

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Meeting of Board of Directors

May 20, 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 May 20, 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"); Jordan Weyand of Municipal Accounts & Consulting, LP ("Municipal Accounts"); Kristen Turkal and Will Gutowsky of BGE, Inc. ("BGE"); Mackenzie Osborne of Inframark, LLC ("Inframark"); Kelsey Thorne of The Howard Hughes Corporation on behalf of Bridgeland Development, LP ("Developer"); Julie Peak of Masterson Advisors LLC ("Masterson"); Brian Krueger of FORVIS, LLP ("FORVIS"); and Gordon Craner 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. Ms. Thorne provided the Board with an update regarding the recent storm event and the impact of same on the Bridgeland community. In connection therewith, Ms. Thorne advised that the Developer is making every effort to assist with the cleanup and restoration of the Bridgeland community. The Board thanked Ms. Thorne and the Developer's team for its efforts.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on April 15, 2024. After discussion of the draft minutes presented, Director Russo moved that such minutes be approved, as written. Director Goin seconded said motion, which unanimously carried.

ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, AND AFFIDAVITS OF CURRENT DIRECTOR FOR DIRECTORS HELBIG, GOIN AND MAHAM

The Board next considered the acceptance of Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information for Directors Helbig, Goin and Maham. Following discussion, it was moved by Director Russo, seconded by Director Maham and unanimously carried, that the Board accept said Qualification Statements, Official Bonds, Oaths of Office, Affidavits of Current Director and Elections Not to Disclose Certain Information, and declare Krystal Helbig, Robin Goin and Laura Maham to be duly elected and qualified Directors of the District.

ELECTION OF OFFICERS

The Board next considered the reorganization of the Board and the election of officers. Following discussion, the Board concurred that the current officers of the Board continue to serve in their respective officer positions.

DISTRICT REGISTRATION FORM

The Board next considered authorizing the preparation and filing of a District Registration Form, as required by the rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Cranner explained that, in accordance with certain provisions of the Texas Water Code and rules of the TCEQ, the District is required to provide the names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that, with the Board's approval, SPH will prepare an updated District Registration Form and file same with the TCEQ. Following discussion, Director Cook moved that the Board authorize SPH to prepare the updated District Registration Form, as discussed, and file same with the TCEQ. Director Russo seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST

Mr. Cranner advised the Board that it would not be necessary to prepare a local government officers list at this time, as no changes have been made to the offices of the Directors or to the investment officers for the District. Following discussion, no action was taken by the Board in connection with this matter.

BOOKKEEPER'S REPORT

Mr. Weyand presented to and reviewed with the Board the Bookkeeper's Report dated May 20, 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.

OPERATING BUDGET FOR FISCAL YEAR ENDING MAY 31, 2025

Mr. Weyand next presented the proposed operating budget for the District's fiscal year ending May 31, 2025, a copy of which is attached hereto as **Exhibit B**. Following review and discussion, Director Cook moved that the proposed operating budget for the District's fiscal year ending May 31, 2025, be approved, as presented. Director Russo seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements for the fiscal year ending May 31, 2024. In that regard, Mr. Krueger made a presentation to the Board on behalf of FORVIS, and advised that the cost to conduct such audit is approximately \$17,500, plus an administrative fee in the amount of \$1,000. After discussion on the matter, Director Maham moved that FORVIS be engaged to prepare the District's audit report for the fiscal year ending May 31, 2024, in accordance with the terms of the engagement letter, a copy of which is attached hereto as **Exhibit C**. Director Cook seconded said motion, which carried unanimously.

UNCLAIMED PROPERTY REPORTS AS OF MARCH 1, 2024

The Board considered approval of Unclaimed Property Reports as of March 1, 2024, and the filing of same with the Texas Comptroller of Public Accounts (the "Comptroller") prior to July 1, 2024. In connection therewith, Mr. Weyand presented to the Board a letter prepared by Municipal Accounts, a copy of which is attached hereto as **Exhibit D**, advising that the District has no unclaimed property to report at this time. Ms. Maddox then presented to and reviewed with the Board an Unclaimed Property Report prepared by B&A, a copy of which is included in **Exhibit D**, which Report reflects that the District has no unclaimed property to report at this time.

