

# HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

## Minutes of Meeting of Board of Directors

February 16, 2026

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 February 16, 2026, 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 Rebecca Olvera and David Patterson of Assessments of the Southwest, Inc. ("ASW"); Trevor Smith of Municipal Accounts & Consulting, LP ("MA&C"); Will Gutowsky and Kristen Demary of BGE, Inc. ("BGE"); Mike Scott of Si Environmental, LLC ("Si Environmental"); Brian Gates of Howard Hughes Holdings, Inc., on behalf of Bridgeland Development, L.P. ("Developer"); Julie Peak of Masterson Advisors, LLC ("Masterson"); Bear Oakley of USource Energy ("USource"); and Mitchell G. Page and Lindsey H. 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 began by opening the meeting for public comments. No comments from the public were presented, and 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 January 19, 2026. After discussion of the draft minutes presented, Director Goin 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 February 16, 2026, a copy of which is attached hereto as **Exhibit A**, and reviewed the Executive Summary therein. In connection therewith, Mr. Smith also requested that the Board ratify approval of the invoice from Berkeley Services ("Berkeley"), which was reviewed and approved by Director Cook between meetings. A copy of said invoice is included with **Exhibit A**. Following discussion, it was moved by Director Cook, seconded by Director Russo and unanimously carried, that (i) the Bookkeeper's Report be approved, as presented, (ii) the disbursements listed therein be approved for payment, and (iii) the approval of the invoice from Berkeley be ratified in all respects.

A discussion ensued regarding the status of impact fees to be paid to the District by Cypress Christian School, Inc. ("CCS") and Waller Independent School District ("Waller ISD"). Mr. Page reported to the Board that Waller ISD has been invoiced for said impact fees pursuant to the District's Rate Order. He further reported that CCS is currently planning an expansion, and will be invoiced in connection with same.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Olvera next presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended January 31, 2026, a copy of which is attached hereto as **Exhibit B**, including the checks presented for payment. After 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 Maham seconded said motion, which unanimously carried.

## **APPROVAL OF PAYMENT SERVICES AGREEMENT FOR TAX PAYMENTS**

In connection with the District's transition from B&A Municipal Tax Services, LLC ("B&A") to ASW, Mr. Page advised that the Board will need to enter into certain new agreements for electronic tax payment services to commence on April 1, 2026. Mr. Page presented the following documents to the Board for its review and approval: (i) a Payment Services Agreement with First Mobile Trust, LLC ("PSA"), (ii) a Merchant Processing Agreement with Global Payments ("MPA"), and (iii) an Addendum to Merchant Processing Agreement ("MPA Addendum"), copies of which are attached hereto as **Exhibit C**. Further, Mr. Page advised that any existing electronic payment program for tax payments and related agreements with vendors will need to be terminated. After discussion, Director Goin moved that (i) the PSA, MPA and MPA Addendum each be approved as presented, (ii) the President be authorized to execute same on behalf of the Board and the District, (iii) SPH acknowledge the accompanying Texas Ethics Commission Form 1295 for same, and (iv) any existing electronic payment program for tax payments and related agreements with vendors be terminated in accordance with the terms of such agreements, and ASW be authorized to provide notice of termination on behalf of the District. Director Russo seconded said motion, which unanimously carried.

## **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Page presented to and reviewed with the Board the Engineer's Report dated February 16, 2026, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District. A copy of the report is attached hereto as **Exhibit D**. Mr. Page noted that no Board action was necessary in connection with any of the accounts on the report.

## **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2026 TAX YEAR**

Mr. Page next advised the Board that the procedures involved in setting a tax rate each year applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Section 49.23602 of the Texas Water Code. Mr. Page then reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for 2026 Tax Year, a copy of which is attached hereto as **Exhibit E**. He advised the Board that pursuant to said worksheet the District is a "Developing District." Following discussion, upon motion made by Director Cook, seconded by Director Helbig and unanimously carried, the Board determined that the District shall be considered a Developing District for the 2026 Tax Year and adopted the attached Resolution.

