

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

Minutes of Special Meeting of Board of Directors June 14, 2018

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 157 (the "District") met in regular session, open to the public, on June 14, 2018, at 16902 Bridgeland Landing Drive, Cypress, Harris County, Texas 77433, such address being an office and meeting place of the District, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Keith Nystrom, President
Shane Bueno, Vice President
David Redburn, Secretary
James Motejzik, Assistant Secretary
Cameron Dickey, Director

and all of said persons were present, thus constituting a quorum.

Also present were Mike Fitzgerald and Allison Cook of BGE, Inc. ("BGE"); Charles LaConti of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Julie Peak of Masterson Advisors, LLC ("Masterson"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Jason Demel of Inframark, LLC ("Inframark"); Mitchell G. Page of Schwartz, Page & Harding, L.L.P. ("SPH"); and various residents of the District and other members of the public.

The President called the meeting to order and declared it open for such business as might regularly come before it. He then welcomed members of the public and discussed the conduct of Board meetings. The Board members and consultants present each gave brief introductions to the public in attendance.

ELECTION OF OFFICERS

The Board first considered the election of officers and reorganization of the Board. After discussion, Director Motejzik moved that Director Dickey to succeed Director Bueno as Vice President, and that the remainder of the Board officers maintain their current office positions. Director Redburn seconded said motion, which unanimously carried. The Board concurred to revisit officer positions in three (3) months.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meetings held on May 10, 2018 and May 16, 2018. A revision to the May 16, 2018 minutes was requested by to reflect that Director Redburn was not in attendance at the meeting. After review and discussion, Director Dickey moved that the draft minutes be approved, as revised. Director Motejzik seconded said motion, which carried unanimously.

PUBLIC ANNOUNCEMENTS AND PUBLIC COMMENTS

The Board and the District's consultants then received and addressed various questions posed by the members of the public present.

TAX ASSESSOR-COLLECTOR REPORT

Mr. Arce presented and reviewed the Tax Assessor Collector Monthly Report, dated as of May 31, 2018, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for approval and a Delinquent Collections Listing as of May 31, 2018. After discussion, Director Bueno moved that the Tax Assessor Collector Monthly Report be approved and the disbursements shown therein be authorized for payment. Director Motejzik seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

The Board considered the Delinquent Tax Collections Report received from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), delinquent tax attorneys for the District, a copy of which report is attached hereto as **Exhibit B**. After discussion, the Board determined that no action was necessary regarding the Delinquent Tax Collections Report.

BOOKKEEPER'S REPORT

Mr. LaConti presented to and reviewed with the Board the Bookkeeper's Report dated June 14, 2018, a copy of which is attached hereto as **Exhibit C**, including the disbursements and wire transfers presented for approval. After discussion, Director Dickey moved that the Bookkeeper's Report be approved as presented, and the disbursements and wire transfers presented be approved for payment. Director Bueno seconded the motion, which carried unanimously.

RATIFICATION OF ADOPTION OF BUDGETS FOR FISCAL YEAR ENDING MAY 31, 2019

The Board considered ratification of its prior adoption of an operating budget for the District's fiscal year ending May 31, 2019, and a separate operating budget for recreational facilities for said period. The Board requested that a \$350,000 line item be added in the operating budget for cash payment of expenses incurred in connection with the District's issuance of bonds. After discussion, Director Motejzik moved that the prior action of the Board be ratified and approved in all respects, subject to the addition of the line item as discussed. Director Bueno seconded said motion, which unanimously carried.

OPERATIONS AND MAINTENANCE

Mr. Demel presented the Operator's Report for the month of May 2018, a copy of which report is attached hereto as **Exhibit D**, and reviewed the charges, related repairs, and make up well pumpage listed therein. Mr. Page advised that a request was received from the Harris-Galveston Subsidence District to provide information regarding the District's lakes that are serviced by water wells, a copy of which is included with **Exhibit D**. After discussion, Director

Bueno moved that Inframark be authorized to respond to the request on behalf of the District. Director Motejzik seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Fitzgerald presented the Engineer's Report, dated June 14, 2018, a copy of which is attached hereto as **Exhibit E**, and reviewed the status of projects listed therein, including the pay estimates and change orders noted therein for approval. Mr. Page next presented two easements for acceptance by the Board: (i) an Irrigation Easement to serve Summit Point Crossing, and (ii) Abandonment of Easement,. Mr. Fitzgerald then advised that the installation of the signage at the lake outfall structure is now complete. After review and discussion, Director Bueno moved that (i) the action items listed in the Engineer's Report be approved, as recommended by BGE, and (ii) the Easements be accepted, as presented, and the President be authorized to execute same on behalf of the Board and the District. Director Redburn seconded said motion, which unanimously carried.

STATUS OF PREPARATION AND FILING OF APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS AND FOR USE OF SURPLUS FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS

Mr. Page reported that BGE is preparing a draft bond application report for the proposed issuance of the District's Series 2018 Bonds for drainage and detention facilities and Series 2018A Bonds for park and recreational facilities, and SPH comments to same are being addressed by BGE. The Board took no action regarding this item.

