

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Meeting of Board of Directors

April 15, 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 April 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, thus constituting a quorum.

Also present were Wendy Maddox of B&A Municipal Services, Inc. ("B&A"); Trevor Smith of Municipal Accounts & Consulting, LP ("Municipal Accounts"); Kristen Turkal and Will Gutowsky of BGE, Inc. ("BGE"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Paulina Baker of The Howard Hughes Corporation on behalf of Bridgeland Development, LP ("Developer"); Sam Goodspeed, member of the Board of Directors of Harris County Municipal Utility District No. 419 ("No. 419") and President of the Board of Trustees of the Bridgeland Water Agency (the "Agency"); Bryson Goodspeed and Paxton Goodspeed, sons of Mr. Goodspeed; and Joseph M. Schwartz and Peyton Ellis of Schwartz, Page, & Harding, L.L.P. ("SPH"). Mitchell G. Page of SPH 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, and recognized Mr. Goodspeed. Mr. Goodspeed noted that he had no comments for the Board at this time, but would like to speak later in the meeting regarding the District's potential withdrawal from the Agency.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on March 18, 2024. After discussion of the draft minutes presented, Director Cook moved that such minutes be approved, as written. Director Russo seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated April 15, 2024, a copy of which is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Cook, 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, with the addition of check no. 3560, payable to Director Russo.

Mr. Smith next presented a draft of the proposed general operating budget for the District's fiscal year ending May 31, 2025, a copy of which is included with the Bookkeeper's Report, and requested that the Board and the District's consultants review and provide any comments to same prior to 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 of March 2024, a copy of which is attached hereto as **Exhibit B**. Upon review of the Delinquent Tax Roll, Director Cook noted several delinquent accounts with past due amounts under \$1.00. Following discussion, Director Cook moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment, and that B&A be authorized to utilize District funds in an amount not to exceed \$10.00 to pay off any delinquent tax accounts on the Delinquent Tax Roll with past due amounts under \$1.00. Director Helbig seconded said motion, which unanimously carried.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Schwartz advised that the Board is authorized to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Maham, seconded by Director Goin and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and that Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon"), delinquent tax attorneys for the District, be authorized to proceed with the collection of real property taxes delinquent as of July 1, 2024.

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.

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. Schwartz advised the Board that BGE is in the process of preparing BAR No. 7 for filing on an expedited basis with the Texas Commission on Environmental Quality. It was noted that no action was required by 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 April 15, 2024, a copy of which is attached hereto as **Exhibit D**, including the pay estimates and change orders listed therein. Mr. Schwartz noted that the acceptance of the Conveyances and Bills of Sale of Facilities reflected in the Engineer's Report would be deferred.

Ms. Turkal next presented to and reviewed with the Board correspondence received from the Harris County Flood Control District regarding the commencement of a one-year warranty period for the maintenance of facilities related to Langham Creek Detention Phase 2. A copy of such correspondence is attached hereto as **Exhibit E**. Ms. Turkal noted that the one-year warranty period will expire on March 21, 2025.

Following discussion of the Engineer's Report, Director Russo moved that the Engineer's Report and the actions recommended therein be approved, as presented, as set forth in the Engineer's Report. Director Goin seconded the 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 March 2024, a copy of which is attached hereto as **Exhibit F**.

Ms. Osborne next presented to and reviewed with the Board a proposal prepared by Inframark for the inspection of the District's irrigation valves in the amount of \$4,365.00, a copy of which is included in the Operations and Maintenance Report.

Following discussion, Director Cook moved that the Operations and Maintenance Report and the action items listed therein be approved, including the proposal for the inspection of the District's irrigation valves in the amount of \$4,365.00. Director Russo seconded said motion, which unanimously carried.

UTILITY COMMITMENTS

Mr. Schwartz advised the Board that the District is in receipt of two (2) requests for Utility Commitments from (i) Cypress Christian School, for off-site detention pond capacity to serve a 40.04 acre tract of land located at the intersection of Prairieland Creek Drive and Bridgeland Creek Parkway, and (ii) Waller Independent School District, for off-site detention pond capacity to serve an 18.05 acre tract of land located on Conifer Farm Drive. Following discussion, Director Cook moved that (i) the Utility Commitment to Cypress Christian School be approved, (ii) the Utility Commitment to Waller Independent School District be approved, and (iii) the Texas Ethics Commission ("TEC") Forms 1295 submitted in connection with each Utility Commitment be acknowledged. Director Maham seconded the motion, which carried unanimously.

RECREATIONAL FACILITIES MAINTENANCE; WILDLIFE; SECURITY

Mr. Schwartz next presented to and reviewed with the Board a Fish Survey Data report and Fish Stocking Proposal received from Lake Pro, Inc., copies of which are attached hereto as **Exhibit G**. Following review and discussion of the documentation presented, it was moved by Director Cook, seconded by Director Russo and unanimously carried, that the Fish Stocking Proposal in the total amount of \$11,680.30, be approved, as presented.

WEBSITE UPDATES

Mr. Schwartz presented to and reviewed with the Board a Communication Report dated April 15, 2024, as prepared by Touchstone District Services, LLC ("Touchstone"), a copy of which is attached hereto as **Exhibit H**. 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. Schwartz 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.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through March 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit I**. It was noted that no action was required by the Board in connection with such report.

ATTORNEY'S REPORT

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

CONSIDER WITHDRAWAL FROM THE BRIDGELAND WATER AGENCY

The President noted that the Board would discuss the District's potential withdrawal from the Agency in Closed Session.

Mr. Page entered the meeting at this time.

CLOSED SESSION

The President noted that the Board would enter into Closed Session at 1:55 p.m. Those in attendance other than the Board, Mr. Schwartz, Mr. Page and Ms. Ellis, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened into Open Session at 2:03 p.m., with the Board, Mr. Schwartz, Mr. Page and Ms. Ellis in attendance.

Following discussion of matters relative to the Agency, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that the District withdraw from the Agency, and that Director Cook be authorized to execute and present a Letter of Withdrawal to the Agency in connection therewith.

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 Cook, seconded by Director Russo, and unanimously carried, the meeting was adjourned.

727778.1



Kayla Helwig
Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

LIST OF ATTACHMENTS TO MINUTES

April 15, 2024

- Exhibit A** – Bookkeeper's Report
- Exhibit B** – Tax Assessor-Collector's Report
- Exhibit C** – Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit D** – Engineer's Report
- Exhibit E** – Harris County Flood Control District Notice of Commencement of One-Year Warranty Period
- Exhibit F** – Operations and Maintenance Report
- Exhibit G** – Fish Survey Data and Fish Stocking Proposal
- Exhibit H** – Communications Report
- Exhibit I** – Home Inventory Report through March 2024