general maintenance matters for the District. Director Sillman reported to the Board that he engaged MG2 Tree Service, LLC ("MG2") to perform tree maintenance services within the areas surrounding the three (3) lakes located in Lakeland Village, as previously authorized by the Board. He then gave a presentation to the Board regarding the results of the maintenance services performed by MG2, a copy of which is attached hereto as **Exhibit G**, and provided an overview of MG2's costs for such services. Following discussion, it was moved by Director Judd, seconded by Director Perry and unanimously carried, that Director

Sillman be authorized to engage MG2 to perform tree maintenance services throughout the remaining areas of the District at a cost not to exceed \$60,000.00.

Director Nystrom reminded the Board of the IPS failure that occurred within the District in July 2023. In connection therewith, Director Nystrom voiced concerns regarding the damages incurred by the Lakeland Village Homeowners' Association (the "HOA") as a result of such IPS failure. Following discussion, the Board requested that Inframark research and identify (i) the cause of the 2023 IPS failure, (ii) the amount of damages incurred by the HOA and the costs associated with same, and (iii) ways in which to prevent similar events from occurring in the future.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through February 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit H**. Ms. Baker then provided an update regarding the commercial activity in the Bridgeland community.

COMMUNICATIONS

The Board concurred that there were no emergency or other communication items to discuss.

WEBSITE UPDATES

The Board noted that it had no updates to the District's website at this time.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Page reminded the Board that the District's current insurance coverage through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2024. In connection therewith, Mr. Page advised that, as requested by the Board at its last meeting, SPH obtained proposals for renewal of the District's insurance coverages from Gallagher, the District's current provider, and from McDonald & Wessendorff Insurance, and presented same to the Board for review and consideration. Following discussion of the proposals presented, Director Judd moved that the proposal from Gallagher be accepted, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District. Director Perry seconded said motion, which unanimously carried. A copy of Gallagher's proposal thus accepted is attached hereto as **Exhibit I**.

ARBITRAGE COMPLIANCE

Mr. Page presented to and reviewed with the Board the Fifth Year Reports prepared by Arbitrage Compliance Specialists, Inc. ("ACS") for the District's (i) \$1,190,000 Unlimited Tax Park Bonds, Series 2018A, and (ii) \$8,550,000 Unlimited Tax Bonds, Series 2018. Copies of said Fifth Year Reports are attached hereto as **Exhibit J**. He additionally presented to and reviewed with the Board the annual Arbitrage Maintenance Report prepared by Municipal Risk Management

Group, LLP, a copy of which is included in **Exhibit J**. It was noted that no action was required by the Board in connection with such reports, and no payment is due to the Internal Revenue Service at this time.

Mr. Page next presented to and reviewed with the Board an Engagement Letter for Compliance Services, as prepared by ACS, for preparation of (i) a Tenth Year Report for the District's \$6,500,000 Unlimited Tax Bonds, Series 2014, and (ii) a Yield Restrictions/Yield Reduction Report for the District's \$3,620,000 Unlimited Tax Park Bonds, Series 2019. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the Engagement Letter for Compliance Services, attached hereto as **Exhibit K**, be approved, and the President be authorized to execute same, on behalf of the Board and the District.

ATTORNEY'S REPORT

The Board considered the attorney's report. Mr. Page advised that he had nothing further of a legal nature to discuss with the Board at this time.

SUPPLEMENTAL AGENDA

The Board next considered cancellation of the Directors Election called for May 4, 2024. Mr. Page 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 20, 2024. Mr. Page reported that, such being the case, the Board may declare the unopposed candidates to be elected. Mr. Page then presented to and reviewed with the Board an Order Declaring Candidates Elected, a copy of which Order is attached hereto as **Exhibit L**. After discussion, Director Sillman moved that (i) the Order Declaring Candidates Elected be adopted by the Board declaring Keith Perry, Benjamin Judd and Chad Sillman elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, (ii) the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and (iii) the Directors Election called for May 4, 2024, be cancelled. Director Perry seconded said motion, which unanimously carried.

STATUS OF REQUESTS FOR QUALIFICATIONS ("RFQs") FOR BOOKKEEPING SERVICES AND FOR SUPPLEMENTAL LEGAL SERVICES

Director Nystrom requested SPH's assistance with the issuance of RFQs for bookkeeping services. Mr. Page advised that he would coordinate with Director Nystrom to finalize and distribute RFQs to the list of the Board's desired firms prior to next month's meeting.

FUTURE AGENDA ITEMS

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 Judd, seconded by Director Perry, and unanimously carried, the meeting was adjourned.

719860.1



Secretary

A handwritten signature in blue ink, consisting of a large, stylized "J" followed by a series of loops and a long horizontal stroke.

LIST OF ATTACHMENTS TO MINUTES

Exhibit A –	Bookkeeper's Report
Exhibit B –	Tax Assessor-Collector Monthly Report; Delinquent Collections Listing
Exhibit C –	Delinquent Tax Report
Exhibit D –	Engineer's Report
Exhibit E –	Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds
Exhibit F –	Operator's Report
Exhibit G –	Tree Maintenance Presentation
Exhibit H –	Home Inventory Report through February 2024
Exhibit I –	Accepted Insurance Proposal
Exhibit J –	Fifth Year Reports for the District's \$1,190,000 Unlimited Tax Park Bonds, Series 2018A, and \$8,550,000 Unlimited Tax Bonds, Series 2018; Annual Arbitrage Maintenance Report
Exhibit K –	Engagement Letter for Compliance Services
Exhibit L –	Order Declaring Candidates Elected