

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Special Meeting of Board of Directors

September 12, 2025

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 157 (the "District") met in special session, open to the public, on September 12, 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:

Benjamin Judd, President
Chad Sillman, Vice President
Shane Ware, Secretary
Keith D. Perry, Assistant Secretary

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

Also present were Will Gutowsky of BGE, Inc. ("BGE"); Lindsey DeLong of Inframark, LLC ("Inframark"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Tina Johnston and Lisa Rickert of Artesian Financial Services ("AFS"); Paulina Baker of Howard Hughes Holdings, Inc. on behalf of Bridgeland Development, LP (the "Developer"); Brian Krueger of Forvis Mazars, LLP ("Forvis Mazars"); Melissa Hargrove and Mike Shepard of Bridgeland Council, Inc. ("Council"); Chris Gilbert, Vice President of the Board of Directors of Harris County Municipal Utility District No. 418 ("No. 418"); Ramsey Womack, Kenneth Weston and Tammy Bass, members of the public; 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. Director Sillman introduced Ms. Bass to the Board and advised that Ms. Bass wishes to address the Board concerning damages caused to her property following recent repair work performed near her home. In connection therewith, Ms. Bass described the various damages caused to her property by the crew performing such work and requested the Board's assistance in repairing the damages. Following discussion, the Board concurred that it would further discuss the matter later in the meeting, during the Operator's Report.

Mr. Gilbert next addressed the Board concerning the recent decision of No. 418's Board of Directors to consider alternative operations services providers. Mr. Gilbert explained the role of No. 418 with respect to its ownership and operation of the regional water and wastewater facilities serving Bridgeland. The Board asked various questions regarding such facilities and No. 418's

operation of same, to which Mr. Gilbert responded. Following discussion, it was noted that no action was required by the Board in connection with this matter.

Ms. Hargrove introduced herself to the Board and advised that she would be speaking later in the meeting, during discussion on the District's irrigation systems.

Mr. Weston and Mr. Womack introduced themselves to the Board and expressed an interest in being considered for appointment to fill the current vacancy on the Board of Directors. The Board responded that it would consider candidates for appointment to fill the vacancy on the Board later in the meeting, under the agenda item for such topic.

APPROVAL OF MINUTES

The Board considered the approval of the draft minutes of its meeting held on August 14, 2025. Following review and discussion, Director Perry moved that the minutes of the August 14, 2025, Board meeting be approved, as written. Director Ware seconded the motion, and with Directors Perry, Ware and Judd voting in favor, and Director Sillman abstaining, the motion carried.

VETERANS MEMORIAL

The Board next considered the status of the proposed construction of Veterans Memorial. In connection therewith, the Board noted that it had nothing new to discuss in connection with this matter.

BOOKKEEPER'S REPORT

Ms. Johnston presented to and reviewed with the Board the Bookkeeper's Report dated September 12, 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 (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, and (ii) AFS be authorized to proceed with the renewal of the CDAR maturing October 9, 2025, but only if interest rates are at 3.5% or greater. The Board noted that said CDAR should be liquidated if interest rates fall below 3.5%.

ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy"), and the adoption of a Resolution in connection therewith. Mr. Page presented to and reviewed with the Board a memorandum prepared by SPH summarizing the proposed changes to the Investment Policy, a copy of which is attached hereto as **Exhibit B**. He then presented for the Board's adoption a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Resolution"). Following discussion, it was moved by

Director Perry, seconded by Director Ware and unanimously carried, that the revised Investment Policy and the Resolution, attached hereto as **Exhibit C**, be adopted to reflect the discussed changes, and that the President and Secretary be authorized to execute same.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE DISTRICT

The Board next considered the adoption of a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Page advised that, pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually, and presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District (the "Qualified Brokers Resolution"), a copy of which is attached hereto as **Exhibit D**. Mr. Page noted that the list of brokers attached to the Qualified Brokers Resolution was compiled with the input of the District's Investment Officer, and that while it lists potential institutions with which the District may engage in investment transactions, it is ultimately the Board's decision as to where the District's funds are actually placed. Following discussion, Director Perry moved that the Qualified Brokers Resolution be adopted by the Board and the District, and that the President and Secretary be authorized to execute same. Director Ware seconded said motion, which unanimously carried.

DEVELOPER'S REPORT

Ms. Baker noted that she had a scheduling conflict, and inquired as to whether the Board would be amenable to receiving the Developer's Report at this time. Without objection, the Board considered the Developer's Report.

