

# HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 157

## Minutes of Meeting of Board of Directors July 11, 2019

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 July 11, 2019, at 1300 Post Oak Boulevard, Suite 1400, Houston, Texas 77056, 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, thus constituting a quorum.

Also present were Treacy Ware of OffCinco; Darcé Ahlschlager of Wheeler & Associates, Inc. ("Wheeler"); David Baños of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Juan Montano of Inframark, LLC ("Inframark"); Will Gutowsky of BGE, Inc. ("BGE"); Mark Gehringer on behalf of Bridgeland Development, LP, a division of the Howard Hughes Corporation ("Developer"); Mike Willingham, resident of the District; and Mitchell G. Page and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). John Howell of The GMS Group, L.L.C. ("GMS") entered later in the meeting, as noted herein.

The President called the meeting to order and declared it open for such business as might regularly come before it.

### **APPROVAL OF MINUTES**

The Board reviewed the draft minutes of its meeting held on June 13, 2019. Director Bueno requested certain revision to such minutes. After review and discussion, Director Redburn moved that the draft minutes of June 13, 2019, be approved, as revised. Director Motejzik seconded said motion, which unanimously carried. Mr. Page advised that the approval of the May 30, 2019 Town Hall meeting minutes will be deferred until the next meeting of the Board. Director Nystrom noted that he was designated to attest the minutes of the May 30, 2019 meeting of the Board.

### **PUBLIC COMMENTS**

Mr. Willingham advised that he had no comments for the Board.

### **DISTRICT WEBSITE**

The Board considered the administration of the District website. Ms. Ware presented and reviewed a website analytics report prepared by OffCinco, a copy of which is attached hereto as **Exhibit A**. The Board next discussed additional content to be provided on the District website. Director Dickey requested that Ms. Ware send him a variety of sample posts and

content ideas for review. The Board next considered methods for increasing public awareness of and traffic to the District website. In that regard, Ms. Ware offered to provide price quotes for and samples of postcard mailings and utility bill inserts for the Board's review. The Board next requested that SPH provide the District's approved minutes needed to complete a rolling two-year record of Board meeting minutes to OffCinco for uploading to the District website.

### **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Ahlschlager presented and reviewed the Tax Assessor Collector Monthly Report, dated as of June 30, 2019, a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for approval, and a Delinquent Collections Listing as of June 30, 2019, prepared by Wheeler. After discussion, Director Bueno moved that the Tax Assessor Collector Monthly Report be approved and the disbursements shown therein be authorized for payment. Director Dickey seconded said motion, which carried unanimously.

Ms. Ahlschlager exited the meeting at this time.

### **DELINQUENT TAX COLLECTIONS REPORT**

The Board deferred consideration of a Delinquent Tax Collections Report as it was noted that no Report was received nor is due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax attorneys for the District.

### **BOOKKEEPER'S REPORT**

Mr. Baños presented and reviewed with the Board the Bookkeeper's Report dated July 11, 2019, a copy of which is attached hereto as **Exhibit C**, including the disbursements and wire transfers presented for approval. Mr. Baños additionally presented the Quarterly Investment Report for the District for the reporting period ended May 31, 2019, a copy of which is included with the Bookkeeper's Report. Mr. Gehringer next advised the Board that, as previously requested, the Developer is in the process of compiling supporting documentation for the Phase III land costs being withheld from the Series 2014 Bond issue, noting that he expects to present such documentation at the Board's next meeting. The Board then considered the annual maintenance contribution request from Bridgeland Council, Inc. ("Council"). In that regard, Mr. Gutowsky presented and reviewed with the Board a detailed breakdown of the 2016 Maintenance Contract Bid Tab from Spencer Outdoor Co. showing how maintenance costs for shared sites were allocated, a copy of which is attached hereto as **Exhibit D**. Mr. Gutowsky also presented a map illustrating the mowing locations for Council, Lakeland Village Community Association, and the District, a copy of which is included under **Exhibit D**. After discussion, Director Dickey moved that the Bookkeeper's Report be approved as presented, and the disbursements and wire transfers listed therein be approved for payment. Director Redburn seconded the motion, which carried unanimously.

### **OPERATIONS AND MAINTENANCE**

Mr. Montano then presented the Operator's Report for the month of June 2019, a copy of which report is attached hereto as **Exhibit E**, and reviewed the charges, related repairs, and make up well pumpage listed therein. Mr. Montano next presented a proposal for the installation of a wireless remote monitoring system at the District's Bridge Cove Pump Station for a total cost of

\$5,529.25, a copy of which is included with **Exhibit E**. He discussed the benefits of the system, the warranty period for the equipment, and noted the annual monitoring fee of \$460 per year after the first year of service. After discussion, Director Dickey moved that the proposal for installation of a wireless remote monitoring system at the Bridge Cove Pump Station in the amount of \$5,529.25, be approved, as recommended by Inframark. Director Redburn seconded said motion, which unanimously carried.

