

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Meeting of Board of Directors

February 13, 2025

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 February 13, 2025, 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
Chad Sillman, Secretary
Keith D. Perry, Assistant Secretary
Shane Ware, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Will Gutowsky, Trevor Deines, and Chris Patterson of BGE, Inc. ("BGE"); Mackenzie Johnson and Jeremy Weber of Inframark, LLC ("Inframark"); Tia Wright and Tina Johnston of Artesian Financial Services ("AFS"); John Howell of The GMS Group, LLC ("GMS"); Steve Sams and Kelsey Thorne of Howard Hughes Holdings, Inc. on behalf of Bridgeland Development, LP ("Developer"); Darce Ahlschlager and Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Bobby Reynolds, Bob Thomas, Emilio Rodriguez, Walter Bohn, and Kay Burkhalter, members of The Bridgeland Community Supports Veterans, Inc. ("Bridgeland Veterans"); Ryan Wilson, resident of the District; and Mitchell G. Page, and Peyton McKelvey 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. In connection therewith, Mr. Wilson addressed the Board regarding recent drainage issues noted at Oak Meadow Park and inquired if there were options to remove water from an area used for disc golf. Mr. Sams noted that the Developer owns the property, and they will investigate same. Mr. Wilson further requested that additional trees be installed along the channel adjacent to Cypress Creek Nature Trail, and noted he obtained pricing for several Bald Cypress 65-gallon trees for a cost of approximately \$400. Mr. Sams noted that the Developer will investigate pricing for additional trees at a more economical rate. Director Sillman noted he will also investigate tree pricing.

Ms. Burkhalter inquired about ownership of an eroded drainage area in Lakeland Village. It was noted that the subject area is owned and maintained by Lakeland Village Community Association ("LVCA").

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on January 9, 2025. Following discussion, Director Perry moved that the minutes of the January 9, 2025, meeting be approved, as presented. Director Sillman seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Johnston presented to and reviewed with the Board the Bookkeeper's Report dated February 13, 2025, 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 Ware and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment.

AMENDMENT TO ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered an amendment to the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") to remove Cara Sliva as Investment Officer, as she is no longer with AFS. Mr. Page presented to and reviewed with the Board redlined revisions to the Investment Policy. The amended Investment Policy is attached hereto as **Exhibit B**. After discussion on the matter, Director Perry moved that the amended Investment Policy be approved and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Sillman seconded said motion, which was unanimously carried.

TAX ASSESSOR-COLLECTOR MONTHLY REPORT; DELINQUENT COLLECTIONS LISTING

Ms. Mata then presented to and reviewed with the Board the Tax Assessor-Collector Monthly Report dated as of January 31, 2025, including the disbursements presented for approval, and a Delinquent Collections Listing as of January 31, 2025, copies of which are attached hereto as **Exhibit C**. Following discussion, Director Perry 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.

The Board then discussed the 1% fee charged by Wheeler's payment processor relative to electronic checks. Ms. Ahlschlager addressed questions received from the Board regarding same. After discussion, Director Perry moved that AFS prepare refund checks in the amount of the 1% processing fee paid minus \$5.00 for each customer. After discussion, Director Perry moved that the refund be authorized, as discussed. Director Ware seconded said motion, which unanimously carried. Ms. Johnston requested that a form letter be prepared to accompany the refund checks.

DELINQUENT TAX COLLECTIONS

The Board deferred consideration of a Delinquent Tax Report, as it was noted that no report was received nor was due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District.

EXEMPTIONS FROM TAXATION

The Board considered granting exemptions from taxation for 2025. In connection therewith, Mr. Page outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the appraised value of residential homestead improvements for the year 2025, and may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Mr. Howell then presented to and reviewed in detail with the Board an Exemption Analysis prepared by GMS, a copy of which analysis is attached hereto as **Exhibit D**. After discussion on the matter, Director Perry moved that (i) the District grant an exemption in the amount of \$25,000 for residents 65 years of age or older, (ii) the District grant an exemption for persons under a disability in the amount of \$30,000, (iii) the District grant a general homestead exemption of 5% of appraised value, and (iv) the Resolution Concerning Exemptions from Taxation, a copy of which is attached hereto as **Exhibit E**, be approved and adopted by the Board and the District. Director Ware seconded the motion, which unanimously carried.

