

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Meeting of Board of Directors

June 17, 2024

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 June 17, 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"); Will Gutowsky of BGE, Inc. ("BGE"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Greg Lentz of Masterson Advisors LLC ("Masterson"); and Mitchell G. Page 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 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.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on May 20, 2024. After discussion of the draft minutes presented, Director Goin moved that such minutes be approved, as written. Director Maham seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Smith then presented to and reviewed with the Board the Bookkeeper's Report dated June 17, 2024, a copy of which is attached hereto as **Exhibit A**. Director Cook then presented to and discussed with the Board a proposed Contract Addendum to the District's current Site Maintenance Agreement with The Spencer Company (the "Addendum"), a copy of which

Addendum is attached hereto as **Exhibit B**, and recommended the Board's approval of same. He noted that the proposed Addendum provides for the addition of Emerald Lake to the District's existing service area and that invoices presented in the Bookkeeper's Report relate to services provided under the Addendum. Following discussion, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that the Addendum to the District's Site Maintenance Agreement with The Spencer Company be approved, as discussed.

Director Cook next informed the Board of his desire to post the Actual vs. Budget Comparison portion of the Bookkeeper's Report to the District's website following each month's Board meeting. Following discussion, it was moved by Director Cook, seconded by Director Goin and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the addition of check no. 3596, payable to Director Goin, for the reimbursement of expenses related to Director Goin's attendance at the recent AWBD Conference, and with the exception of check no. 3582, which was voided, and (ii) MA&C be authorized to coordinate with Touchstone District Services, LLC ("Touchstone"), the District's website services provider, to post the Actual vs. Budget Comparison portion of the Bookkeeper's Report from each month's Board meeting to the District's website, as discussed.

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 of May 31, 2024, copies of which are attached hereto as **Exhibit C**. 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 Goin 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. ("Perdue Brandon"), delinquent tax attorneys for the District.

PROPOSED UNLIMITED TAX BONDS, SERIES 2024 ("SERIES 2024 DRAINAGE BONDS") AND UNLIMITED TAX PARK BONDS, SERIES 2024A ("SERIES 2024A PARK BONDS")

The Board considered the status of the preparation of Bond Application Report No. 7 ("BAR No. 7") in connection with the issuance of the District's Series 2024 Drainage Bonds and Series 2024A Park Bonds. In connection therewith, Mr. Page advised the Board that the completed BAR No. 7 was filed with the Texas Commission on Environmental Quality for expedited review on June 12, 2024, and was declared administratively complete on June 14, 2024. It was noted that no action was required by the Board in connection with this matter at this time.

RESOLUTION REQUESTING ESTIMATE OF VALUE

In connection with the District's proposed Series 2024 Drainage Bonds and Series 2024A

Park Bonds, Mr. Page advised the Board that Masterson has requested that the Board adopt a Resolution Requesting Appraisal of Property as of July 1, 2024, from the Harris Central Appraisal District. Following discussion, Director Cook moved that the Resolution Requesting Appraisal of District Property, which is attached hereto as **Exhibit D**, be approved. Director Maham seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Gutowsky presented to and reviewed with the Board the Engineer's Report dated June 17, 2024, a copy of which is attached hereto as **Exhibit E**. In connection therewith, Mr. Gutowsky requested the Board's concurrence in the award of bid for the construction of Overflow Borrow Pit to Sonora SWQM Co., dba Sonora Construction.

Mr. Gutowsky next presented to and reviewed with the Board a proposal submitted by Delta Environmental, a copy of which is attached hereto as **Exhibit F**, for the installation, operation and monthly maintenance of a 6-inch water pump and associated equipment for the transfer of water between Inks Lake and Trios Lake. Following discussion, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that such proposal be approved, as presented, and that Directors Cook and Russo be authorized to coordinate the activation of said water pump, as necessary.

Following discussion of the Engineer's Report, Director Maham moved that all other action items identified in the Engineer's Report be approved, as recommended by BGE, as presented. Director Helbig 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

Ms. Osborne presented to and reviewed with the Board an Operations and Maintenance Report for the month of May 2024, a copy of which is attached hereto as **Exhibit G**. Following review and discussion, it was noted that no action was required by the Board in connection with the Operations and Maintenance Report.

CRITICAL LOAD STATUS

Mr. Page next advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District, and (b) immediately upon any change in the information to the above entities, as well as to the office of emergency management of Harris County, the Public Utility Commission of Texas, and the division of emergency management of

the governor. In that regard, Ms. Osborne presented to and reviewed with the Board correspondence confirming that Inframark submitted the required information to the appropriate regulatory entities, on behalf of the Board and the District, on May 23, 2024. A copy of said correspondence is attached hereto as **Exhibit H**. It was noted that no further action was required by the Board in connection with this matter.

SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE DISTRICT AND INFRAMARK, LLC

The President noted that the Board would consider and discuss the proposed Second Amendment to Professional Services Agreement between the District and Inframark (the "Second Amendment") with Mr. Page in Closed Session.

RATIFICATION OF APPROVAL OF PROPOSAL FOR LANDSCAPE CONSULTING SERVICES BY FIELDER CONSULTING, LLC

Mr. Page requested that the Board ratify its prior approval of the Proposal for Landscape Consulting Services by Fielder Consulting LLC, a copy of which is attached hereto as **Exhibit I**. Following discussion, it was moved by Director Maham, seconded by Director Helbig and unanimously carried, that the Board's prior approval of the Proposal for Landscape Consulting Services, be approved and ratified in all respects.