## **ENGINEER'S REPORT**

Ms. Demary presented to and reviewed with the Board the Engineer's Report dated February 16, 2026, a copy of which is attached hereto as **Exhibit F**. In connection therewith, Ms. Demary also presented to and reviewed with the Board a Maintenance Agreement with Harris County relating to the TPHTL Detention and Mass Grading project, a copy of which is included with **Exhibit F**. Following discussion, Director Cook moved that the Engineer's Report, including all action items therein, be approved, as recommended by BGE, including the Maintenance Agreement with Harris County for the TPHTL Detention and Mass Grading. Director Maham seconded said motion, which carried unanimously.

A discussion ensued regarding the steps taken to inspect the non-potable lines at the time that construction is completed. Mr. Gutowsky discussed with the Board the testing that is done on the lines at project completion. Mr. Gates briefly discussed the steps taken by the Developer in relation to same. The Board discussed whether the District should consider retaining a third-party inspector to complete an inspection for new non-potable lines as they are completed. Following discussion, the Board concurred to take no action on the matter at this time.

## **LANGHAM CREEK DETENTION PHASE 2**

The Board then considered the status of the Langham Creek Detention Phase 2 project. In connection therewith, Mr. Gutowsky reported that he had no new updates regarding the project. It was noted that no action was required of the Board at this time.

## **MATTERS RELATED TO THE HARRIS COUNTY FLOOD CONTROL DISTRICT ("HCFCD")**

The Board deferred consideration of matters related to the HCFCD until later in the meeting.

### **APPROVE PREVAILING WAGE RATES FOR CONSTRUCTION PROJECTS**

The Board deferred adoption of the prevailing wage rate scales for construction projects after noting that the revised United States Department scales for construction projects for Harris County were not available at this time.

### **ACQUISITION OF PROPERTY; EXERCISE OF EMINENT DOMAIN AUTHORITY**

Mr. Page next discussed the acquisition of three (3) tracts of land situated along House Hahl Road (the "Tracts") for District detention facilities. Mr. Page reminded the Board that the Petition and Statement in Condemnation of the District was filed on January 16, 2026. He summarized the steps that will follow in the condemnation process for the Board. Following discussion, it was noted that no action was required of the Board at this time.

### **OPERATOR'S REPORT**

Mr. Scott presented to and reviewed with the Board the Operator's Report dated February 16, 2026, a copy of which is attached hereto as **Exhibit G**. Following discussion, Director Cook moved that the Operator's Report be accepted, as presented. Director Maham seconded said motion, which carried unanimously.

### **DETENTION FACILITY AND GROUNDS MAINTENANCE**

Director Cook presented and reviewed with the Board a Landscaping Report, dated February 12, 2026, a copy of which is attached hereto as **Exhibit H**. In connection therewith, Director Cook provided a brief update as to matters within the District. He reviewed with the Board three (3) proposals from Berkeley, totaling \$83,460.00, for hardwood mulch installation in and around the District's lake buffer zones. Following discussion, Director Maham moved that the Landscaping Report and all action items therein be approved, including the three (3) proposals from Berkeley. Director Helbig seconded said motion, which unanimously carried.

### **ELECTRICITY SERVICES**

Mr. Oakley presented pricing for the District's electricity service, a copy of which is attached hereto as **Exhibit I**. He advised that TXU Energy has submitted the low bid, at prices ranging from \$0.06915 per kWh for a 12-month contract term, to \$0.06871 per kWh for a 60-month contract term. After discussion, Director Cook moved that the District enter into a 60-month pricing agreement with TXU Energy at a cost of \$0.06871 per kWh, subject to market pricing escalation of up to ten percent (10%), and that he, as President of the Board, be designated to

execute same once received from TXU Energy. Director Russo seconded said motion, which carried unanimously.

### **WEBSITE UPDATES**

Mr. Page next presented to the Board a Monthly Communications Report dated February 16, 2026, as prepared by Touchstone, a copy of which is attached hereto as **Exhibit J**. It was noted that no action was required of the Board in connection with the Monthly Communications Report

### **UTILITY DEVELOPMENT AGREEMENT WITH TPHTL HOUSE HAHN, LLC ("TPHTL")**

The Board next considered approval of a Utility Development Agreement (Drainage and Detention Facilities; Recreational Facilities) (the "UDA") with TPHTL, whose land was recently annexed into the boundaries of the District. In connection therewith, Mr. Page reported that SPH had provided a copy of the draft UDA to TPHTL and are awaiting comments. Following discussion, Director Maham moved that the UDA be approved and authorized for execution, if there are no comments from TPHTL. Director Russo seconded said motion, which carried unanimously.

