

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Meeting of Board of Directors

January 20, 2025

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 January 20, 2025, 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 Avik Bonnerjee 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"); Julie Peak of Masterson Advisors, LLC ("Masterson"); and Mitchell Page, Cole Trolinger, and Lindsey Pittman 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. The Board noted that no members of the public were present, and proceeded to the next item of business.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on December 16, 2024. Mr. Page noted revisions to the draft minutes requested by Director Cook. After discussion of the draft minutes presented, Director Russo moved that such minutes be approved, as revised per the request of Director Cook. Director Maham seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Smith presented to and reviewed with the Board the Bookkeeper's Report dated January 20, 2025 and the Quarterly Investment Report for the period ended November 30, 2024,

copies of which are attached hereto as **Exhibit A**. Following discussion, it was moved by Director Maham, seconded by Director Helbig and unanimously carried, that the Bookkeeper's Report and the Quarterly Investment Report be approved, as presented, and the disbursements listed therein be approved for payment.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Page informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, it was moved by Director Maham, seconded by Director Helbig and unanimously carried, that Forvis Mazars, LLP, the District's auditor, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Bonnerjee presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month ending December 31, 2024, copies of which are attached hereto as **Exhibit B**. 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 Russo seconded said motion, which unanimously carried.

EXEMPTIONS FROM TAXATION

The Board considered granting exemptions from taxation for 2025. In connection therewith, Mr. Page outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion on the matter, Director Russo moved that (i) the District not grant the general residential homestead exemption, (ii) the District grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$20,000 from ad valorem taxes levied by the District during the calendar year 2025, and (iii) the Resolution Concerning Exemptions from Taxation, a copy of which is attached hereto as **Exhibit C**, be approved and adopted by the Board and the District. Director Cook seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a Delinquent Tax Report, as it was noted that no report was due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Page advised the Board that it is authorized, pursuant to Section 33.11 of the Tax Code, to impose, under certain conditions, an additional penalty not to exceed 20% of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes, in accordance with Section 33.11 of the Tax Code, as amended. Following discussion, it was moved by Director Goin, seconded by Director Maham and unanimously carried, that: (i) the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit D**, be adopted by the Board, and (ii) Perdue Brandon, the District's delinquent tax collections attorneys, be authorized to proceed with collection of the District's delinquent 2024 personal property tax accounts on April 1, 2025, including the filing of lawsuits, as necessary.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Page reported to the Board that the District's current insurance coverage through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2025. He informed the Board of the other insurance companies available to the District that provide coverage to water districts, and inquired as to whether the Board desired to solicit proposals from such companies for review prior to the expiration of the District's current policies. Following discussion, the Board concurred that SPH be authorized to solicit a renewal proposal from Gallagher, its current provider, for consideration at the next meeting Board meeting.

ENGINEER'S REPORT

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated January 20, 2025 a copy of which is attached hereto as **Exhibit E**. In connection therewith, Ms. Turkal provided updates regarding various construction projects within the District. Following discussion of the Engineer's Report, it was noted that no action was requested of the Board at this time.

Mr. Gutowsky next advised the Board that, during the design and review of the Langham Creek Detention Phase 3 channels located west of Grand Parkway (the "Phase 3 Channels"), Harris County Flood Control District ("HCFCD") expressed an interest in transferring ownership of one of the Phase 3 channels from HCFCD to the District (the "Channel"). In connection therewith, Mr. Gutowsky explained that, because certain design elements proposed by the design engineer for the Phase 3 channels are not within HCFCD's standard Langham Creek design criteria, HCFCD has suggested that conveying the Channel to the District would ensure the upkeep and maintenance of the Channel at a standard befitting the expectation of the District and the Bridgeland community. After discussing the matter in detail, the Board concurred that it had no objections to accepting ownership of the Channel from the HCFCD and concurred that SPH and BGE should continue discussions with HCFCD on the topic. Mr. Gutowsky responded that he would present

the proposed plans for the Phase 3 Channels to the Board for review and further discussion at a future Board meeting.

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 presented to and reviewed with the Board the Operator's Report dated January 20, 2025, a copy of which is attached hereto as **Exhibit F**. Mr. Scott advised that Si Environmental was soliciting bids for a work area shade canopy.

A discussion ensued regarding an air conditioning unit that was ordered and invoiced to the District by Inframark, LLC ("Inframark"), the District's previous operator. Director Cook presented to the Board an email communication he made to Todd Burrer at Inframark regarding the air conditioning unit and invoice at issue, a copy of which is attached hereto as **Exhibit G**. The air conditioning unit received was not the correct size for the District's needs, and Inframark was asked to pick up the unit. Mr. Scott advised that as of the date of the meeting, the air conditioning unit had been retrieved by Inframark. The Board concurred that the District would not make payment of Inframark's invoice in connection with the air conditioning unit, and further concurred that no action was required at this time regarding the air conditioning unit.

Next, a discussion ensued regarding groundskeeping of the District's irrigation pump station site by IMS Landscape Services ("IMS"). Mr. Page advised that IMS has raised their prices and that other districts in the Bridgeland community have chosen to contract with a new provider. Following discussion, it was moved by Director Russo that SPH be authorized to request proposals for groundskeeping maintenance for review. Director Maham seconded said motion, which unanimously carried.

