

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Meeting of Board of Directors

April 11, 2024

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 157 (the "District") met in regular session, open to the public, on April 11, 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 Sillman, thus constituting a quorum. Director Sillman entered the meeting after it was called to order, as noted herein.

Also present were Will Gutowsky of BGE, Inc. ("BGE"); Mackenzie Osborne and Todd Burrer 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"); Kay Burkhalter and Steve Bosser, 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"). Rick Ackra of Inframark joined the meeting via telephone conference call after it was called to order, as noted herein.

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 Ms. Burkhalter and Mr. Bosser. Ms. Burkhalter and Mr. Bosser noted that they had no comments for the Board at this time, but would like to speak later in the agenda regarding the proposed Veteran's Memorial Park.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on March 22, 2024, and considered revisions to the minutes of its meeting held on February 12, 2024. Following review and discussion, Director Judd moved that the minutes of the meeting held on March 22, 2024, be

approved, as written, and that no revisions be made to the minutes of the meeting held on February 12, 2024, as previously approved. Director Perry seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Mr. Medina presented to and reviewed with the Board the Bookkeeper's Report dated April 11, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements and wire transfers presented for approval. During such review, the Board requested that MA&C hold check no. 4461, payable to Spencer Outdoor, LLC for stormwater quality management services, pending verification of the invoiced amount for such services by Directors Nystrom and Perry. Mr. Medina additionally presented the Quarterly Investment Inventory Report (the "Investment Report") for the period ended February 29, 2024, a copy of which is included in the Bookkeeper's Report. 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. 4451, which was voided, and the addition of check no. 4464, payable to Gulf Coast Landscape Services, Inc., (ii) the Investment Report for the period ended February 29, 2024 be approved, as presented, and (iii) the District's Investment Officers be authorized to execute same on behalf of the Board and the District.

Mr. Medina next presented a draft of the proposed operating budget for the District's fiscal year ending May 31, 2025, a copy of which is included with the Bookkeeper's Report, and requested that the Board and the District's consultants review and provide any comments to such draft prior to next month's Board meeting.

The Board discussed the possibility of purchasing additional Certificates of Deposit ("CDs") for the District. In connection therewith, Mr. Medina presented to and reviewed with the Board a report detailing the investment rates for CDs quoted by various financial institutions as of April 4, 2024, a copy of which is included in **Exhibit B**. Following discussion, the Board concurred to defer taking action with respect to the purchase of CDs for the District until next month's meeting.

Director Sillman entered the meeting at this time.

Mr. Page then reported to the Board that the West Harris County Regional Water Authority recently issued a letter to Harris County Municipal Utility District No. 418 ("No. 418") regarding the award of 2022 water credits for stormwater capture in the amount of \$728,886.26. A copy of such letter is attached hereto as **Exhibit C**. Mr. Page advised that No. 418 will remit payment to the District for its pro-rata share of the credits and the District should factor same into the proposed budget for the fiscal year ending May 31, 2025. Following discussion, the Board acknowledged receipt of the letter and took no further action with respect to this matter.

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 March 31, 2024, including the disbursements presented for approval, and a Delinquent Collections Listing as of March 31, 2024, copies of which are attached hereto as **Exhibit D**. 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.

In connection with the construction of the H-E-B store within the Bridgeland community, Ms. Mata presented to and reviewed with the Board a Taxable Value Analysis of the H-E-B and adjoining commercial tract for the 2023 tax year, a copy of which is attached hereto as **Exhibit E**. Following review and discussion, it was noted that no action was required by the Board in connection with the Taxable Value Analysis.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Page advised that the Board is authorized to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit F**, be adopted by the Board, and that Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), delinquent tax attorneys for the District, be authorized to proceed with the collection of real property taxes delinquent as of July 1, 2024.

DELINQUENT TAX COLLECTIONS

Mr. Page noted that no Delinquent Tax Report was received nor is due at this time from Perdue.

