

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Meeting of Board of Directors

September 15, 2025

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 159 (the "District") met in regular session, open to the public, on September 15, 2025, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

William Cook, President
Nicholas J. Russo, III, Vice President
Krystal Helbig, Secretary
Laura Maham, Assistant Secretary
Robin Goin, Assistant Secretary

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

Also present were Rebecca Olvera of B&A Municipal Services, Inc. ("B&A"); Trevor Smith of Municipal Accounts & Consulting, LP ("MA&C"); Kristen Demary and Will Gutowsky of BGE, Inc. ("BGE"); Mike Scott of Si Environmental, LLC ("Si Environmental"); Paulina Baker of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, L.P. ("Developer"); Julie Peak of Masterson Advisors, LLC ("Masterson"); Brian Krueger of Forvis Mazars ("Forvis"); and Mitchell G. Page and Lindsey H. Pittman 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 it.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. No comments from the public were presented, and the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on August 18, 2025. Mr. Page discussed revisions to the draft minutes requested by Director Cook. After discussion of the draft minutes presented, Director Maham moved that such minutes be approved, with the revisions requested by Director Cook. Director Cook seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated September 15, 2025, a copy of which is attached hereto as **Exhibit A**, and reviewed the Executive Summary therein. Mr. Smith also requested Board approval to process a wire transfer to the Attorney General for the filing fee associated with the District's upcoming bond sale. Following discussion it was moved by Director Helbig, seconded by Director Russo and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, including the wire transfer to the Attorney General.

A discussion ensued regarding impact fees that may be owed to the District which were budgeted but not paid during the fiscal year ending May 31, 2025. The Board requested that BGE and MAC follow up on the payment of said fees and report back at the next meeting.

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 ("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 presented for the Board's adoption a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). After discussion on the matter, Director Cook moved that the revised Investment Policy and Resolution attached hereto as **Exhibit C** be adopted to reflect the proposed changes as noted therein, that the President and Secretary be authorized to execute same. Director Maham seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board considered adopting 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. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, which are attached hereto as **Exhibit D**. Mr. Page further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Cook moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved, and (ii) the President and Secretary be authorized to execute said Resolution on behalf of the Board and the District. Director Maham seconded said motion, which unanimously carried. Mr. Page noted that the list of qualified brokers can be revised throughout the year.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Olvera presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended August 31, 2025, a copy of which is attached hereto as **Exhibit E**, including the checks presented for payment. After discussion, Director Cook moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Maham seconded said motion, which unanimously carried.

Christopher Gilbert, Vice President of the Board of Directors of Harris County Municipal Utility District No. 418 ("MUD 418") entered the meeting at this time.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a Delinquent Tax Report, as it was noted that no report was due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District.

2025 TAX RATE RECOMMENDATION

Ms. Peak presented the Board with her recommendation regarding the proposed 2025 debt service tax rate and maintenance tax rate, a copy of which is attached hereto as **Exhibit F**. Ms. Peak advised that she is recommending a proposed 2025 debt service tax rate of \$0.285 per \$100 of assessed valuation and proposed 2025 maintenance tax rate options. Director Cook next presented to and reviewed with the Board a memorandum he had prepared relating to the 2025 tax rate, a copy of which is attached hereto as **Exhibit G**. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 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. After further discussion on the matter, Director Maham moved that the Board (i) accept the financial advisor's recommendation of a proposed 2025 debt service tax rate of \$0.285 per \$100 of assessed valuation and propose a maintenance tax rate of \$0.130 per \$100 of assessed valuation, and (ii) the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2025 tax rate at its next meeting in the form and at the time required by law. Director Goin seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the tax assessor-collector in the *Houston Business Journal* in the section directed to the zip codes in which the District is located.

ISSUANCE OF THE DISTRICT'S UNLIMITED TAX PARK BONDS, SERIES 2025 (THE "SERIES 2025 BONDS")

The Board considered the proposed issuance of the District's Series 2025 Bonds. In connection therewith, Ms. Peak presented to and reviewed with the Board the draft Preliminary Official Statement and Notice of Sale, copies of which are attached hereto as **Exhibit H** and **Exhibit I**, respectively. After discussion, it was moved by Director Cook that: (i) the Preliminary Official Statement and Official Notice of Sale be approved, subject to any additional comments from the Board and District consultants; (ii) Masterson be authorized to advertise for the sale of the Series 2025 Bonds, subject to final approval from the Texas Commission on Environmental Quality; (iii) The Bank of New York Mellon Trust Company, N.A. be designated as the Paying Agent/Registrar in connection with the Series 2025 Bonds; and (iv) the District's Bookkeeper be authorized to issue payment for the Attorney General's transcript review fees. Director Maham seconded said motion, which carried unanimously.