DETENTION FACILITY AND GROUNDS MAINTENANCE

In regards to maintenance of the detention areas in the District, Director Cook reviewed and presented to the Board a memorandum dated January 20, 2025, summarizing the bid packages that the District has received for landscaping maintenance services on District-owned land, including bids for: (i) tree fertilization and integrated pest management services; (ii) tree trimming, dead tree removal and lake edge invasive plant removal; and (iii) revised scope of work from Spencer Outdoor, LLC ("Spencer Outdoor"). The memorandum is attached hereto as **Exhibit H**.

Director Cook presented to and reviewed with the Board the bids received for tree trimming, dead tree removal and lake edge invasive plant removal. Discussion ensued as to which vendor to contract with the District. Following discussion, Director Maham moved that the District contract with MG2 Tree Service ("MG2") and authorize Director Cook to execute an agreement with MG2 on behalf of the District. Director Goin seconded said motion, which carried unanimously.

Director Cook next presented to and reviewed with the Board the bids received for tree fertilization and integrated pest management services. Discussion ensued as to whether to remain with the District's current contractor, Southern Green, or whether to accept one of the other bids received. Following discussion, Director Maham moved that the District continue to contract with Southern Green Lawns, LLC ("Southern Green") and authorize Director Cook to execute any agreement that may be necessary to continue work with Southern Green. Director Russo seconded said motion, which carried unanimously.

Director Cook next presented to and reviewed with the Board the revised scope of work and revised pricing received from Spencer Outdoor. The revised scope of work removed from Spencer Outdoor's responsibility all aspects of tree care, insect and disease integrated pest management, mulch, and the transition of the DragonFly Lake buffer zone, each of which would be handled by other contractors as discussed herein. The revised scope of work added the maintenance of land owned by Harris County Water Control and Improvement District No. 157 on the northern edge of the DragonFly Lake "Bow Tie"; clearing of trails, walkways and paths; trash, debris and silt removal; weekly blowing of all paved areas; and monthly reporting on the irrigation system. Following discussion, Director Cook moved to approve the revised scope of work and revised pricing. Director Maham seconded said motion, which carried unanimously.

Mr. Page next presented to and reviewed with the board a Master Standby Services Agreement with Lake Pro, Inc. Following discussion, it was moved by Director Maham that the proposed agreement be approved and that Director Cook be authorized to execute on behalf of the District. Director Russo seconded said motion, which carried unanimously.

Mr. Bonnerjee exited the meeting at this time.

WEBSITE UPDATES

Director Cook next presented to and reviewed with the Board a proposed update to language on the District's website landing page, a copy of which is attached hereto as **Exhibit I**. Director Cook proposed that additional language be added to the landing page to clarify that the District is not a member of the Bridgeland Water Agency. Following discussion, Director Cook moved to approve the proposed language and request that Touchstone District Services, LLC ("Touchstone") add the language to the District's website landing page. Director Russo seconded said motion, which carried unanimously.

Mr. Page next presented to the Board a Monthly Communications Report dated January 20, 2025, as prepared by Touchstone, a copy of which is attached hereto as **Exhibit J**. No action was required by the Board in connection with the Monthly Communications Report.

Director Cook next advised the Board that the Website Hosting Agreement by and between Bridgeland Council and the District has been fully executed. Following discussion, Director Maham moved that authority be delegated to SPH to send a Notice of Termination to Touchstone when appropriate to facilitate the changeover. Director Goin seconded said motion, which carried unanimously.

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, Ms. Page advised the Board that the consent application package to the City of Houston is currently under SPH review. It was noted that no action was required by the Board in connection with this matter at this time.

DEVELOPER'S REPORT

Mr. Page presented to and reviewed with the Board the home inventory report through December 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 the Developer's Report.

DISTRICT PARTICIPATION IN THE JANUARY 1, 2025 TRACE AIR FLYOVER

Mr. Page next discussed the Trace Air flyover, which was completed on January 1, 2025. Mr. Page advised the Board that the final cost to the District for participation in the flyover was \$1,260. Following discussion, it was noted that no action was requested of the Board at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page advised that the Fifth Year Report for the District's \$13,625,000 Unlimited Tax Bonds, Series 2019, had not yet been provided by Arbitrage Compliance Specialists, Inc. The Board concurred to defer discussion until such report was received.

COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit L**. Mr. Page advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Page noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Page further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Maham moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Russo seconded said motion, which unanimously carried.

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.


Secretary



HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

LIST OF ATTACHMENTS TO MINUTES

January 20, 2025

- Exhibit A Bookkeeper's Report and Quarterly Investment Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Resolution Concerning Exemptions from Taxation
- Exhibit D Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit E Engineer's Report
- Exhibit F Operator's Report
- Exhibit G Email Communication from Director Cook to Todd Burrer at Inframark
- Exhibit H Memorandum Discussing Landscaping Service Bids
- Exhibit I Proposed Website Landing Page Addition
- Exhibit J Monthly Communications Report
- Exhibit K Developer's Home Inventory Report
- Exhibit L Order Establishing Policy for Covered Applications and Prohibited Technology