

# HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

## Minutes of Meeting of Board of Directors

August 19, 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 August 19, 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 Helbig, 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"); Mackenzie Osborne and Clay Brandenburg of Inframark, LLC ("Inframark"); Paulina Baker of The Howard Hughes Corporation on behalf of Bridgeland Development, LP ("Developer"); Julie Peak of Masterson Advisors LLC ("Masterson"); Brian Krueger of Forvis Mazars, LLP ("Forvis Mazars"); 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. 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 July 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.

### **BOOKKEEPER'S REPORT**

Mr. Smith then presented to and reviewed with the Board the Bookkeeper's Report dated

August 19, 2024, a copy of which is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Maham, seconded by Director Goin and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check no. 3614, which was voided, and the addition of check no. 3640, payable to Bridgeland Council, Inc. for the District's annual maintenance contribution.

### **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 July 31, 2024, copies of which are attached hereto as **Exhibit B**. 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. Director Russo seconded said motion, which unanimously carried.

Mr. Page entered the meeting at this time.

### **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.

### **PROPOSED UNLIMITED TAX BONDS, SERIES 2024 ("SERIES 2024 DRAINAGE BONDS") AND UNLIMITED TAX PARK BONDS, SERIES 2024A ("SERIES 2024A PARK BONDS") (COLLECTIVELY, THE "BONDS")**

The Board considered the status of the issuance of the District's Bonds. In connection therewith, Mr. Page reminded the Board that the completed Bond Application Report No. 7 was filed with the Texas Commission on Environmental Quality ("TCEQ") for expedited review on June 12, 2024, and was declared administratively complete on June 14, 2024. He noted that the draft Order and Memorandum of the TCEQ authorizing the issuance of the Bonds has not yet been received, and that SPH is continuing to correspond with the TCEQ regarding same.

### **PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICES OF SALE**

Ms. Peak next presented to and reviewed with the Board drafts of the proposed Preliminary Official Statement and Official Notices of Sale in connection with the Bonds, copies of which are attached hereto as **Exhibit C**. Following review and discussion, Director Cook moved that such offering documents be approved, completed, and distributed upon timely receipt of the TCEQ Order and Memorandum approving the Bonds in anticipation of the sale of the Bonds, and that such Preliminary Official Statement and Official Notices of Sale be deemed to be final for all purposes, with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. The motion was seconded by Director Goin and carried by unanimous vote.

### **ADVERTISE FOR SALE**

The Board considered authorizing Masterson to advertise for the sale of the Bonds. After discussion on the matter, Director Cook moved that the Board authorize Masterson to advertise for the sale of the Bonds at the Board's regular meeting to be held September 16, 2024, subject to the timely receipt from the TCEQ of the Order and Memorandum approving the Bonds. Director Goin seconded said motion, which unanimously carried.

### **DESIGNATION OF PAYING AGENT/REGISTRAR**

The Board next considered the designation of a Paying Agent/Registrar in connection with the Bonds. Following discussion, Director Cook moved that The Bank of New York Mellon Trust Company, N.A. be named Paying Agent/Registrar for the Bonds. Director Goin seconded said motion, which carried unanimously.

### **ATTORNEY GENERAL'S FEE**

After further discussion concerning the sale and issuance of the Bonds, Director Cook moved that MA&C be authorized to issue a wire transfer of funds to the Attorney General of Texas for payment of its review fees in connection with the Transcript of Proceedings to be submitted by SPH in connection with the sale of the Bonds. Director Goin seconded the motion, which carried unanimously.

### **ENGAGEMENT OF AUDITOR**

The Board considered the engagement of an auditing firm for preparation of an audit report in connection with the payment of funds to the Developer out of the proceeds of the District's Bonds. Mr. Krueger presented and reviewed with the Board an engagement letter prepared by Forvis Mazars for preparation of such audit report, a copy of which is attached hereto as **Exhibit D**. He noted that Forvis Mazars' fee for preparing the reimbursement audit report will be computed at its standard hourly rates. Following discussion, Director Cook moved that (i) the firm of Forvis Mazars be engaged to conduct an audit report in connection with the reimbursement of funds to the Developer out of the proceeds of the District's Bonds, (ii) the President be authorized to execute same on behalf of the Board and District, (iii) the District accept the Texas Ethics Commission ("TEC") Form 1295 submitted by Forvis Mazars in connection therewith, and (iv) SPH be authorized to acknowledge the District's receipt of same with the TEC, as required. Director Goin seconded said motion, which carried unanimously.

### **ENGINEER'S REPORT**

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated August 19, 2024, a copy of which is attached hereto as **Exhibit E**, including the pay estimates listed therein.

Ms. Turkal next presented to and reviewed with the Board a proposal prepared by BGE for engineering services to be performed in connection with the implementation of a water transfer

station to serve Inks Lake and the Trios Lake. A copy of said proposal is attached hereto as **Exhibit F**.