UTILITY COMMITMENT LETTERS

The Board considered issuance of utility commitments for detention capacity, and noted that no new requests for commitments have been received. Mr. Page explained the purpose of utility commitments.

DELTA WEST ENVIRONMENTAL REPORT

The Board deferred consideration of the storm water quality report after noting that no representative of Delta West Environmental was present at the meeting.

SITE MAINTENANCE

The Board considered the status of site maintenance within the District and determined that no action regarding same was necessary at this time.

DETENTION/AMENITY POND MANAGEMENT

The Board considered the status of amenity pond management and wildlife management. Mr. Page presented to the Board a report prepared by Brett Rowley, regarding the netting of undesirable fish species from the amenity ponds, a copy of which is attached hereto as **Exhibit**

F. The Board discussed instituting a neighborhood program to allow residents to catch undesirable fish species, but took no action regarding same at this time.

DEVELOPER'S REPORT

The Board considered the Developer's Report. Mr. Derr presented to the Board a home inventory summary for Harris County Municipal Utility District Nos. 419 ("No. 419") and Harris County Municipal Utility District No. 489 ("No. 489"), a copy of which is attached hereto as **Exhibit G**.

PROPOSED ANNEXATION OF CERTAIN LAND INTO AND EXCLUSION OF LAND FROM THE DISTRICT

Mr. Page reported that the District's application to the City of Houston for consent to annex 47.08 acres of land remains pending at the City of Houston (the "City"). Mr. Page discussed the City's delay in acting on annexation applications and advised that SPH met with representatives of the City on June 11, 2018 to clarify the District's annexation request. The Board took no action regarding this item.

PROPOSED ANNEXATION OF ADDITIONAL LAND INTO THE BOUNDARIES OF THE DISTRICT

With regard to prior discussion regarding the annexation of the lakes located along the northern boundary of the District, the Board concurred that no further action would be necessary, and such item could be removed from future meeting agendas.

VOTING SYSTEM ANNUAL FILING FORM

Mr. Page advised the Board that, pursuant to Section 123.061 of the Texas Election Code, the District is required to complete and file a Voting System Annual Filing Form with the Secretary of State to provide information related to District elections. After discussion, Director Motejzik moved that SPH be authorized to complete the Voting System Annual Filing Form and to file same with the Secretary of State's office. Director Redburn seconded the motion, which carried unanimously.

RECORDS DESTRUCTION REQUEST

Mr. Page reported that the District's General Records Retention Schedule adopted in connection with its Records Management Program requires that notes taken during meetings and which are used to prepare the official minutes of Board meetings must be retained for ninety days after approval of such minutes by the Board. He next presented a request from the Records Management Officer for approval to destroy all such notes from January 12, 2017 to January 11, 2018, as allowed by the Schedule. After discussion, Director Motejzik moved that SPH be authorized to destroy said notes, as discussed. Director Redburn seconded said motion, which carried unanimously.

ATTORNEY REPORT

The Board next considered the attorney's report. Mr. Page advised that a letter of resignation was received from Norton Rose Fulbright US, LP ("Norton Rose") as continuing disclosure counsel for the District. He next presented an engagement letter received from McCall Parkhurst Horton, LP ("MPH") for disclosure counsel services. The Board then inquired about the process for engaging disclosure counsel to succeed Norton Rose. Mr. Page noted that the attorney representing the District at Norton Rose had changed firms to MPH. The Board then discussed with Mr. Page the legal requirements applicable to the selection of professional consultants, including the District's disclosure counsel and financial advisory firms. Following discussion, the Board deferred on the engagement of MPH as disclosure counsel and noted that Director Bueno would attempt to identify potential candidates to interview for the District's disclosure counsel and financial advisory firms.

Mr. Page next presented correspondence received from the West Harris County Regional Water Authority regarding the appointment of a direction for Director Precinct 5, a copy of which correspondence is attached hereto as **Exhibit H**.

CREATION OF DISTRICT WEBSITE

The Board discussed the potential creation of a district website. Mr. Page presented a memorandum to the Board setting forth legal requirements for website content and management, a copy of which is attached hereto as **Exhibit I**. The Board discussed working with certain Board members of Harris County Municipal Utility District No. 419 to develop a website design for presentation at a future Board meeting.

FUTURE MEETINGS WITHIN THE BOUNDARIES OF THE DISTRICT

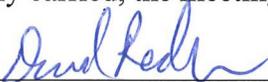
The Board next discussed the scheduling of future meetings. The Board requested that SPH coordinate a town hall meeting for July 3, 2018 at 7:00 p.m. to be held at the Lakeland Activity Center.

FUTURE AGENDA ITEMS

The Board discussed items for future Board meeting agendas and noted that had no additional items to add.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Bueno, seconded by Director Nystrom and unanimously carried, the meeting was adjourned.



David Redburn, Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Tax Assessor-Collector Report
- Exhibit B – Delinquent Tax Attorney-Collections Report
- Exhibit C – Bookkeeper's Report
- Exhibit D – Operator's Report; HGSD Request
- Exhibit E – Engineer's Report
- Exhibit F – Fishing Report
- Exhibit G – Home Inventory Summary
- Exhibit H – WHCRWA Director Appointment
- Exhibit I – Website Memorandum