

MINUTES OF MEETING OF BOARD OF DIRECTORS
MARCH 20, 2025

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 156

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 156 (the "District") convened in session on March 20, 2025, at 9:30 a.m. at the Clear Lake City Water Authority, 900 Bay Area Blvd., Houston, Texas 77058. A roll call was taken of the persons present:

Mr. Peter Nagamani, President
Mr. Joseph Matthews, Vice President
Mr. Brian Akins, Secretary
Mr. Susan Lindamood, Assistant Secretary
Mr. Arnold Mallett, Treasurer

All members of the Board were present, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Debbie Arellano of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Frank Elliot, Mr. Dean McGee, and Ms. Jennifer Morrow of the Clear Lake City Water Authority ("CLCWA"), operators of the District's facilities; Ms. Marissa Igness of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Mr. Adam Anderson of Lockwood, Andrews, & Newman, Inc. ("LAN"), engineer for the District; Mr. Dimitri Millas, Ms. Leslie Bacon, and Ms. Madeline Lopez of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; and Mr. Michael Terraso, member of the public.

President Nagamani called the meeting to order in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as *Exhibit A*, and the following business was transacted:

1. **Roll Call.** The President proceeded with roll call of the Directors and Consultants.
2. **Public Comments.** There were no comments.
3. **Approve minutes of the meeting of January 16, 2025, and minutes of the special meeting of February 22, 2025.** Proposed minutes of the meeting January 16, 2025, and minutes of the special meeting of February 22, 2025, previously distributed to the Board, were presented for review and approval. Upon motion by Director Lindamood, seconded by Director Mallett, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes, as presented.
4. **Discuss and consider appointment and qualification of new director, and take any necessary action.** Mr. Matthews introduced himself to the Board and expressed interest in serving on the Board. Upon motion by Director Akins, seconded by Director Lindamood, after full discussion and the question being put to the Board, the Board voted unanimously to appoint and qualify Mr. Joseph Matthews to the Board.

5. Bookkeeper's Report and payment of bills. Ms. Igness presented to and reviewed with the Board the Bookkeeper's Report, the monthly Investment Report, and the Deposit/Collateral Report, a copy of which is attached hereto as *Exhibit B*.

Ms. Igness proceeded to review the District's operating activity. She presented 13 checks for Board approval.

Ms. Igness proceeded to review the District's operating budget and investment report. Ms. Igness reported the budget reflects 6 months of the fiscal year.

Upon inquiry by Director Mallett, Ms. Igness discussed the Auditing Fees and Engineering line items in the budget. Mr. Anderson stated he will get with the bookkeeper to clarify engineering fee spent on the lift station generator project. Further discussion ensued. Ms. Igness stated she will add a line item in the budget for expenses related to the lift station generator project.

Director Lindamood requested copies of the consultants' contracts be sent to the Board for review.

Upon motion by Director Lindamood, seconded by Director Akins, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, and authorize payments of check nos. 1256 through 1268 from the General Operating Fund, each in the amounts, to the person(s)/entity, and for the purposes described in the Bookkeeper's Report.

6. Tax Assessor Collector's Report. Ms. Arellano presented to and reviewed with the Board the Tax Assessor and Collector's Report dated February 28, 2025, a copy of which is attached hereto as *Exhibit D*. Ms. Arellano reported 95.6% of the 2024 taxes have been collected, and the taxes receivable, as of February 28, 2025, is \$22,381.97.

Ms. Arellano reviewed the Disbursements and presented one wire transfer and two checks for Board approval.

Ms. Arellano continued to review the Historical Collections Data and Historical Tax Data.

Upon inquiry by Director Nagamani, Ms. Arellano stated that there are 149 accounts with the over 65 years of age exemption, and there are 3 accounts with the disability exemption. Upon further inquiry, Ms. Arellano stated there are 359 tax payers in the District. Discussion ensued regarding how the number tax exemptions is increasing.

