

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Special Meeting of Board of Directors

October 15, 2024

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 159 (the "District") met in special session, open to the public, on October 15, 2024, 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, with the exception of Director Russo, thus constituting a quorum.

Also present were Wendy Maddox of B&A Municipal Services, Inc. ("B&A"); Trevor Smith of Municipal Accounts & Consulting, LP ("MA&C"); Kristen Turkal and Will Gutowsky of BGE, Inc. ("BGE"); Mike Scott of Si Environmental, LLC ("Si Environmental"); Kelsey Thorne of Howard Hughes Holdings, Inc. on behalf of Bridgeland Development, LP ("Developer"); Wendy Ramirez of Forvis Mazars, LLP ("Forvis Mazars"); and Mitchell G. Page and Peyton Ellis of Schwartz, Page, & Harding, L.L.P. ("SPH"). Greg Lenz of Masterson Advisors LLC ("Masterson") entered the meeting after it was called to order, as noted herein.

The President called the meeting to order and declared it open for such business as might regularly come before it.

PUBLIC COMMENTS

The Board considered public comments. There being no members of the public in attendance, the Board continued to the next item of business.

DEVELOPER'S REPORT

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

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on September 16, 2024. In connection therewith, Mr. Page informed the Board that the draft minutes of the September 16, 2024, meeting are currently in preparation by SPH and requested that the Board defer the approval of same until next month's meeting. Following discussion, the Board concurred to defer the approval of the draft minutes of its meeting held on September 16, 2024, until next month's meeting.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated October 15, 2024, a copy of which is attached hereto as **Exhibit B**. Mr. Smith additionally presented the Quarterly Investment Inventory Report for the period ended August 31, 2024, a copy of which is included in the Bookkeeper's Report. Following discussion, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check nos. 3656 and 3659, which were voided, and (ii) the Quarterly Investment Inventory Report be approved, as presented, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District.

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"). Mr. Page reported that SPH is not recommending any changes to the District's Investment Policy at this time, and presented a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), a copy of which is attached hereto as **Exhibit C**, for the Board's approval in connection therewith. Following discussion, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that the District's current Investment Policy be affirmed and the Resolution be adopted, and that the President and Secretary be authorized to execute the Resolution on behalf of the Board and the District.

COMPLIANCE BY DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265 RELATIVE TO ENERGY REPORTING REQUIREMENTS

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Page informed the Board that the annual Utility Cost & Usage Report will be presented at next month's Board meeting.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Maddox presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month ending September 30, 2024, copies of which are attached hereto as **Exhibit D**. Following discussion, Director Maham moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Helbig seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a Delinquent Tax Report, as it was noted that none was due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2024 TAX RATE; LEVY OF THE DISTRICT'S 2024 TAX RATE AND ADOPTION OF AN ORDER IN CONNECTION THEREWITH

The Board conducted a public hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2024. It was noted that no members of the public were in attendance to provide comments with respect to the proposed 2024 tax rate. Upon motion made by Director Cook, seconded by Director Helbig and unanimously carried, the public hearing was closed.

The Board then considered the setting of the 2024 tax rate. Ms. Maddox confirmed that the required notice had been published in *The Houston Chronicle* in accordance with all legal requirements, as directed by the Board at its previous meeting. After discussion on the matter, Director Cook moved that: (i) the Board levy a 2024 debt service tax rate of \$0.285 per \$100 of valuation and a 2024 maintenance tax rate of \$0.12 per \$100 of valuation, resulting in a total 2024 tax rate of \$0.405 per \$100 of valuation; and (ii) the Order Levying Taxes, attached hereto as **Exhibit E**, be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Helbig seconded said motion, which carried unanimously.

APPROVAL OF PAYMENTS TO DEVELOPER WITH PROCEEDS OF THE DISTRICT'S \$3,920,000 UNLIMITED TAX BONDS, SERIES 2024 (THE "SERIES 2024 BONDS") AND THE DISTRICT'S \$3,855,000 UNLIMITED TAX PARK BONDS, SERIES 2024A (THE "SERIES 2024A PARK BONDS", AND, TOGETHER WITH THE SERIES 2024 BONDS, THE "BONDS")

The Board considered the approval of agreed-upon procedures reports prepared by Forvis Mazars in connection with the disbursement of proceeds of the Series 2024 Bonds and Series 2024A Park Bonds. In connection therewith, Ms. Ramirez presented to and reviewed with the Board the reports for the Bonds, copies of which are attached hereto as **Exhibit F**. Following review and discussion, it was moved by Director Maham, seconded by Director Goin and unanimously carried, that the reports be approved, and the disbursement of the proceeds of the

Series 2024 Bonds and Series 2024A Park Bonds in accordance therewith be authorized, subject to the District's prior receipt of executed Developer Receipts for same.

Mr. Lentz entered the meeting at this time.

REVIEW, APPROVAL AND AUTHORIZATION OF THE FILING OF INTERNAL REVENUE SERVICE FORMS 8038-G RELATIVE TO THE BONDS

The Board considered the execution and filing of Internal Revenue Service Forms 8038-G relative to the Bonds. Following discussion, Director Maham moved that (i) the Internal Revenue Service Forms 8038-G be approved, as presented, (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) SPH be authorized and directed to file same with the Internal Revenue Service by the applicable deadline. Director Goin seconded said motion, which unanimously carried.

