

## **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157**

### **Minutes of Meeting of Board of Directors**

September 12, 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 September 12, 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:

Cameron C. Dickey, President  
Benjamin Judd, Vice President  
Keith D. Perry, Secretary  
Chad Sillman, Assistant Secretary

and all of said persons were present, with the exception of Director Perry, thus constituting a quorum.

Also present were Will Gutowsky of BGE, Inc. ("BGE"); Mackenzie Osborne and Jeremy Weber of Inframark, LLC ("Inframark"); Lisa Rickert and Tina Johnston of Artesian Financial Services, LLC ("Artesian"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Steve Sams, Kelsey Thorne and Paulina Baker of The Howard Hughes Corporation, on behalf of Bridgeland Development, LP ("Developer"); John Howell of The GMS Group, LLC ("GMS"); Avni Patel of Forvis Mazars, LLP ("Forvis Mazars"); Kay Burkhalter and Steve Bosser, representatives of The Bridgeland Community Supports Veterans, Inc. ("The Veterans Group"); Shane Ware and Ben Midgette, residents of the District; 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 Messrs. Ware and Midgette. Messrs. Ware and Midgette noted that they had no comments for the Board at this time.

#### **APPROVAL OF MINUTES**

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

#### **BOOKKEEPER'S REPORT**

Ms. Rickert presented to and reviewed with the Board the Bookkeeper's Report dated

September 12, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements and wire transfers presented for approval. The Board asked various questions regarding the new format of the Bookkeeper's Report, to which Ms. Rickert responded. Ms. Rickert then presented to the Board a Consultant Authorization Resolution granting Artesian access to the District's accounts with Central Bank, and requested the Board's approval and execution of same. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the addition of check no. 4504, payable to A&V Nuisance Wildlife Management & Control, LLC, in the amount of \$480.00, and the exception of check no. 5002, which was voided, and (ii) the Consultant Authorization Resolution be approved, and the President and Assistant Secretary be authorized to execute same on behalf of the Board and the District.

### **TAX RATE RECOMMENDATION**

Mr. Howell presented GMS's recommendation for the District's proposed 2024 debt service tax rate and maintenance tax rate, a copy of which is attached hereto as **Exhibit B**. After discussing the matter at length, Director Judd moved that the Board provide notice of its intent to levy a 2024 debt service tax rate of up to \$0.213 per \$100 of assessed valuation and a 2024 maintenance tax rate of up to \$0.142 per \$100 of assessed valuation, for a total tax rate not to exceed \$0.355 per \$100 of assessed valuation. Director Sillman seconded the motion, which unanimously carried.

There next followed a discussion concerning the requirements for providing notice of the District's intention to adopt its 2024 tax rate. Mr. Page advised that, pursuant to Section 49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Page further advised that the information to be included in the notice is set forth in the Texas Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting. Following discussion, Director Judd moved that Wheeler be authorized to publish notice of the District's intention to adopt its 2024 tax rate in the form and at the time required by law. Director Sillman seconded said motion, which unanimously carried. The Board concurred that said notice should be published by Wheeler in *The Houston Chronicle*.

The Board requested to hold a special townhall meeting in the District at the Lakeland Village Activity Center on Tuesday, October 8, 2024, at 7:00 p.m. to receive public input regarding the District's 2024 tax rate.

Mr. Howell exited the meeting at this time.

### **AUDIT REPORT**

Ms. Patel presented and reviewed with the Board a draft of the District's audit of financial statements prepared by Forvis Mazars for the District's fiscal year ended May 31, 2024, a copy of

which is attached hereto as **Exhibit C**. In connection with the requirements of Statement on Auditing Standards No. 115, Ms. Patel additionally presented and reviewed with the Board a Management Letter prepared by Forvis Mazars concerning the Board's internal controls over financial reporting, and correspondence from Forvis Mazars to the District concerning significant accounting policies and practices, copies of which are included with **Exhibit C**. Mr. Page noted the proposed Management Response recommended by SPH and included in the draft Management Letter. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that (i) said Management Response be approved and adopted by the Board and the District, (ii) the audit report for the District's fiscal year ended May 31, 2024, be approved, subject to review and comment by the Directors and SPH, (iii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and (iv) the final audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ") and the Texas Comptroller of Public Accounts.

### **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 August 31, 2024, including the disbursements presented for approval, and a Delinquent Collections Listing as of August 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.

### **DELINQUENT TAX COLLECTIONS**

Mr. Page presented to and reviewed with the Board the Delinquent Tax Collections Report received from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District, a copy of which is attached hereto as **Exhibit E**. Mr. Page noted that no action was required by the Board in connection with the Delinquent Tax Collections Report.

### **VETERAN'S MEMORIAL PARK**

The Board discussed matters related to the proposed construction of Veteran's Memorial Park. In connection therewith, Mr. Page presented to and reviewed with the Board a proposed draft of a Memorandum of Understanding ("MOU") between the District, Harris County Municipal Utility District No. 419, and The Veterans Group memorializing the entities' desire to cooperatively undertake the project, a copy of which is attached hereto as **Exhibit F**. Director Dickey provided comments to the draft MOU and requested the incorporation of same. After discussing the matter at length, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the MOU be approved, subject to the incorporation of Director Dickey's comments to same by SPH.