AGREEMENT REGARDING CREDITS FOR ALTERNATIVE WATER SUPPLY USE BY AND BETWEEN THE DISTRICT, HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 418 ("NO. 418"), AND WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Mr. Page presented to and discussed with the Board a proposed Agreement Regarding Credits for Alternative Water Supply Use by and between the District, No. 418 and WHCRWA (the "Credit Agreement"), a copy of which is attached hereto as **Exhibit J**. Mr. Page reviewed the terms of the proposed Credit Agreement in detail with the Board, and responded to various questions. Following review and discussion, Director Goin moved that the proposed Credit Agreement be approved, and that the President and Secretary be authorized to execute same, on behalf of the Board and the District. Director Maham seconded said motion, which unanimously carried.

Mr. Page next advised the Board that the District will additionally need to enter into a separate letter agreement with No. 418 to facilitate the implementation of the Credit Agreement by No. 418 on the District's behalf, and to provide for the remittance of payment by No. 418 to the District for the monetary credits received by No. 418 from WHCRWA. A copy of the proposed letter agreement is attached hereto as **Exhibit K**. Following discussion, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that the letter agreement be approved, and that the President be authorized to execute same, on behalf of the Board and the District.

RECREATIONAL FACILITIES MAINTENANCE; WILDLIFE; SECURITY

The Board considered the status of mowing and maintenance of the District's facilities, and noted that there were no items for discussion in connection with this matter at this time.

WEBSITE UPDATES

Mr. Page presented to and reviewed with the Board a Communications Report dated June 17, 2024, as prepared by Touchstone, a copy of which is attached hereto as **Exhibit L**. Upon review and discussion, it was noted that no action was required by the Board in connection with the District's website 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 SPH in the process of preparing annexation consent packages for the Rue Tract and Hornberger Tract, and plans to proceed with the submission of same to the City of Houston for review without a drainage study. No action was required by the Board in connection with this matter.

STATUS OF WITHDRAWAL FROM THE BRIDGELAND WATER AGENCY (THE "AGENCY")

Director Cook presented to and reviewed with the Board a proposed draft of correspondence from the District to the Agency, a copy of which is attached hereto as **Exhibit M**, which notifies the Agency of the District's decision to abstain from participating in the Agency's communications partnership. Following discussion, it was moved by Director Maham, seconded by Director Cook and unanimously carried, that the proposed correspondence be approved, as presented, and that the President be authorized to execute and transmit same to the Agency, on behalf of the Board and the District.

DEVELOPER'S REPORT

Mr. Page presented to and reviewed with the Board the home inventory report through May 2024, as prepared by Bridgeland Development, LP, a copy of which is attached hereto as **Exhibit N**. It was noted that no action was required by the Board in connection with such report.

VOTING SYSTEM ANNUAL FILING FORM

Mr. Page requested that the Board authorize SPH to complete and submit a Voting System Annual Filing Form ("Voting Form") to the Secretary of State's Office on behalf of the District. He advised that, pursuant to the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Voting Form with the Secretary of State's Office on an annual basis, even if the District did not conduct an election during that particular year. Following discussion, Director Cook moved that SPH be authorized to complete the Voting Form and file

same with the Secretary of State's Office, as required by law. Director Maham seconded said motion, which unanimously carried.

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.

EXECUTIVE SESSION

The President noted that the Board would enter into Executive Session at 1:42 p.m. pursuant to Section 551.071 of the Texas Government Code, as amended. Those in attendance other than Directors Cook, Helbig, Maham and Goin, Mr. Page and Ms. Ellis, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 2:07 p.m.

Ms. Osborne re-entered the meeting at this time.

Following discussion of the proposed Second Amendment between the District and Inframark, it was moved by Director Cook, seconded by Director Maham and unanimously carried, that the Second Amendment be approved, and that the President be authorized to execute same, on behalf of the Board and the District. A copy of the Second Amendment, thus approved, is attached hereto as **Exhibit O**.

It was then moved by Director Cook, seconded by Director Helbig and unanimously carried, that the Board proceed with the issuance of Requests for Qualifications (RFQs) for the District's operations services for consideration at a future Board meeting.

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.

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Kruptal Selby
Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

LIST OF ATTACHMENTS TO MINUTES

June 17, 2024

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector's Report
- Exhibit C –** Contract Addendum to Site Maintenance Agreement with The Spencer Company
- Exhibit D –** Resolution Requesting Appraisal of Property as of July 1, 2024
- Exhibit E –** Engineer's Report
- Exhibit F –** Proposal by Delta Environmental
- Exhibit G –** Operations and Maintenance Report
- Exhibit H –** Critical Load Status
- Exhibit I –** Proposal for Landscape Consulting Services by Fielder Consulting LLC
- Exhibit J –** Agreement Regarding Credits for Alternative Water Supply Use by and between the District, Harris County Municipal Utility District No. 418 and West Harris County Regional Water Authority
- Exhibit K –** Letter Agreement for Application of WHCRWA Credits with Harris County Municipal Utility District No. 418
- Exhibit L –** Communications Report
- Exhibit M –** Correspondence Declining Participation in Bridgeland Water Agency Communications Partnership
- Exhibit N –** Home Inventory Report through May 2024
- Exhibit O –** Second Amendment to Professional Services Agreement between the District and Inframark, LLC