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 April 30 2024, a copy of which is attached hereto as **Exhibit E**. 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 Cook 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. Cranner advised the Board that BAR No. 7 is currently under review by the District's consultants and will be filed on an expedited basis with the TCEQ upon completion. 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 May 20, 2024, a copy of which is attached hereto as **Exhibit F**, including the pay estimates and change orders listed therein. In connection therewith, Ms. Turkal requested the Board's concurrence in the award of bid for the construction of Make-Up Well No. 6 to Richardson & Dunn, Inc. dba J&S Water Wells. Ms. Turkal additionally requested the Board's concurrence in the design and advertisement of bids for the construction of (i) Overflow Borrow Pit, and (ii) Overflow Clearing and Grubbing. Mr. Cranner then presented the following for the Board's acceptance: (i) Conveyance and Bill of Sale of Facilities to serve Parkland Village, Section 58 Landscape Improvements; (ii) Conveyance and Bill of Sale of Facilities to serve Parkland Village, Section 55 and Neighborhood Park Landscape Improvements; (iii) Conveyance and Bill of Sale of Facilities to serve Parkland Village, Westgreen 6 Reserves Landscape Improvements; and (iv) Conveyance and Bill of Sale of Facilities to serve Parkland Village, Section 60 Landscape Improvements. Following discussion of the Engineer's Report, Director Maham moved that (i) the award of bid for the construction of Make-Up Well No. 6 be deferred until next month's meeting, and (ii) all other action items identified in the Engineer's Report be approved, as recommended by BGE, as presented. Director Cook 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 April 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.

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

The Board deferred consideration of the approval of a Second Amendment to Professional

Services Agreement between the District and Inframark, and concurred to reconsider the matter at next month's Board meeting.

UTILITY COMMITMENTS

Mr. Cranner advised that there were no new requests for commitments received.

RECREATIONAL FACILITIES MAINTENANCE; WILDLIFE; SECURITY

Director Cook informed the Board of the District's receipt of a Proposal for Landscape Consulting Services, as submitted by Fielder Consulting LLC ("Fielder"), and noted that such proposal provides that Fielder will conduct an audit of the District's irrigation system and perform the necessary services in connection therewith for a 12-month term. Following discussion, it was moved by Director Cook, seconded by Director Russo and unanimously carried, that the Proposal for Landscape Consulting Services be approved, as discussed.

WEBSITE UPDATES

Mr. Cranner presented to and reviewed with the Board a Communications Report dated May 20, 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. Cranner 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. Thorne advised that she had nothing further to report to the Board at this time.

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

Mr. Cranner presented to and reviewed with the Board a proposed Letter Agreement between the Agency and the District, a copy of which is attached hereto as **Exhibit I**, and noted that such Agreement provides that the Agency will serve as the District's communications partner for a flat fee of \$2,500.00, plus a \$25.00 per-communication fee for each information push requested by the District. Following discussion, the Board concurred that this matter be tabled indefinitely.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Craner presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding the use of social media by public officials. In connection therewith, Mr. Craner advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

Mr. Craner next presented a proposed draft of an Agreement Regarding Credits for Alternative Water Supply Use between the District and the West Harris County Regional Water Authority for the Board's review in advance of next month's meeting, a copy of which is attached hereto as **Exhibit K**.

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 Maham, and unanimously carried, the meeting was adjourned.

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Kristal DeLong
Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

LIST OF ATTACHMENTS TO MINUTES

May 20, 2024

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Operating Budget for Fiscal Year Ending May 31, 2025
- Exhibit C –** Unclaimed Property Reports
- Exhibit D –** Engagement Letter by FORVIS, LLP
- Exhibit E –** Tax Assessor-Collector's Report
- Exhibit F –** Engineer's Report
- Exhibit G –** Operations and Maintenance Report
- Exhibit H –** Communications Report
- Exhibit I –** Letter Agreement – Bridgeland Water Agency Communications Partner
- Exhibit J –** Memorandum regarding Use of Social Media by Public Officials
- Exhibit K –** Draft of Agreement Regarding Credits for Alternative Water Supply Use with West Harris County Regional Water Authority