

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Meeting of Board of Directors

January 9, 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 January 9, 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 of BGE, Inc. ("BGE"); Mackenzie Johnson of Inframark, LLC ("Inframark"); Tia Wright and Tina Johnston of Artesian Financial Services ("AFS"); Paulina Baker of Howard Hughes Holdings, Inc. on behalf of Bridgeland Development, LP ("Developer"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); and Mitchell G. Page, Kendall M. Dicke, 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. In connection therewith, Director Dickey advised the Board that he received positive feedback from residents regarding the District's recent tree trimming and landscape maintenance efforts. He additionally advised that he noticed various resident discussions on Facebook regarding District tax rates and tax exemptions. Following discussion, Director Dickey noted that he would collaborate with SPH to prepare a "Frequently-Asked-Questions" forum on the subject for posting on the District's website. It was noted that no action was required by the Board in connection with this matter at this time.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on December 12, 2024. Following discussion, Director Perry moved that the minutes of the December 12, 2024, meeting be approved, as presented. Director Ware seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Johnston presented to and reviewed with the Board the Bookkeeper's Report dated January 9, 2025, a copy of which is attached hereto as **Exhibit A**, including the disbursements and wire transfers presented for approval. During such review, Ms. Johnston reported to the Board that the District's new construction fund account with NewFirst National Bank has been opened. 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.

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 December 31, 2024, including the disbursements presented for approval, and a Delinquent Collections Listing as of December 31, 2024, copies of which are attached hereto as **Exhibit B**. 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 also discussed the fees charged by Wheeler's payment processor relative to electronic checks. Ms. Mata noted that Wheeler will investigate the matter and coordinate with Directors Dickey and Judd on options to reduce such fees.

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.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Page advised the Board that it is authorized, pursuant to Section 33.11 of the Tax Code, to impose, under certain conditions, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes, in accordance with Section 33.11 of the Tax Code, as amended. Following discussion, it was moved by Director Perry, seconded by Director Sillman and unanimously carried, that: (i) the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and (ii) Perdue Brandon, the District's delinquent tax collections attorneys, be authorized to proceed with collection of the District's delinquent 2024 personal property tax accounts on April 1, 2025, including the filing of lawsuits, as necessary.

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 Texas 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 market value of residential homestead improvements for the year 2025, and the District 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. Page reviewed with the Board the District's current exemptions, including (i) \$30,000 for persons who are under a disability for purposes of disability insurance, (ii) \$25,000 for persons sixty-five years of age or older, (iii) and 5% for general homestead. After further discussion on the matter, the Board requested that the District's financial advisor investigate the feasibility of increasing the District's exemption for persons sixty-five years of age or older, and increasing the general homestead exemption, and report on same at the next Board meeting.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Page informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, it was moved by Director Sillman, seconded by Director Perry and unanimously carried, that Forvis Mazars, LLP, the District's auditor, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

VETERANS MEMORIAL

The Board next considered the status of the proposed construction of Veteran's Memorial. In connection therewith, Director Dickey advised the Board that the previously discussed presentation of proposed alternative design plans/updated conceptual design layouts by the Board and the Developer is expected to take place at the February Board meeting. 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 January 9, 2025, a copy of which is attached hereto as **Exhibit D**, including the pay estimate listed therein.

Mr. Gutowsky next provided the Board with an update regarding the repair of the Bridgeland Creek Parkway underpass. In connection therewith, Mr. Gutowsky advised the Board that repairs have been made to address the issue with the underpass, but that BGE is continuing to work with the contractor to confirm that the issue has been fully resolved.

A discussion ensued regarding removal of certain damaged educational signage in the Josey Lake area. In connection therewith, Mr. Gutowsky advised the Board that removing the damaged signage and covering the area with sod would cost the District approximately \$450.00 per sign.

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, and (ii) BGE be authorized to proceed with the removal of the damaged District signage located in the grassy areas surrounding Josey Lake, as discussed.

SUMMARY OF COSTS

The Board deferred consideration of a Summary of Costs for a potential 2025 bond issuance until next month's Board meeting.