REVIEW AND APPROVAL OF AUDIT REPORT FOR FISCAL YEAR ENDED MAY 31, 2025

The Board considered the review and approval of the District's audit report for the fiscal year ended May 31, 2025. In connection therewith, Mr. Krueger presented a draft of the audit report prepared by Forvis, a copy of which is attached hereto as **Exhibit J**, and reviewed said report in detail with the Board. He also presented and reviewed with the Board a draft Management Letter prepared by Forvis, concerning the Board's internal controls over financial reporting (the "Management Letter"), a copy of which is attached hereto as part of **Exhibit J**. Mr. Krueger advised the Board that the Management Letter is being submitted in connection with the requirements of applicable Statements on Auditing Standards and includes a response prepared by SPH on the District's behalf ("Management's Response"). After discussion concerning the audit presented, Director Goin moved that (i) the audit report for the fiscal year ended May 31, 2025, be approved, subject to incorporation of any final comments from the District's consultants and the Board, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, (iii) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality, and (iv) the Management's Response previously prepared by SPH be approved by the Board and included by Forvis as part of the final Management Letter. Director Maham seconded said motion, which unanimously carried.

CONTINUING DISCLOSURE REPORT

The Board deferred consideration of the annual continuing disclosure report for the District's fiscal year ended May 31, 2025, as required in connection with the District's outstanding bonds, as it was noted that the report was not yet complete.

ENGINEER'S REPORT

Ms. Demary presented to and reviewed with the Board the Engineer's Report dated September 15, 2025, a copy of which is attached hereto as **Exhibit K**. In connection therewith,

Ms. Demary provided updates regarding various construction projects within the District. Following discussion, it was moved by Director Cook, seconded by Director Russo and unanimously carried that the Engineer's Report and all action items therein be approved, as recommended by BGE, including approval of all change orders and pay estimates, and acceptance of conveyance of facilities, listed therein.

LANGHAM CREEK DETENTION PHASE 2

The Board then considered the status of the Langham Creek Detention Phase 2 project. In connection therewith, Ms. Demary reported that she had no new updates regarding the project. It was noted that no action was required of the Board at this time.

MATTERS RELATED TO THE HARRIS COUNTY FLOOD CONTROL DISTRICT ("HCFCD")

Mr. Page discussed the status regarding the proposed Interlocal Agreement for Construction of Drainage Facilities related to the Upper Langham Creek Expansion (the "Interlocal Agreement") relating to the Langham Creek Phase 3 Improvements. In connection therewith, he reported that the Interlocal Agreement is awaiting approval by the Harris County Commissioner's Court.

The Board deferred consideration of authorizing SPH to engage a consulting engineering firm to review costs for capacity in John Paul Landing Basin, as Mr. Page noted that SPH is still evaluating viable consulting firm options.

In connection with the conveyance of a detention site and assignment of drainage easements to the District, Mr. Page reported no updates from HCFCD. Following discussion, it was noted that no action was required of the Board at this time in connection with matters related to the HCFCD.

ACQUISITION OF PROPERTY; POTENTIAL EXERCISE OF EMINENT DOMAIN AUTHORITY

Mr. Page next discussed the acquisition of three (3) tracts of land situated along House Hahl Road (the "Tracts"). Mr. Page reported that the District's condemnation counsel is preparing the final offer letter, which the Board authorized at the previous meeting. It was noted that no action was required of the Board at this time.

OPERATOR'S REPORT

Mr. Scott presented to and reviewed with the Board the Operator's Report dated September 15, 2025, a copy of which is attached hereto as **Exhibit L**. Following discussion, it was noted that no action was required of the Board at this time in connection with the Operator's Report.

MATTERS RELATING TO IRRIGATION PUMP STATION NO. 4 ("IPS NO. 4")

The Board next considered issues relating to IPS No. 4. In connection therewith, Mr. Page reported that Harris County Water Control and Improvement District No. 157 ("WCID 157") is preparing a letter and invoice to the District requesting payment of certain costs incurred. Director Cook advised that he would review such letter and invoice when received and prepare an appropriate response for the Board's approval. It was noted that no action was required by the Board at this time.