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

AUDIT REPORT

Mr. Krueger 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, 2025, a copy of which is attached hereto as **Exhibit F**. In connection with the requirements of Statement on Auditing Standards No. 115, Mr. Krueger 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 F**. Mr. Page noted the proposed Management Response recommended by SPH and included in the draft Management Letter. Following discussion, it was moved by Director Perry, seconded by Director Ware 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, 2025, 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 and the Texas Comptroller of Public Accounts.

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 August 31, 2025, including the disbursements presented for approval, and a Delinquent Collections Listing as of August 31, 2025, copies of which are attached hereto as **Exhibit G**. Following discussion, Director Perry moved that the Tax Assessor-Collector Monthly Report be approved, and the disbursements identified therein be authorized for payment. Director Ware seconded said motion, which carried unanimously.

John Howell of the GMS Group, LLC ("GMS") entered the meeting at this time.

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 H**. Mr. Page noted that no action was required by the Board in connection with the Delinquent Tax Collections Report.

MATTERS RELATED TO THE SALE AND ISSUANCE OF THE DISTRICT'S PROPOSED \$5,500,000 UNLIMITED TAX PARK BONDS, SERIES 2025

The Board next considered the status of the sale and issuance of the District's proposed \$5,500,000 Unlimited Tax Park Bonds, Series 2025 (the "Park Bonds"). Mr. Howell discussed deferring the sale of the Park Bonds to October in order to allow enough time to complete the offering documents in connection therewith. Following discussion, Director Ware moved that (i) a special meeting be scheduled for Thursday, October 16, 2025, at 11:00 a.m. for the sale of the Park Bonds, and (ii) the next regular meeting scheduled for Thursday, October 9, 2025, be rescheduled to Friday, October 10, 2025, at 11:00 a.m. Director Judd seconded the motion, and with Directors Ware, Judd and Sillman voting in favor, and Director Perry abstaining, the motion carried.

TAX RATE RECOMMENDATION

Mr. Howell next presented GMS's recommendation for the District's proposed 2025 debt service tax rate and maintenance tax rate, a copy of which is attached hereto as **Exhibit I**. After discussing the matter at length, Director Judd moved that the Board provide notice of its intent to levy a 2025 debt service tax rate of up to \$0.20 per \$100 of assessed valuation and a 2025 maintenance tax rate of up to \$0.15 per \$100 of assessed valuation, for a total tax rate not to exceed \$0.35 per \$100 of assessed valuation. Director Ware 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 2025 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 2025 tax rate in the form and at the time required by law. Director Ware seconded said motion, which unanimously carried. The Board concurred that Wheeler should publish said notice in the *Community Impact* newspaper.

The Board requested to hold a special town hall meeting in the District at the Lakeland Village Activity Center prior to the October 10, 2025, Board meeting to receive public input regarding the District's 2025 tax rate. Mr. Page responded that SPH would inquire regarding room availability at the Lakeland Activity Center and provide the Board with potential dates for the scheduling of the town hall meeting shortly thereafter.

Mr. Howell 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, 2025, a copy of which is attached hereto as **Exhibit J**, including the pay estimates and change order listed therein. Mr. Gutowsky then requested that the Board consider authorizing BGE to proceed with the design of the Bridgeland Phase 5C Detention and Spoil Disposal project. He additionally requested that the Board consider the approval of a Maintenance Agreement for Bridgeland Phase 5C Detention, which notifies the Harris County Engineering Department that the District will provide the necessary maintenance for the facilities listed therein. A copy of said Maintenance Agreement is included in **Exhibit J**. Following discussion, it was moved by Director Perry, seconded by Director Ware and unanimously carried, that the Engineer's Report and the action items listed therein be approved, including (i) the design of the Bridgeland Phase 5C Detention and Spoil Disposal project by BGE, and (ii) the Maintenance Agreement for facilities related to Bridgeland Phase 5C Detention.

OPERATIONS AND MAINTENANCE

Ms. DeLong presented to and reviewed with the Board the Operations and Maintenance Report for the month of August 2025, a copy of which is attached hereto as **Exhibit K**, and reviewed the charges, related repairs and make-up well pumpage listed therein. During such review, Director Judd requested that SPH look through past notes and minutes of Board meetings to determine whether or not the District should be responsible for payment of the invoices for the

installation of VFDs at the District's Irrigation Pump Stations ("IPS"), noting his recollection that Inframark had previously stated that it would cover the costs for such work.