Mr. Wilson and Ms. Ahlschlager exited the meeting at this time.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Page noted that certain tax procedures applicable to the District will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Page 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 2025 Tax Year. Following discussion, it was moved by Director Judd, seconded by Director Ware and unanimously carried, that the Resolution Concerning Developed District Status for 2025 Tax Year, attached hereto as **Exhibit F**, confirming that the District shall not be considered a "Developed District" for the 2025 Tax Year, be passed and adopted by the Board and the District.

VETERANS MEMORIAL

The Board next considered the status of the proposed construction of Veteran's Memorial. In connection therewith, the Board reviewed two proposed design concepts, reflected in the materials related materials are attached hereto as **Exhibit G**. Mr. Patterson and Mr. Deines of BGE first presented a design concept reflecting refinements to a concept initiated by the Bridgeland Veterans for construction on District land. Ms. Thorne and Ms. Sams then presented a design concept reflecting the Developer's concept for a Veteran's Memorial within Bridgeland Central. Discussion ensued regarding funding of the two concepts, including potential funding by the Developer. The Board then discussed the timeframe for construction of each concept. Following discussion, it was noted that no action was taken by the Board in connection with this matter at this time.

ENGINEER'S REPORT

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated February 13, 2025, a copy of which is attached hereto as **Exhibit H**, including the pay estimate listed therein.

The Board then discussed signage throughout the District. Mr. Gutowsky advised that a request was received from the LVCA for the installation of two signs regarding lake rules and conduct to be installed in Harmony Grove. In connection therewith, Mr. Gutowsky presented pricing received from Perfect Image Signs, noting each sign costs \$1,615. Mr. Gutowsky additionally reported that the removal of four (4) damaged signs around the amenity lakes, for an approximate cost of \$500 per sign is underway by Delta West Environmental. He noted this removal cost was a slight increase from the estimate previously discussed and authorized by the Board.

Mr. Gutowsky then discussed with the Board the Irrigation Pump Station No. 1 Improvement project, noting that BGE and Inframark have investigated same, and are preparing a scope of work and pricing. In the interest of time, the Board discussed forming a committee of Directors Judd and Ware to review the proposed project scope and pricing between meetings with BGE and Inframark, and authorize work to commence in an amount not to exceed \$150,000.

Following discussion, it was moved by Director Perry, seconded by Director Sillman, and unanimously carried, that: (i) the Engineer's Report and the action items listed therein be approved, as recommended by BGE; (ii) the installation of up to two signs in Harmony Grove, be approved; (iii) the four damaged signs around the amenity lakes be removed for \$500 each; and (iv) Directors Judd and Ware be delegated authority to work with BGE and Inframark before the next Board meeting to review the project scope and pricing for the Irrigation Pump Station No. 1 Improvements, and authorize work in an amount not to exceed \$150,000.

SUMMARY OF COSTS

The Board considered the District's fifteenth issuance of bonds. Mr. Gutowsky presented a Summary of Costs for a Park Bond issuance for \$5,500,000, a copy of which is attached hereto

as **Exhibit I**. He reviewed the various projects identified in the Summary of Costs with the Board and responded to questions. After discussion, Director Perry moved that (i) the Summary of Costs for the Park Bond issuance be approved, and (ii) BGE be authorized to prepare a report to the Texas Commission on Environmental Quality for approval of the issuance and the projects to be funded thereby. Director Ware seconded said motion, which unanimously carried. Mr. Page noted that an Order authorizing such an application would be added to the next Board meeting agenda for approval.

Mr. Rodriguez, Mr. Thomas, Mr. Howell, and Mr. Bohn exited the meeting at this time.

APPROVE PREVAILING WAGE RATES FOR CONSTRUCTION PROJECTS

Mr. Page presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit J**. He reviewed various provisions of the Resolution with the Board. Mr. Page advised the Board that the District previously adopted the wage rates for Harris County and noted that BGE is recommending that the District adopt the Department of Labor's updated wage rates for Harris County effective January 1, 2025, and discussed same in detail with the Board. After discussion and consideration of the survey and the proposed Resolution, Director Judd moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the wage rates for the Department of Labor for Harris County, and that the President and the Secretary be authorized to execute and attest same on behalf of the Board and the District. Director Perry seconded said motion, which unanimously carried.