The Board discussed the funding of Veteran's Memorial Park. In connection therewith, Mr. Sams addressed those in attendance from The Veterans Group to clarify the Developer's

position regarding the contribution of Developer funds towards the project. Mr. Sams advised that the Developer was willing to consider contributing funds towards the project if the Developer was given the opportunity to influence the design, location, and timing of the project. Mr. Sams discussed how memorials are programmed in other developments by Howard Hughes, as compared to the project in the MOU. He further advised that the Developer would provide input but, as currently proposed in the MOU, he does not expect the Developer to contribute funds toward the project.

Ms. Patel and Ms. Baker exited the meeting at this time.

### **ENGINEER'S REPORT**

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated September 12, 2024, a copy of which is attached hereto as **Exhibit G**. In connection therewith, Mr. Page requested the Board's acceptance of two (2) Irrigation Easements to serve Mason Road, Section 9. Following discussion, Director Judd moved that the Engineer's Report and the action items listed therein be approved, as recommended, and that the Irrigation Easements serving Mason Road, Section 9 be accepted. Director Sillman seconded the motion, which unanimously carried.

### **OPERATIONS AND MAINTENANCE**

Ms. Osborne presented the Operator's Report for the month of August 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 next presented to and reviewed with the Board a proposal for the installation of FleetZoom devices at Irrigation Pump Station ("IPS") Nos. 1, 2, 3 and 4, a copy of which is included in the Operator's Report. The Board noted that it would not be necessary to install a FleetZoom device at IPS No. 1 at this time, as IPS No. 1 is in the process of being rebuilt. Following discussion, Director Judd moved to approve the installation of FleetZoom devices at IPS Nos. 2, 3 and 4. Director Sillman seconded the motion, which unanimously carried.

Ms. Osborne next presented to and reviewed with the Board a proposal for replacement of the HMI (Human Machine Interface) device at IPS No. 4, a copy of which is included in the Operator's Report. She noted the total cost for such work in the amount of \$6,119.00. The Board requested that Inframark obtain an additional quote to compare pricing. Following discussion, Director Judd moved to approve the replacement of the HMI device at IPS No. 4 in an amount not to exceed \$7,000.00, subject to receipt of an additional quote for confirmation of the pricing for same. Director Sillman seconded the motion, which unanimously carried.

Ms. Osborne next presented to and reviewed with the Board a proposal for replacement of the existing air conditioning unit at IPS No. 4, a copy of which is included in the Operator's Report. She noted the total cost for such work in the amount of \$13,084.50. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the proposal for replacement of the air conditioning unit at IPS No. 4 be approved.

Ms. Osborne next presented to and reviewed with the Board proposals for the installation of a backup controllers into the existing PLC systems at IPS Nos. 1, 2, 3 and 4, copies of which are included in the Operator's Report. She noted the cost for such work in the amount of \$6,850.00 for each IPS. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the proposals for installation of backup controllers at IPS Nos. 1, 2, 3 and 4 be approved.

Ms. Osborne next presented to and reviewed with the Board proposals for the installation of vent fans inside the Motor Control Centers ("MCCs") at IPS Nos. 3 and 4, copies of which are included in the Operator's Report. She noted the cost for such work in the amount of \$2,550.00 for each IPS. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the proposals for the installation of fans inside the MCCs at IPS Nos. 3 and 4 be approved.

Ms. Osborne next presented to and reviewed with the Board a proposal for the repair or replacement of the Booster Pump and Motor No. 2 at IPS No. 1, a copy of which is included in the Operator's Report. She advised that Inframark the replacement of such equipment at this time, and total cost for such work in the amount of \$32,355.00. Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the proposal for replacement of the Booster Pump and Motor No. 2 at IPS No. 1 be approved.

Ms. Osborne next presented to and reviewed with the Board a proposal for the removal of low-hanging branches, vegetation and undergrowth at each of the District's IPS facilities, a copy of which is included with **Exhibit H**. She noted the total cost for such work in the amount of \$6,657.38. Following discussion, the Board respectfully declined the proposal presented, and requested that Director Sillman engage MG2 Tree Service, LLC, to perform such work at a cost not to exceed \$6,500.00.

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

The Board discussed general maintenance matters for the District, and noted that no action was necessary in connection with such matters at this time.

#### **DEVELOPER'S REPORT**

Ms. Thorne presented to and reviewed with the Board the home inventory report through August 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit I**. Ms. Thorne 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 at this time.

## **WEBSITE UPDATES**

The Board noted that a notice regarding the October 8, 2024, special meeting for discussion of the District's tax rate will be posted on the District's website.

## **ATTORNEY'S REPORT**

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

## **CONSIDER AND DISCUSS CANDIDATES FOR APPOINTMENT TO FILL VACANCY ON THE BOARD OF DIRECTORS**

The Board concurred to defer consideration of possible candidates for appointment to fill the current vacancy on the Board of Directors at this time, and noted that it would reconsider the matter at the next Board meeting.

## **FUTURE AGENDA ITEMS**

The Board considered items for placement on future agendas. No other specific agenda items, other than routine and ongoing matters, were requested.

## **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**

September 12, 2024

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<b>Exhibit A –</b>	Bookkeeper's Report
<b>Exhibit B –</b>	Financial Advisor's 2024 Tax Rate Recommendation
<b>Exhibit C –</b>	Draft Audit Report – Fiscal Year Ended May 31, 2024
<b>Exhibit D –</b>	Tax Assessor Collector Monthly Report
<b>Exhibit E –</b>	Delinquent Tax Collections Report
<b>Exhibit F –</b>	Memorandum of Understanding
<b>Exhibit G –</b>	Engineer's Report
<b>Exhibit H –</b>	Operator's Report
<b>Exhibit I –</b>	Inventory Report through August 2024