

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157
Minutes of Special Meeting of Board of Directors
July 3, 2018

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 157 (the "District" or "WCID 157") met in regular session, open to the public, on July 3, 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
Cameron Dickey, Vice President
David Redburn, Secretary
James Motejzik, Assistant Secretary
Shane Bueno, Director

and all of said persons were present, except for David Redburn, thus constituting a quorum.

Also present were Kay Burkhalter and Tony Martin of the Lakeland Village Association board; Sandra Kalb, Board member of Harris County Municipal District No. 419 ("MUD 419"); Hudson Hooper of Troop #179, and six other residents of the District.

The President called the meeting to order and declared it open for such business as might regularly come before it. Without objection, the President noted the absence of the Secretary and that he would take and attest to the minutes of the meeting. He then welcomed members of the public and discussed the conduct of Board meetings. The Board members and guests each gave brief introductions.

Future Public Meetings

The Board announced that it would like to have regular workshop meetings to conduct questions and answer sessions with the public in advance of the Board's regular meeting with the consultants.

Public Discussion

The following topics were discussed with attendees:

Murky Water: The Board responded to questions related to the clarity of water in the District's lakes. The Board advised that no action is needed at this time, as the murkiness in lake water is a natural occurrence. The Board further noted that management of fish species and aquatic vegetation are ongoing in an effort to address water clarity without resorting to chemical treatment.

Bridge Maintenance Lakeland Heights: The Board notes that it is considering annual maintenance of certain bridges crossing District's lakes and will investigate the current condition further before proceeding.

Disc Golf Low Water Crossing: There was discussion that the low water crossing of Cypress Creek recently installed by the District requires attention. Water is currently not allowed to flow through or under the crossing in its current state.

District Website: The Board advised that a representative of OffCinco will be presenting to the Board on July 12, 2018, regarding options for a District website. Residents in attendance expressed that they would like the website to include a portal where they can raise concerns to the Board for consideration.

MUD District Breakout: The Board advised that MUD 419 provides water, sewer, storm water collection, roads and parks for Lakeland Village. WCID 157 provides detention/amenity lakes, irrigation, and parks for the land within its boundaries, which includes Lakeland Village and a portion of Parkland Village. In this breakout of responsibilities, the tax rate of the MUD was initially set at \$1.00 per \$100 of assessed taxable valuation, and the tax rate of the District was initially set at \$0.50 per \$100 of assessed taxable valuation. Both MUD 419 and the District have reduced their tax rates over time. MUD 419 and the District provide overlapping and complementary services. If MUD 419 provided the services being provided by the District the initial tax rate of the MUD likely would have been \$1.50 per \$100 of assessed taxable valuation. Therefore, even though the District overlaps MUD 419 (as well as parts of two other municipal utility districts) it does not translate into any additional tax or duplication of services.

Surface Water: Residents questioned the current mixture of surface water versus ground water being currently being provided in the potable water system, versus what the mixture was two and three years ago, and how this could have contributed to recent taste and odor issues. The Board noted that potable water issues are a matter to be brought to the attention of MUD 419.

Bond Issuance and Debt Requirements: In response to questions on the District's bonded indebtedness, the Board advised that the District is authorized to issue up to \$256.6 million in bonds for drainage and detention facilities, \$49.45 million in bonds have been issued to date, and the District has committed to \$12,000,000 in drainage and detention facility projects that will be funded with bonds in the future. The District is also authorized to issue up to \$204.3 million in bonds for park and recreational facilities, \$10.4 million in bonds have been issued to date, and the District has committed to \$33,500,000 in park and recreational facility projects that will be funded with bonds in the future, subject to provisions of state law which limit the amount of outstanding bonded indebtedness for park and recreational facilities to 1% of the District's taxable value.

Deeded Assets: A resident asked what deeded assets the District possesses. After the meeting it was confirmed that the following assets are held by the District: all lakes and the land beneath and surrounding such lakes; the entire Nature Trail area and certain other recreational sites and improvements; multiple easements for recreational facilities and non-potable water

facilities; make-up ground water wells; the Cypress Creek pumping station, multiple irrigation pump stations and related non-potable (purple pipe) water distribution lines and appurtenances have been deeded to the District. The District's annual audit estimates the value of such assets.

LED Lighting: A resident inquired whether the District can request that its developer employ LED lighting and other lower maintenance cost infrastructure since ultimately residents have to pay for the maintenance.

Irrigation Issue: It was noted that open space behind 12000 South Founders Shore is not getting irrigated. This has been reported to the HOA at phone number 281-304-1318.

eMail Notification: Director Nystrom advised that any resident that wants to be on an eMail notification list for upcoming meetings and possibly other District business has reported their email address to Director Keith Nystrom. Anyone else wanting to be on this notification list can email Keith at keithnystrom@yahoo.com.

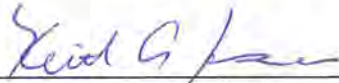
Election Costs: Director Dickey advised that he would like to know the exact breakdown of cost for the recent directors election, per household, to reiterate that conducting an election is worth the cost to the District's residents.

Adjournment

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



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Keith Nystrom, President