

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Meeting of Board of Directors

May 9, 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 May 9, 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
Benjamin Judd, Assistant Secretary
Chad Sillman, Assistant Secretary

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

Also present were Will Gutowsky 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"); Wendy Ramirez of FORVIS, LLP ("FORVIS"); Kay Burkhalter, Steve Bosser, Walter Bohn, Bobby Reynolds, Hugh Konigsmark 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 noted that it would consider and discuss matters related to Veteran's Memorial Park later in the meeting, under the agenda item designated for such topic.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on April 11, 2024. Following discussion, Director Perry moved that the minutes of the meeting held on April 11, 2024, be approved, as written. Director Sillman seconded said motion, which unanimously carried.

ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, AND AFFIDAVITS OF CURRENT DIRECTOR FOR DIRECTORS PERRY, JUDD AND SILLMAN

Director Judd entered the meeting at this time.

The Board next considered the acceptance of Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information for Directors Perry, Judd and Sillman. Following discussion, it was moved by Director Sillman, seconded by Director Perry and unanimously carried, that the Board accept said Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information, and declare Keith Perry, Benjamin Judd and Chad Sillman to be duly elected and qualified Directors of the District.

ELECTION OF OFFICERS

The Board next considered the reorganization of the Board and the election of officers. Following discussion, it was moved by Director Sillman, seconded by Director Perry and unanimously carried, that the current officers of the Board continue to serve in their respective officer positions.

DISTRICT REGISTRATION FORM

The Board next considered authorizing the preparation and filing of a District Registration Form, as required by the rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Page explained that, in accordance with certain provisions of the Texas Water Code and rules of the TCEQ, the District is required to provide the names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that, with the Board's approval, SPH will prepare an updated District Registration Form and file same with the TCEQ. Following discussion, Director Perry moved that the Board authorize SPH to prepare the updated District Registration Form, as discussed, and file same with the TCEQ. Director Sillman seconded said motion, which unanimously carried.

Director Dickey entered the meeting at this time.

BOOKKEEPER'S REPORT

Mr. Medina presented to and reviewed with the Board the Bookkeeper's Report dated May 9, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements and wire transfers presented for approval. Following discussion, it was moved by Director Perry, seconded by Director Sillman and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the addition of two (2) checks, payable to Director Sillman, for reimbursement of expenses related to the maintenance of the District's trees.

Upon review of the District's Investment Detail, the Board considered and discussed the

possibility of purchasing additional Certificates of Deposit ("CDs") for the District. Director Dickey provided his insight into the District's investment activity, and upon motion made by Director Dickey, seconded by Director Sillman and unanimously carried, the Board authorized MA&C to withdraw \$3,000,000 of general operating funds from the District's money market account, and reinvest \$1,500,000 of such funds into CDs and \$1,500,000 of such funds into four-year treasuries.

APPROVAL OF OPERATING BUDGET FOR THE DISTRICT'S FISCAL YEAR ENDING MAY 31, 2025

Mr. Medina next presented the proposed budget for the District's fiscal year ending May 31, 2025 for the Board's review and comment, a copy of which is included in the Bookkeeper's Report. Following discussion, it was moved by Director Sillman, seconded by Director Perry and unanimously carried, that the proposed budget for the District's fiscal year ending May 31, 2025, be approved, as presented.

UNCLAIMED PROPERTY REPORTS AS OF MARCH 1, 2024

The Board considered approval of Unclaimed Property Reports as of March 1, 2024, and the filing of same with the Texas Comptroller of Public Accounts prior to July 1, 2024. In connection therewith, Mr. Medina and Ms. Mata each informed the Board that the District does not have any unclaimed property to report at this time. Correspondence from MA&C was presented for the District's file regarding same, a copy of which is attached hereto as **Exhibit B**.

ENGAGEMENT OF AUDITOR

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements for the fiscal year ending May 31, 2024. In that regard, Ms. Ramirez made a presentation to the Board on behalf of FORVIS, and advised that the cost to conduct such audit is approximately \$19,000, plus an administrative fee in the amount of \$1,000. The Board discussed with Ms. Ramirez the procedures implemented by FORVIS to rotate the audit lead and areas of concentration from year to year in connection with the preparation of the annual audit. After discussion on the matter, Director Dickey moved that FORVIS be engaged to prepare the District's audit report for the fiscal year ending May 31, 2024, in accordance with the terms of the engagement letter, a copy of which is attached hereto as **Exhibit C**. Director Sillman seconded said motion, which carried unanimously.

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 April 30, 2024, including the disbursements presented for approval, and a Delinquent Collections Listing as of April 30, 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.

Ms. Ramirez exited the meeting at this time.

DELINQUENT TAX COLLECTIONS

Mr. Page noted that no Delinquent Tax Report was received nor is due at this time from Perdue, Brandon, Fielder, Collins & Mott, LLP, delinquent tax attorneys for the District.

VETERAN'S MEMORIAL PARK

The Board considered potential options for the location of Veteran's Memorial Park. In connection therewith, Ms. Burkhalter advised that The Veterans Group reviewed the potential sites discussed by the Board at its last meeting, and has prepared an evaluation of each site for the Board's review and consideration, a copy of which is attached hereto as **Exhibit E**. Ms. Burkhalter noted that it is The Veterans Group's preference that combined site nos. 3 and 4 (the "Combined Site") be utilized for the location of Veteran's Memorial Park. Mr. Gutowsky then presented to and reviewed with the Board several layouts of the Combined Site, copies of which are attached hereto as **Exhibit F**, and noted that such layouts include potential locations for parking and any necessary flood mitigation measures. The Board discussed funding of construction of Veteran's Memorial Park and conducting a poll to gauge public support once conceptual drawings are prepared. Following discussion, it was moved by Director Judd, seconded by Director Dickey and unanimously carried, that BGE be authorized to prepare a preliminary design/conceptual layout of Veteran's Memorial Park on the Combined Site at a cost not to exceed \$10,000, and that Directors Nystrom and Perry be authorized to address any matters relative to the proposed design/layout of Veteran's Memorial Park on behalf of the Board and the District.