VETERAN'S MEMORIAL PARK

The Board considered potential options for the location of Veteran's Memorial Park. In connection therewith, Mr. Gutowsky presented to and reviewed with the Board an analysis of five (5) potential sites for the location of Veteran's Memorial Park, a copy of which is attached hereto as **Exhibit G**. Mr. Gutowsky discussed such sites in detail with the Board, noting the pros and cons to each site location. Following discussion, the Board requested that BGE prepare layouts of site nos. 2, 3 and 4, including proposed locations for parking at each site and any necessary flood mitigation measures, for further discussion at next month's meeting. Ms. Burkhalter advised that

she would present the analysis to The Veterans Group for review and discussion at its upcoming meeting.

ENGINEER'S REPORT

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated April 11, 2024, a copy of which is attached hereto as **Exhibit H**, including the pay estimates and change orders listed therein. Mr. Gutowsky discussed the status of TC East Linear OSR Phase I Landscape Improvements, and presented Pay Application No. 20 for the Board's approval in connection therewith. Following discussion, Director Judd moved that Pay Application No. 20 in the amount of \$4,404.00, be approved. Director Sillman seconded said motion, which unanimously carried.

In connection with the construction of the H-E-B store within the Bridgeland community, Mr. Gutowsky advised the Board that BGE has reviewed H-E-B's intended plans for stormwater pollution prevention controls for the new store location, and noted that such plans provide for perimeter landscaping and garbage receptacles at each cart corral location. Mr. Gutowsky then informed the Board of the various costs involved with the purchase and installation of a Stormceptor System, and the regular and ongoing maintenance/cleaning of such system. After discussing the matter at length, the Board concurred to forgo the implementation of a Stormceptor System at this time, but requested that BGE request more details from H-E-B regarding its plans to prevent waste from leaving the site.

In connection with the Board's previous request for the addition and/or replacement of various signage throughout the District, Mr. Gutowsky presented to and reviewed with the Board a proposal for the replacement of eight (8) wooden pole structures with metal pole structures, and the repair of eighteen (18) existing metal signs in the total amount of \$23,670.00. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that such proposal be approved. Director Judd requested that BGE obtain quotes for replacement of the educational signage around Josey Lake for the Board's consideration at next month's meeting.

Mr. Page advised the Board that, following last month's meeting, graffiti was found in the pedestrian tunnel located at the intersection of Josey Ranch Road and Creekside Crossing Drive. He further advised that Bridgeland Council, Inc. has since removed the graffiti, but because the tunnel had not yet been sealed with an anti-graffiti coating, the existing paint job was damaged at the site of the graffiti. Mr. Gutowsky then provided the Board with a quote for the painting and sealing of the pedestrian tunnel with an anti-graffiti coating in the amount of \$7,017.90. Following discussion, it was moved by Director Perry, seconded by Director Judd and unanimously carried, that BGE be authorized to proceed with the painting and sealing of the pedestrian tunnel at the cost of approximately \$7,017.90. The Board requested that BGE obtain cost estimates for the addition of cameras within the District's pedestrian tunnels for the Board's consideration at a future meeting.

The Board recalled its prior discussion regarding the potential clearing of the small island within the District lake located near Bridge Cove Drive and Hidden Pass Drive ("Bird Island"). In

connection therewith, Director Nystrom noted that the Fish Habitat Group has expressed that it would be amenable to the addition of 'No Fishing' signage on Bird Island. Following discussion, the Board determined that it would not proceed with the clearing of Bird Island at this time, and concurred to place 'No-Fishing' signage on Bird Island, as discussed.

OPERATIONS AND MAINTENANCE

Ms. Osborne presented the Operator's Report for the month of March 2024, a copy of which is attached hereto as **Exhibit I**, and reviewed the charges, related repairs, and make up well pumpage listed therein.

Ms. Osborne reminded the Board that it previously authorized the replacement of the meter located at Irrigation Pump Station ("IPS") No. 2 with an upgraded meter, and inquired as to whether the Board wished to do the same at IPS No. 1. She then presented to and reviewed with the Board a quote for such work, a copy of which is included in **Exhibit I**. Following discussion, it was moved by Director Judd, seconded by Director Perry and unanimously carried, that Inframark be authorized to proceed with the replacement of the meter at IPS No. 1 with the upgraded meter, as discussed.