DETENTION FACILITY AND GROUNDS MAINTENANCE

Director Cook presented and reviewed with the Board a Landscaping Report dated September 15, 2025, a copy of which is attached hereto as **Exhibit M**. In connection therewith, Director Cook provided a brief update as to matters within the District. Following discussion, it was moved by Director Russo that (i) the proposal for the purchase and installation of wildflower seed mix from Spencer Outdoor, LLC in the amount of \$8,150 be approved, and (ii) that the President be authorized to contact Bridgeland Council regarding a resident matter. Director Cook seconded said motion, which carried unanimously.

WEBSITE UPDATES

Mr. Page next presented to the Board a Monthly Communications Report dated September 15, 2025, as prepared by Touchstone, a copy of which is attached hereto as **Exhibit N**. Following discussion, it was noted that no action was required by the Board at this time.

RUE TRACT AND HORNBERGER TRACT ANNEXATIONS

The Board considered the status of annexation of the 154 acres (the "Rue Tract") and the adjacent 168 acres (the "Hornberger Tract"), as previously requested by TPHTL House Hahl, LLC. In connection therewith, Mr. Page advised the Board that the annexation is still pending consideration by the City Council for the City of Houston.

Mr. Page next presented to and reviewed with the Board a map demonstrating two proposed exclusion tracts, consisting of 8.03 acres and 20.00 acres, a copy of which is attached hereto as **Exhibit O**. A discussion ensued regarding the proposed exclusion. Director Cook expressed concern regarding the impact of the exclusion on the District's tax base and requested additional information. Mr. Page noted that state law requires the District to annex land simultaneously with the exclusion so that the District will realize no change or a net gain in taxable values. Mr. Gutowsky advised that he would follow up with additional information related to the annexations and exclusion to address Director Cook's concerns. Following discussion, Director Cook made a motion to table further action. Director Goin seconded said motion, which carried unanimously.

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 P**. It was noted that no action was required by the Board in connection with the Developer's Report.

ARBITRAGE REBATE AND YIELD RESTRICTION REPORTS

Mr. Page presented to and reviewed with the Board a memorandum from Municipal Risk Management Group, LLC describing recommendations for annual maintenance reports to be completed by Arbitrage Compliance Specialists for certain bonds issued by the District. A copy of said memorandum is attached hereto as **Exhibit Q**. Following discussion, it was moved by Director Cook that Arbitrage Compliance Specialists be authorized to complete the required Arbitrage Rebate Report and Yield Restriction Analysis as to the District's \$8,150,000 Unlimited Tax Bonds, Series 2020. Director Goin seconded said motion, which carried unanimously.

Ms. Peak exited the meeting at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page reported that he had no additional items of a legal nature to discuss, which had not already been discussed.

PUBLIC COMMENTS (CONTINUED)

Mr. Gilbert introduced himself to the Board as a representative of MUD 418, the master district providing wholesale water and wastewater service in Bridgeland. Mr. Gilbert explained that, as a representative of the master district, he wanted there to be open communication between MUD 418 and the Bridgeland districts. Following discussion, the Board concurred that it had no questions or concerns to share with Mr. Gilbert at this time.

MATTERS FOR PLACEMENT ON FUTURE AGENDAS

The Board considered items for placement on future agendas and noted that there no additional 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 Russo, seconded by Director Maham and unanimously carried, the meeting was adjourned.




Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159
LIST OF ATTACHMENTS TO MINUTES
September 15, 2025

- Exhibit A Bookkeeper's Report
- Exhibit B Memorandum Regarding Proposed Changes to Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit C 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 lists of qualified brokers
- Exhibit E Tax Assessor-Collector's Report
- Exhibit F 2025 Tax Rate Recommendation
- Exhibit G Memorandum Relating to 2025 Tax Rate
- Exhibit H Draft Preliminary Official Statement (Series 2025 Bonds)
- Exhibit I Draft Notice of Sale (Series 2025 Bonds)
- Exhibit J Draft Audit (FYE May 31, 2025)
- Exhibit K Engineer's Report
- Exhibit L Operator's Report
- Exhibit M Landscaping Report
- Exhibit N Monthly Communications Report
- Exhibit O Map of Proposed Exclusion Tract (8.03 acres)
- Exhibit P Developer's Home Inventory Report
- Exhibit Q Memorandum from Municipal Risk Management Group, LLC