OPERATIONS AND MAINTENANCE

Ms. Johnson presented the Operator's Report for the month of December 2024, a copy of which is attached hereto as **Exhibit E**, and reviewed the charges, related repairs and make up well pumpage listed therein. Following discussion, it was moved by Director Perry that the Operator's Report be approved, and that Inframark be authorized to enforce the District's Rate Order. Director Sillman seconded said motion, which unanimously carried.

DETENTION FACILITY AND GROUNDS MAINTANENCE

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 would be consulting with A&V Nuisance Wildlife Management & Control LLC regarding a potential adjustment to the scope of work in the District's contract, specifically to remove services related to graffiti monitoring. Additionally, Director Sillman reported that the project to remove dead or dying beetle-infested trees within the District is nearing completion. It was noted that no action was required by the Board in connection with this matter at this time.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through December 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit G**. Ms. Baker 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.

The Board next considered ratification of the Resolution Approving Supplement for Utility

Development (the "Resolution"). In connection therewith, Mr. Page reminded the Board that the Developer has requested to supplement the District's existing Amended and Restated Utility Development Agreements ("UDAs") for drainage facilities and for recreational facilities to provide for the release of the Developer's rights to receive payment for certain eligible reimbursable costs, and assign such rights to the National Finance Authority. Following discussion, it was moved by Director Perry, seconded by Director Sillman and unanimously carried, that the previously-approved Resolution be ratified, as discussed.

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 presented proposals from Infinity Services, a copy of which is attached hereto as **Exhibit G**, and The Texas Network ("TTN"), a copy of which is attached hereto as **Exhibit H**. Following discussion, it was moved by Director Judd that (i) authority be delegated to Director Ware to request an agreement with TTN, and (ii) the President be authorized to execute same on behalf of the District. Director Sillman seconded said motion, which carried unanimously.

COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit I**. Mr. Page advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Page noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Page further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Judd moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Ware seconded said motion, which unanimously carried.

TRACE AIR FLYOVER AS OF JANUARY 1, 2025

Mr. Page next discussed the Trace Air flyover, which was completed on January 1, 2025. Mr. Page advised the Board that the final cost to the District for participation in the flyover was \$1,259.50. Following discussion, it was noted that no further action was required by the Board in connection with this matter at this time.

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 informed the Board of the other insurance companies available to the District that provide coverage to water districts, and inquired as to whether the Board desired to solicit proposals from such companies for review prior to the expiration of the District's current policies. Following discussion, the Board requested that SPH solicit a renewal quote from Gallagher only at this time.

MUNICIPAL SECURITIES RULEMAKING BOARD RULE G-10 ("MSRB RULE G-10")

Mr. Page presented to and reviewed with the Board correspondence received from The GMS Group, L.L.C. relative to disclosure requirements imposed by MSRB Rule G-10, a copy of which is attached hereto as **Exhibit J**. Following review and discussion, the Board concurred to formally acknowledge receipt of such disclosure.

ATTORNEY'S REPORT

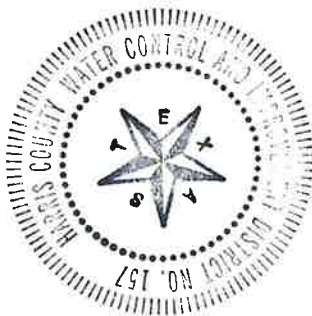
The Board considered the attorney's report. Mr. Page advised that he had nothing further of a legal nature to discuss with the Board at this time.

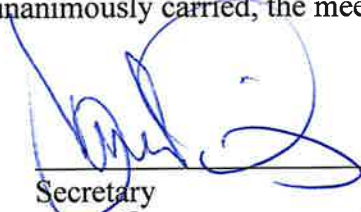
FUTURE AGENDA ITEMS

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




Secretary



HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

LIST OF ATTACHMENTS TO MINUTES

January 9, 2025

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector Monthly Report; Delinquent Collections Listing
- Exhibit C –** Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit D –** Engineer's Report
- Exhibit E –** Operator's Report
- Exhibit F –** Inventory Report through December 2024
- Exhibit G –** Website Proposal from Infinity Services
- Exhibit H –** Website Proposal from The Texas Network
- Exhibit I –** Order Establishing Policy for Covered Applications and Prohibited Technology
- Exhibit J –** MSRB Rule G-10 Correspondence from The GMS Group