Mr. Ackra joined the meeting via telephone conference call at this time.

Ms. Osborne and Mr. Burrer next reported on the IPS failure that occurred within the District in July 2023. In connection therewith, Ms. Osborne presented to and reviewed with the Board an Incident Report and various supporting materials regarding the 2023 IPS failure, copies of which are attached hereto as **Exhibit J**. Ms. Osborne outlined the sequence of events leading up to the 2023 IPS failure and explained the cause of such failure. Mr. Ackra provided his recollection of the 2023 IPS failure and further described the cause of the failure. Ms. Osborne then discussed the damages incurred by the Lakeland Village Homeowners' Association (the "HOA") as a result of the 2023 IPS failure and the costs associated with said damages. Mr. Burrer informed the Board of the preventative measures that Inframark will be taking moving forward to prevent similar events from occurring in the future. The Board discussed the matter at length and asked various questions regarding the 2023 IPS failure, to which Ms. Osborne and Mr. Burrer responded. Director Judd noted that he would be interested in exploring the possibility of having two variable frequency drives ("VFDs") at IPS No. 1 to ensure continued functionality at IPS No. 1 in the event one of the VFDs fail. Following discussion, the Board expressed its desire to conduct a survey of all of the District's IPS's, and requested that Inframark provide additional information for further consideration by the Board at a future meeting.

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. In connection therewith, Mr. Page advised the Board that The Spencer Company has provided an Addendum No.

3 to the District's Site Maintenance Agreement, which provides for the addition of TC East Linear OSR Phase I Landscape Improvements to the District's maintained Facilities, as defined in the Site Maintenance Agreement. A copy of said Addendum No. 3 is attached hereto as **Exhibit K**. Following discussion, it was moved by Director Perry, seconded by Director Judd and unanimously carried, that Addendum No. 3 to the Site Maintenance Agreement between the District and The Spencer Company be approved.

Mr. Page next presented to and reviewed with the Board a Fish Survey Data report and Fish Stocking Proposal received from Lake Pro, Inc., copies of which are attached hereto as **Exhibit L**. Following review and discussion, the Board concurred to defer taking action with respect to the Fish Stocking Proposal at this time, and noted that it would reconsider the matter at next month's meeting.

Mr. Burrer and Mr. Ackra exited the meeting at this time.

DEVELOPER'S REPORT

Ms. Baker reported on the status of development within the Bridgeland community and updated the Board regarding commercial activity in the Bridgeland. No action was required by the Board in connection with such matters.

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.

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.

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

Mr. Page reported that SPH has issued RFQs to the list of the Board's desired bookkeeping firms, as requested, and that three responses have been received to date. No action was taken by the Board in connection with this matter at this time.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. Director Sillman advised the Board that the Board of Trustees of the Bridgeland Water Agency (the "Agency") is currently exploring a potential option in which the water control and improvement districts in Bridgeland could purchase communication services from the Agency. Following discussion on the matter, the Board concurred that it would be amenable to exploring the possibility in the future.

ADJOURNMENT

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

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Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

LIST OF ATTACHMENTS TO MINUTES

April 11, 2024

Exhibit A –	Bookkeeper's Report
Exhibit B –	Investment Rates Quoted as of April 4, 2024
Exhibit C –	Notice of 2023 Water Credits
Exhibit D –	Tax Assessor-Collector Monthly Report; Delinquent Collections Listing
Exhibit E –	H-E-B Taxable Value Analysis
Exhibit F –	Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
Exhibit G –	Veteran's Memorial Park Site Analysis
Exhibit H –	Engineer's Report
Exhibit I –	Operator's Report
Exhibit J –	2023 Irrigation Pump Station Failure Materials
Exhibit K –	Addendum No. 3 to Site Maintenance Agreement with The Spencer Company
Exhibit L –	Fish Survey Data and Fish Stocking Proposal