OPERATIONS AND MAINTENANCE

Ms. Johnson presented the Operator's Report for the month of January 2025, a copy of which is attached hereto as **Exhibit K**, and reviewed the charges, related repairs and make-up well pumpage listed therein. The Board then inquired about the motor failures at Irrigation Pump Station Nos. 1 and 4 ("IPS 1 and 4"), expressing concerns about the continued failures in relation to the age of the pumps. Mr. Weber recommended the installation of a different type of motor to eliminate moisture-related damage and failures, and noted the motors cost approximately \$28,290 each. The Board discussed the need for additional research and considered the creation of a subcommittee to work with Inframark between meetings to resolve the matter. Following discussion, it was moved by Director Judd that (i) the Operator's Report be approved, (ii) Inframark and a subcommittee comprised of Directors Judd and Sillman be authorized to further discuss IPS 1 and 4 motor replacement before the next meeting, and (iii) the replacement at IPS 1 and 4 with the more advanced type of motor be authorized for \$28,290 each, plus \$20,000 to cover additional incidental costs, if necessary. Director Perry seconded said motion, which unanimously carried.

Mr. Weber exited the meeting at this time.

DETENTION FACILITY AND GROUNDS MAINTENANCE

The Board next discussed general maintenance matters for the District. In connection

therewith, Director Sillman provided the Board with an update regarding the status of the tree maintenance throughout the District.

Director Sillman informed the Board that he consulted with A&V Nuisance Wildlife Management & Control LLC regarding adjustment to the scope of work in the District's contract, specifically to remove services related to graffiti monitoring. Director Sillman noted the nutria and hog control services still necessary, and he will coordinate with Harris County Water Control and Improvement District No. 159 regarding a potential partnership for broader wildlife management efforts. Director Sillman added that coordination with the Developer will also occur to ensure appropriate trap placement. The Board noted no action on its part regarding same was necessary at this time.

DEVELOPER'S REPORT

Ms. Thorne presented to and reviewed with the Board the home inventory report through January 2025, as prepared by the Developer, a copy of which is attached hereto as **Exhibit L**. Ms. Thorne then provided an update regarding the commercial activity in the Bridgeland community. It was noted that no action was required by the Board in connection with the Developer's Report.

RESIDENT COMMUNICATIONS AND EMERGENCY MATTERS

The Board considered committee discussions relating to resident communications and emergency matters. In connection therewith, the Board noted no updates at this time.

WEBSITE UPDATES

The Board considered updates to the District's website. In connection therewith, Director Ware discussed the engagement of The Texas Network ("TTN"), noting that TTN is preparing a contract for execution and a draft website Board review. The Board next discussed the termination of OffCinco effective as of April 1, 2025. Mr. Page presented to the Board a letter terminating OffCinco's district website services effective as of April 1, 2025, a copy of which termination letter is attached hereto as **Exhibit M**. Following discussion, it was moved by Director Judd, seconded by Director Perry, and unanimously carried, that (i) OffCinco's website services be terminated effective as of April 1, 2025, and (ii) the President be authorized to execute same on behalf of the District.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Page reported to the Board that the District's current insurance coverage through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2025. He reminded the Board that it previously requested a renewal proposal from Gallagher, and same will be provided at the March Board meeting for review. The Board took no action regarding this item at this time.

CLOSED SESSION

The President noted that the Board would enter into Closed Session at 1:54 p.m. pursuant

to Section 551.071 and Section 551.073 of the Texas Government Code, as amended. Those in attendance other than Directors Dickey, Sillman, Ware, Perry, and Judd, Mr. Page and Ms. McKelvey, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 2:24 p.m. Director Dickey motioned that (i) the Veteran's Memorial Park project as presented by BGE be selected for implementation, and (ii) the President be authorized to coordinate with project stakeholders regarding project implementation and acquisition of appropriate funding. Director Sillman seconded said motion, which unanimously carried.

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.

FUTURE AGENDA ITEMS

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

ADJOURNMENT

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





Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

LIST OF ATTACHMENTS TO MINUTES

February 13, 2025

Exhibit A – Bookkeeper's Report

Exhibit B – Resolution and Investment Policy

Exhibit C – Tax Assessor Collectors Report

Exhibit D – Exemption Analysis

Exhibit E – Resolution Concerning Exemptions

Exhibit F – Resolution Concerning Developed District Status

Exhibit G – Veteran's Memorial presentation

Exhibit H – Engineer's Report

Exhibit I – Cost Summary

Exhibit J - Resolution Adopting Prevailing Wage Rate Scale for Construction Projects

Exhibit K – Operator's Report

Exhibit L – Inventory Report

Exhibit M – Termination Letter