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

ENGINEER'S REPORT

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated May 9, 2024, a copy of which is attached hereto as **Exhibit G**, including the pay estimates listed therein. Following discussion, Director Sillman moved that the Engineer's Report and the action items therein be approved, as recommended. Director Dickey seconded said motion, which unanimously carried.

Mr. Gutowsky next informed the Board that, after the last storm event, BGE discovered several broken limbs/dead trees on the drainage grate located on the small island within the District's lake near Bridge Cove Drive and Hidden Pass Drive ("Bird Island"). He advised that he obtained a quote for the removal of all broken limbs/dead trees from Bird Island and provided same to Director Nystrom for consideration in advance of today's Board meeting. Director Nystrom then advised the Board that he obtained an additional quote from MG2 Tree Service, LLC ("MG2") for such work and authorized MG2 to proceed with the removal of any broken limbs/dead trees from Bird Island at the cost of approximately \$3,500.00. Following discussion, the Board concurred that it would consider further improvements to Bird Island at a future meeting.

OPERATIONS AND MAINTENANCE

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

Ms. Osborne inquired as to whether the Board desired to contribute \$50.00 towards the reservation of a drone pilot to survey the District's facilities in the event that Inframark is unable to access such facilities due to extensive flooding/storm damage. Following discussion, Director Perry moved to authorize the contribution of \$50.00 towards the reservation of a drone pilot, as discussed. Director Sillman seconded the motion, which unanimously carried.

REVIEW OF WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN

Mr. Page advised the Board that, in accordance with the Texas Water Code, the District is required to review and, if appropriate, revise its Water Conservation and Drought Contingency Plan (the "Plan") every five years. Mr. Page then presented to and reviewed a proposed draft of the updated Plan, a copy of which is attached hereto as **Exhibit I**. Following discussion, the Board concurred to defer taking action with respect to the District's updated Plan at this time, and noted that it would reconsider the matter at next month's 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 presented to and reviewed with the Board correspondence received from Texas Groundworks Management, Inc. requesting the Board's consideration for any upcoming landscape projects within the District, a copy of which is attached hereto as **Exhibit J**. No action was taken by the Board in connection with said correspondence.

Director Sillman next provided the Board with an update regarding the District's tree maintenance services. In connection therewith, Director Sillman reported that MG2 removed eight (8) dead trees that had been overtaken by beetles. He advised that tree removal services are provided for in the District's current proposal with MG2, but that tree replacement services would be an additional cost to the District. No action was taken by the Board in connection with this matter.

Director Judd advised the Board that the field located near the lap pool at Lakeland Village Park has several dry spots and inquired as to whether the District's Site Maintenance Agreement with Spencer Outdoor, LLC covers hydromulching. Mr. Page suggested that the District could authorize BGE to contact Delta West Environmental to perform such services, as such contractor has provided such erosion repairs in the past. Following discussion, it was moved by Director Perry, seconded by Director Sillman and unanimously carried, that BGE be authorized to arrange for the erosion repairs.

Director Nystrom advised the Board that Brian Milan of Lake Pro, Inc. has suggested various adjustments to the Fish Stocking Proposal previously considered the Board at its last meeting, and noted that such adjustments are expected to result in a cost savings to the District. He further advised that he would work with Mr. Milan to prepare an updated Fish Stocking Proposal, pending verification of the suggested adjustment amounts. Following discussion, it was moved by Director Judd, seconded by Director Perry and unanimously carried, that the Fish Stocking Proposal be approved, subject to Director Nystrom's verification of the final fish stocking specifications provided therein.

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

Director Nystrom advised the Board that he would contact the District's website service provider to inquire whether a survey could be included on the District's website relative to the proposed Veteran's Memorial Park.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**, regarding the use of social media by public officials.

Mr. Page advised the Board that the Bridgeland Water Agency (the "Agency") is in the process of preparing proposed letter agreements for consideration by the water control and improvement districts within Bridgeland for communication services to be provided by the Agency. Following discussion, Director Judd moved that the proposed letter agreement between the District and the Agency be approved, subject to review and approval of the final letter agreement by Director Nystrom. Director Sillman seconded the motion, which unanimously carried.

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

The Board concurred to hold a special meeting on May 30, 2024, at 11:00 a.m. in the offices of SPH for the review and consideration of RFQs for the District's bookkeeping services.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Judd, seconded by Director Dickey, 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

May 9, 2024

Exhibit A –	Bookkeeper's Report
Exhibit B –	Unclaimed Property Correspondence
Exhibit C –	Engagement Letter (FORVIS, LLP)
Exhibit D –	Tax Assessor-Collector Monthly Report; Delinquent Collections Listing
Exhibit E –	The Veterans Group Site Evaluation
Exhibit F –	Veteran's Memorial Park Site Layouts
Exhibit G –	Engineer's Report
Exhibit H –	Operator's Report
Exhibit I –	Draft Water Conservation and Drought Contingency Plan
Exhibit J –	Correspondence from Texas Groundworks Management, Inc.
Exhibit K –	Memorandum regarding Use of Social Media by Public Officials