#### **RESOLUTION AUTHORIZING APPRAISAL OF PROPERTY AS OF JULY 15, 2019**

The Board next considered approval of a Resolution Authorizing Appraisal of Property as of July 15, 2019, in connection with the issuance of the District's proposed \$3,620,000 Unlimited Tax Park Bonds, Series 2019 ("Series 2019 Bonds"). Mr. Page presented the Resolution, attached hereto **Exhibit F**, for the Board's review and approval. After discussion, Director Redburn moved that the Resolution be approved, as presented, and the President be authorized to execute same on behalf of the Board and the District. Director Dickey seconded said motion, which unanimously carried.

#### **ENGINEER'S REPORT**

Mr. Gutowsky presented the Engineer's Report, dated July 11, 2019, a copy of which is attached hereto as **Exhibit G**, and reviewed the status of projects listed therein, including the pay estimate and conveyances presented for Board action. With regard to Parkland Village, Section 6, Mr. Gutowsky explained that Harris County is requiring a surety release before proceeding with certain repairs in the area, and presented a Directive for Financial Assurance in connection with same. After discussion, Director Redburn moved that (i) the action items listed in the Engineer's Report be approved, and (ii) the President be authorized to execute the Directive for Financial Assurance on behalf of the Board and the District, all as recommended by BGE. Director Motejzik seconded said motion, which unanimously carried.

The Board concurred to deferr review of BGE's contract until the Board's Special Public Meeting to be held on July 23, 2019 at 18811 Ellis Bend Drive, Cypress, Texas 77433, such address being a meeting place of the District.

#### **MOWING AND MAINTENANCE REPORTS**

The Board deferred consideration of mowing and maintenance reports after noting that no representative of either Southern Green Lawns, LLC or Spencer Outdoor, LLC was present at the meeting.

#### **DETENTION/AMENITY POND MANAGEMENT**

The Board deferred consideration of the status of amenity pond management and wildlife management.

#### **DEVELOPER'S REPORT**

The Board considered the Developer's Report. Mr. Gehringer presented to the Board a summary of sales for the District for June 2019 and year-to-date, a copy of which is attached hereto as **Exhibit H**.

## **ATTORNEY REPORT**

The Board considered the attorney's report. Mr. Page presented to and briefly reviewed with the Board a Legislative Summary of the 86th Regular Session of the Texas Legislature dated June 20, 2019, a copy of which is attached hereto as **Exhibit I**.

Director Redburn exited and reentered the meeting during the above discussion.

Mr. Howell entered the meeting at this time.

## **FINANCIAL ADVISOR'S REPORT**

In connection with the District's proposed Series 2019 Bonds, Mr. Howell presented and reviewed with the Board a Debt Service Schedule and Cash Flow Analysis Reports, copies of which are attached hereto as **Exhibit J**. Mr. Page next advised that the bond application report for the proposed Series 2019 Bonds has been prepared by BGE and will be submitted to the TCEQ before the end of the month, after SPH has completed its review of same.

## **ENGAGE ARBITRAGE COMPLIANCE SPECIALISTS**

Mr. Page noted that a Final Arbitrage Report will need to be prepared for the District's outstanding \$5,100,000 Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"). In that regard, Mr. Page presented an engagement letter from Arbitrage Compliance Specialists, Inc. ("ACS") for the preparation of said Report for a fee in the amount of \$2,950. After discussion, Director Bueno moved that (i) ACS be engaged to prepare the Final Arbitrage Report for the Series 2010 Bonds, and (ii) the accompanying Texas Ethics Commission Form 1295 be approved, as presented. Director Redburn seconded said motion, which unanimously carried.

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

Mr. Page reported on the proposed annexation of land into and exclusion of land from the District boundaries and the bisecting of two homeowner lots by the proposed boundary line of the District and Harris County Water Control and Improvement District No. 159. He advised that SPH has received confirmation of payment of the 2018 property taxes for the second homeowner's lot but noted that receipt of the second homeowner's paperwork to effect the transfer is still pending. Mr. Gutowsky next presented a map illustrating the areas proposed to be either annexed into the District or excluded from the District, a copy of which is attached hereto as **Exhibit K**. After a suggestion from Director Nystrom that he attempt hand delivery of the required paperwork to the second homeowner, the Board directed SPH to provide said paperwork to Director Nystrom. The Board deferred action on this item at this time.

## **FUTURE AGENDA ITEMS**

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

## ADJOURNMENT

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



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David Redburn, Secretary

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## LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Website Analytics Report

Exhibit B – Tax Assessor-Collector Report; Delinquent Collections Listing

Exhibit C – Bookkeeper's Report

Exhibit D – Detailed Breakdown of Landscape Maintenance Costs; Map Illustrating Mowing Locations

Exhibit E – Operator's Report; Proposal for Wireless Remote Monitoring System

Exhibit F – Resolution Authorizing Appraisal of Property as of July 15, 2019

Exhibit G – Engineer's Report

Exhibit H – Inventory Report

Exhibit I – Legislative Summary of the 86th Regular Session of the Texas Legislature

Exhibit J – Debt Service Schedule and Cash Flow Analysis Reports

Exhibit K – Map depicting proposed areas for annexation into or exclusion from the District