### **PROPOSED ANNEXATION NO. 5**

The Board next considered the proposed annexation of land into the boundaries of the District, including 267.49 acres as requested by Bridgeland Development, LP. In connection therewith, Mr. Page reported that SPH is currently drafting the required petitions for annexation to be circulated to the landowners. Following discussion, it was moved by Director Maham that the President be authorized to sign the Petition for Consent to Include Additional Land in the District, to be sent to the City of Houston. Director Helbig seconded said motion, which unanimously carried.

### **DEVELOPER'S REPORT**

Mr. Gates presented to and reviewed with the Board the home inventory report through January 2026, as prepared by the Developer, a copy of which is attached hereto as **Exhibit L**. It was noted that no action was required by the Board in connection with the Developer's Report.

### **RENEWAL OF INSURANCE COVERAGES**

The Board next considered the renewal of the District's various insurance coverages expire on March 31, 2026. In that regard, the Board discussed the proposal received from the District's current insurance provider Arthur J. Gallagher & Co. ("Gallagher"), a copy of which is attached hereto as **Exhibit M**. After discussion, Director Maham moved that the proposal from Gallagher be accepted, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District. Director Russo seconded the motion, which carried unanimously.

## **MATTERS REGARDING THE DIRECTORS ELECTION SCHEDULED FOR MAY 2, 2026**

The Board considered matters relating to the Directors Election scheduled for May 2, 2026. In connection therewith, Mr. Page noted that Directors Cook and Russo's terms are expiring. He also noted that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2026, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

## **ATTORNEY'S REPORT**

The Board considered the attorney's report. In connection therewith, Mr. Page presented to and reviewed with the Board a letter from Liberty Mutual Insurance, a copy of which is attached hereto as **Exhibit N**, regarding its 2026 Annual Meeting. Following discussion, the Board concurred to take no action in connection with same.

Mr. Page next presented to and reviewed with the Board a correspondence from Ward Getz & Associates LLC ("WGA") requesting waste water service on behalf of a proposed development, a copy of which is attached hereto as **Exhibit O**. Mr. Page explained that the request was required to be provided to the District pursuant to permitting regulations imposed by the Texas Commission on Environmental Quality. He further explained that, as the District does not provide water or wastewater service, it would be unable to meet any such request. Following discussion, the Board authorized BGE to advise WGA that the request was denied.

## **EXECUTIVE SESSION**

The President announced that the Board would enter into Executive Session at 1:58 p.m. pursuant to Section 551.071 of the Texas Government Code, as amended. All those in attendance, with the exception of the Board, Mr. Gutowsky, Ms. Demary, Mr. Page and Ms. Pittman, exited the meeting at this time.

## **RECONVENE IN OPEN SESSION**

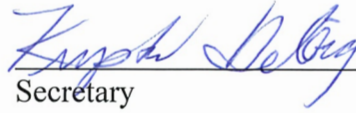
The Board reconvened in Open Session at 2:06 p.m. It was noted that no action resulted from the discussion taking place in Executive Session.

## **MATTERS FOR PLACEMENT ON FUTURE AGENDAS**

The Board considered items for placement on future agendas and noted that no additional items, other than routine and ongoing matters, 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.

  
Secretary



**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159**  
**LIST OF ATTACHMENTS TO MINUTES**  
**February 16, 2026**

---

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Resolution Concerning Developed District Status for 2026 Tax Year
- Exhibit F Engineer's Report
- Exhibit G Operator's Report
- Exhibit H Landscape Report
- Exhibit I Electricity Contract Pricing Report
- Exhibit J Monthly Communications Report
- Exhibit K Utility Development Agreement by and Between the District and TPHTL House Hahl, LLC (Drainage and Detention Facilities; Recreational Facilities)
- Exhibit L Developer's Home Inventory Report
- Exhibit M Insurance Proposal from Arthur J. Gallagher & Co. for 2026-2027 Term
- Exhibit N Correspondence from Liberty Mutual Insurance
- Exhibit O Correspondence from Ward Getz & Associates LLC