Ms. DeLong next presented to and reviewed with the Board proposals for the replacement of the cracked endcaps located at IPS Nos. 1 and 4, copies of which are included in the Operations and Maintenance Report. She noted the total cost for replacement of the endcaps at IPS No. 1 in the amount of \$3,568.00, and the total cost for replacement of the endcaps at IPS No. 4 in the amount of \$5,536.00.

Ms. DeLong next presented to and reviewed with the Board proposals for the replacement of the bleach tanks located at IPS Nos. 1 and 2 with double-walled tanks, copies of which are included in the Operations and Maintenance Report. She noted the total cost for the replacement of the bleach tank at IPS No. 1 in the amount of \$9,570.33, and the total cost for the replacement of the bleach tank at IPS No. 2 in the amount of \$9,570.33. Following discussion, the Board concurred to decline the approval of such proposals at this time in order for BGE to evaluate the incorporation of such tanks in plans for IPS improvement projects to be bid for construction in the future.

Following discussion, it was moved by Director Judd, seconded by Director Sillman and unanimously carried, that the Operations and Maintenance Report and the action items listed therein be approved, including the replacement of the cracked endcaps located at IPS Nos. 1 and 4, subject to BGE's review and final approval of the proposals for same, but excluding the proposals for the installation of double-walled bleach tanks at IPS Nos. 1 and 2. The Board concurred to delegate authority to Director Judd to take any action necessary with respect to the review and final approval of the proposals for the cracked endcaps.

The Board continued its earlier discussion with Ms. Bass regarding the damages caused to her property following recent repair work performed near her home. In connection therewith, Ms. DeLong confirmed that such damages were caused by the working crew performing the repairs to the inlet and associated drainage piping located behind Williams Elm Drive, and noted that such repairs were previously authorized by the Board at last month's meeting. Ms. DeLong advised that Inframark will work to repair the damages to Ms. Bass's property as soon as possible.

Ms. Hargrove next addressed the Board concerning the District's recent IPS operations issues relative to the homeowner's associations'/Council's use of the non-potable irrigation system beyond its design capacity. In connection therewith, Ms. Hargrove and Mr. Shepard advised the Board of the steps being taken by Council to adjust water schedules in an effort to lessen the demand on the District's irrigation system. Ms. Hargrove additionally noted that Council plans to conduct an analysis of the irrigation system in order to determine a more long-term solution.

DETENTION FACILITY AND GROUNDS MAINTENANCE

The Board next discussed general maintenance matters for the District. In connection with the Board's prior concerns regarding motorized vessels in use on the amenity lakes in Bridgeland, Mr. Page reported that he raised the issue Harris County Water Control and Improvement District No. 159 ("No. 159"), and that No. 159 was amenable to implementing a uniformed rule set

regarding the use of motorized vessels on the amenity lakes in Bridgeland if the District choses to move forward with doing so. Following discussion, the Board concurred that it would not be necessary to implement such rules at this time, but noted that it would reconsider the matter should the issue reoccur.

RESIDENT COMMUNICATIONS AND EMERGENCY MATTERS

The Board noted that it had nothing new to discuss with respect to committee discussions relating to resident communications and emergency matters at this time.

WEBSITE UPDATES

The Board considered updates to the District's website, and noted that it had nothing new to discuss with respect to website matters at this time.

ATTORNEY'S REPORT

The Board next 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 CANDIDATES FOR APPOINTMENT TO FILL THE VACANCY ON THE BOARD OF DIRECTORS

The Board next considered potential candidates for appointment to fill the current vacancy on the Board. In connection therewith, Mr. Weston, Mr. Womack and Ms. Bass each expressed an interest in serving on the Board, and reviewed their respective qualifications for such service. After due deliberation and discussion, the Board informed the candidates of its decision to appoint Mr. Weston to fill the vacant position on the Board at its next meeting.

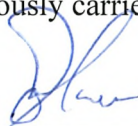
FUTURE AGENDA ITEMS

The Board considered matters 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 Ware and unanimously carried, the meeting was adjourned.





Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

LIST OF ATTACHMENTS TO MINUTES

September 12, 2025

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** SPH Memorandum regarding Annual Review of Investment Policy
- Exhibit C –** Order Establishing Policy for Investment of District Funds and Appointing Investment Officer and Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit D –** Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit E –** Home Inventory Report through August 2025
- Exhibit F –** Draft Audit Report – Fiscal Year Ended May 31, 2025
- Exhibit G –** Tax Assessor-Collector's Report
- Exhibit H –** Delinquent Tax Report
- Exhibit I –** Tax Rate Recommendation
- Exhibit J –** Engineer's Report
- Exhibit K –** Operations and Maintenance Report