Following discussion of the Engineer's Report, Director Maham moved that the Engineer's Report and the action items listed therein be approved, including the proposal for engineering services to be provided to the District by BGE in connection with the implementation of a water transfer station between Inks Lake and the Trios Lake, as recommended by BGE, as presented. Director Russo 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 July 2024, a copy of which is attached hereto as **Exhibit G**.

Ms. Osborne next presented to and reviewed with the Board a Non-Potable Valve Survey Report, a copy of which is included in the Operations and Maintenance Report, and reported that 38 valves out of the 100 total valves surveyed are in need of repair. She noted the total cost for completion of the recommended valve repairs in the amount of \$9,750.00

Ms. Osborne next presented to and reviewed with the Board a proposal for replacement of the existing air conditioning unit at Irrigation Pump Station No. 5 ("IPS No. 5"), a copy of which is included in the Operations and Maintenance Report, and noted the total cost for work in the amount of \$24,493.67.

Ms. Osborne next presented to and reviewed with the Board proposals for the replacement of Booster Pump No. 2 at IPS No. 5, copies of which are included in the Operations and Maintenance Report, and noted the quoted costs in each proposal for such work.

Following discussion, Director Russo moved that the Operations and Maintenance Report and the action items listed therein be approved, including: (i) completion of the repairs identified in the Non-Potable Valve Survey Report in the amount of \$9,750.00; (ii) replacement of the existing air conditioning unit at IPS No. 5 in the amount of \$24,493.67; and (iii) replacement of Booster Pump No. 2 at IPS No. 5 in the amount of \$5,992.00. Director Maham seconded said motion, which unanimously carried.

## **RECREATIONAL FACILITIES MAINTENANCE; WILDLIFE; SECURITY**

The Board concurred to defer discussion on recreational facilities maintenance matters until later in the meeting.

## AMENDMENT TO RECREATIONAL FACILITIES MAINTENANCE AGREEMENT

Director Cook next presented to and reviewed with the Board a proposed Amendment to Recreational Facilities Maintenance Agreement (the "Amendment") between the District and Bridgeland Council, Inc. ("Council"), a copy of which is attached hereto as **Exhibit H**. In connection therewith, Director Cook advised the Board that the proposed Amendment provides for the adjustment of various terms and conditions set forth in the existing Recreational Facilities Maintenance Agreement between the District and Council in order to reallocate responsibility for the maintenance of certain District recreational facilities. He then presented to and reviewed in detail with the Board a Summary of Proposed Changes, a copy of which is attached hereto as **Exhibit I**. Following discussion, it was moved by Director Russo, seconded by Director Goin and unanimously carried, that the proposed Amendment be approved, and the President be authorized to negotiate, conclude and execute such Amendment, as necessary, on behalf of the Board and the District.

## WEBSITE UPDATES

Mr. Page presented to the Board a Communications Report dated August 16, 2024, as prepared by Touchstone District Services, LLC, a copy of which is attached hereto as **Exhibit J**. 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 updated annexation consent packages with the corrected legal descriptions received from BGE for the Rue Tract and Hornberger Tract, and hopes to proceed with the submission of same to the City of Houston for review prior to next month's meeting. 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 July 2024, as prepared by the Developer, a copy of which is attached hereto as **Exhibit K**. 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. Page presented evidence of filing of a material event notice pursuant to SEC Rule 15c2-12, as prepared by McCall, Parkhurst & Horton, L.L.P., the District's continuing disclosure counsel, a copy of which is attached hereto as **Exhibit L**. He noted that such notice was required in connection with the merger of two municipal bond insurers, one of which has issued a policy or policies covering certain of the District's outstanding bonds.



**REQUESTS FOR QUALIFICATIONS FOR OPERATIONS SERVICES**

The Board considered the status of issuance of Requests for Qualifications (RFQs) for the District's operations services. In connection therewith, Director Cook reported that he issued RFQs to the list of candidate operations firms, as discussed, and that three responses have been received to date. He then presented to the Board a summarization of the responses received, a copy of which is attached hereto as **Exhibit M**, and recommended that the Board schedule a special meeting for further review and consideration of the three responses received. Following discussion, the Board requested that SPH coordinate with the Board members and the operations firms that provided responses to the District's RFQs to schedule a special Board meeting for further review and consideration of each firms' qualifications.

**EXECUTIVE SESSION**

The President noted that the Board would not need to enter into Executive Session.

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

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*Angela Nelson*  
Secretary

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159**

**LIST OF ATTACHMENTS TO MINUTES**

August 19, 2024

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- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector's Report
- Exhibit C –** Preliminary Official Statement and Official Notices of Sale
- Exhibit D –** Engagement Letter by Forvis Mazars, LLP
- Exhibit E –** Engineer's Report
- Exhibit F –** Proposal for Engineering Services
- Exhibit G –** Operations and Maintenance Report
- Exhibit H –** Draft Amendment to Recreational Facilities Maintenance Agreement
- Exhibit I –** Summary of Proposed Changes
- Exhibit J –** Communications Report
- Exhibit K –** Home Inventory Report through July 2024
- Exhibit L –** Evidence of Filing of Material Event Notice
- Exhibit M –** Summary of Requests for Qualifications