REVIEW AND DISCUSSION OF CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS AND INTERNAL REVENUE SERVICE RESTRICTIONS ON SAME

Mr. Page next presented and reviewed correspondence to the Board from SPH, as Bond Counsel for the District, regarding certain provisions of the federal tax law and regulations of the Internal Revenue Service pertaining to the expenditure and investment of proceeds of the Bonds, a copy of which is attached hereto as **Exhibit G**. In connection therewith, Mr. Page advised the Board that certain periodic reviews and reports are required to monitor compliance with the requirements set forth therein, and that arbitrage rebate or yield reduction payments could be required to be made based on said review and reports. Mr. Page also advised the Board that the District's bookkeeper would monitor investment rates and that the District's financial advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. Mr. Page noted, however, that compliance with the requirements is ultimately the responsibility of the Board.

AMENDMENT TO THIRD AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Page presented and discussed with the Board an Amendment to the District's Third Amended and Restated District Information Form relative to the levy of the District's 2024 tax rate and the issuance of the Bonds. Following discussion, Director Maham moved that said Amendment be approved, and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Goin seconded said motion which carried unanimously.

CONSIDER AND ACT UPON ANY OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S BONDS

As the next order of business, the Board considered the approval of various documentation in connection with the closing of the Bonds. In that regard, Mr. Page presented and reviewed such

documentation in detail with the Board, including the No-Litigation Certificate, the District's Receipt, and the Federal Tax Certificate, and advised that the closing on the Bonds is scheduled for Thursday, October 17, 2024, at 10:00 a.m., Houston, Texas time. Following discussion, it was moved by Director Maham, seconded by Director Goin and unanimously carried, that the aforementioned documentation be approved by the Board, the President and Secretary be authorized to execute same on behalf of the Board and the District, and SPH be authorized to deliver same, as appropriate, at the closing of the Bonds.

CONTINUING DISCLOSURE REPORT

The Board considered the filing of an annual continuing disclosure report for the District's fiscal year ended May 31, 2024, as required in connection with the District's outstanding bonds. In that regard, Mr. Page presented to and reviewed with the Board with the Annual Financial Report Pursuant to SEC Rule 15c2-12, as prepared and filed on the District's behalf by McCall, Parkhurst & Horton, L.L.P., the District's continuing disclosure counsel, a copy of which is attached hereto as **Exhibit H**. It was noted that no action was required of the Board in connection with this matter at this time.

ENGINEER'S REPORT

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated October 15, 2024, a copy of which is attached hereto as **Exhibit I**, including the pay estimates listed therein. In connection therewith, Ms. Turkal requested the Board's concurrence in the design by Woolpert and advertisement of bids for construction of (i) Upper Langham Creek Phase 3 Channel and Detention Basin, and (ii) Upper Langham Creek Phase 3 Drainage Fingers. Following discussion of the Engineer's Report, Director Cook moved that the Engineer's Report and the action items listed therein be approved, as recommended by BGE, as presented. Director Maham seconded said motion, which unanimously carried.

LANGHAM CREEK DETENTION PHASE 2

The Board then considered the status of the Langham Creek Detention Phase 2 project, and noted that there were no items for discussion in connection with this matter at this time.

OPERATOR'S REPORT

Mr. Scott introduced himself to the Board and advised that he would be the District's representative from Si Environmental responsible for its operations services going forward. He noted that he would be ready to present an Operations Report to the Board for its review and consideration at next month's meeting.

STATUS OF AMENDMENT TO RECREATIONAL FACILITIES MAINTENANCE AGREEMENT WITH BRIDGELAND COUNCIL, INC.

Director Cook reported to the Board that the District is in receipt of the fully executed Amendment to Recreational Facilities Maintenance Agreement with Bridgeland Council, Inc., a

copy of which is attached hereto as **Exhibit J**, and noted that Fiedler Consulting, LLC is in the process of preparing a proposed timeline for landscaping improvements.

DETENTION FACILITY AND GROUNDS MAINTENANCE

Director Cook advised the Board that Harris County Water Control and Improvement District No. 157 ("No. 157") is currently responsible for the mowing and maintenance of a section of the buffer zone located around the District's DragonFly Lake, and inquired whether the Board would be amenable to making an offer to No. 157 for No. 159 to assume responsibility for the mowing and maintenance of said buffer zone. Following discussion, the Board concurred to make said offer to No. 157. Mr. Page offered to assist in making the necessary adjustments to the District's and No. 157's respective maintenance contracts to address the matter if said offer is accepted by No. 157.

WEBSITE UPDATES

Mr. Page presented to the Board a Monthly Communications Report dated October 15, 2024, as prepared by Touchstone District Services, LLC, a copy of which is attached hereto as **Exhibit K**. No action was required by the Board in connection with the Monthly Communications Report.

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 SPH in the process of obtaining the necessary signatures for certain documentation to be included in the annexation consent packages. No action was required by the Board in connection with this matter at this time.

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.

MATTERS FOR PLACEMENT ON FUTURE AGENDAS

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

ADJOURNMENT

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

750700.1




Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

LIST OF ATTACHMENTS TO MINUTES

October 15, 2024

- Exhibit A –** Home Inventory Report through September 2024
- Exhibit B –** Bookkeeper's Report
- Exhibit C –** Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit D –** Tax Assessor-Collector's Report
- Exhibit E –** Order Levying Taxes
- Exhibit F –** Developer Reimbursement Audits
- Exhibit G –** Arbitrage Correspondence
- Exhibit H –** Annual Financial Report Pursuant to SEC Rule 15c2-12 (Continuing Disclosure Report)
- Exhibit I –** Engineer's Report
- Exhibit J –** Amendment to Recreational Facilities Maintenance Agreement
- Exhibit K –** Communications Report

750700.1