Upon motion by Director Mallett, seconded by Director Lindamood, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1106 and 1107 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

7. Clear Lake City Water Authority Operations Report. Mr. McGee presented to and reviewed with the Board the CLCWA Operations Report for the months of January 2025 and February 2025, copies of which are attached hereto as *Exhibit E*.

Mr. McGee reviewed the Administrative/Special Charges and Utility Billing listed in the January 2025 operations recap statement.

Director Nagamani requested row numbers be added to the recap statements.

Upon inquiry by Director Lindamood, Mr. McGee stated he will look into the connection count and breakout of connections.

Mr. McGee continued to review the Administrative/Special Charges listed in the February 2025 operations recap.

Upon inquiry by Director Nagamani, Mr. Anderson discussed certain colors of fire hydrants demarks the size of the waterline, and the size of the waterline is based off of the demand of the system. Mr. Elliot also discussed that the fire hydrant colors help indicate flow to firefighters for certain situations. Discussion ensued. Mr. Anderson stated he would send information to the Board regarding color coding of fire hydrants.

Ms. Iguess left the meeting at this time.

Upon motion by Director Mallett, seconded by Director Akins, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CLCWA Operations Report.

8. Maintenance of District Facilities. Mr. Elliot reported that there were no call-outs to the lift station, and the lift station is operating reliably.

9. Engineer's Report. Mr. Anderson presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit F*.

Mr. Anderson reported on the Lift Station Backup Power Generator, stating the contractor submitted the project schedule. He noted the contractor plans to mobilize June 2, 2025, and they plan to complete the project by July 11, 2025. Mr. Anderson discussed budgeting maintenance needs for the generator, such as natural gas and preventative maintenance. Upon inquiry by Director Nagamani, Mr. Anderson stated that another contractor will maintain the generator, not CLCWA. Mr. Elliot discussed requirement that the District cannot exercise a generator before 12 p.m. Upon inquiry by Director Akins, Mr. Anderson stated there will be a one year warranty on the generator. Discussion ensued regarding parts included for maintenance. Mr. Anderson stated that the contractor anticipates the generator to be delivered by July 1, 2025.

Mr. Anderson discussed scheduling a facilities tour with the Board. He proposed scheduling tour for March 28th or April 4th. Discussion ensued. It was the consensus of the Board to schedule the District facilities and boundaries tour for Friday, April 4th, at 2:30 p.m., and they will meet at the Bay Oaks Country Club.

Upon motion by Director Mallett, seconded by Director Lindamood, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

Mr. Anderson left the meeting at this time.

10. Discuss Open Meetings Act Statutes. It was the consensus of the Board to contact NRF if there are any questions regarding the Open Meetings Act Statutes.

11. Discussion on the City of Houston Drainage Fee, discuss next steps, and take any necessary action. Director Lindamood discussed the 2025 AWBD Mid-Winter Conference. Discussion ensued regarding registration for the 2025 AWBD Summer Conference.

Director Lindamood discussed efforts to end the City of Houston Drainage Fee ("drainage fee"). She discussed her meeting with Representative Paul and he could try to contact City of Houston regarding this matter. She expressed interest in hiring outside counsel to handle the City of Houston Drainage Fee. Director Lindamood discussed scheduling a meeting with Senator Middleton. Upon motion by Director Akins, seconded by Director Mallett, after full discussion and the question being put to the Board, the Board voted unanimously to authorize travel expenses for one day for Director Lindamood to meet with Senator Middleton.

Extensive discussion ensued regarding consulting with outside counsel regarding drainage fee. Discussion ensued regarding statutes regarding implementation of drainage fee.

Upon inquiry by Director Nagamani, Mr. Millas discussed potential attorneys fees to litigate this matter.

Director Mallett and Ms. Arellano left the meeting at this time.

Upon inquiry by Director Akins, discussion ensued regarding the possibility of negotiating with the City of Houston.

Director Lindamood discussed possibly submitting the matter to the Attorney General for an opinion. Extensive discussion ensued regarding the question of whether the City of Houston properly levied the drainage fee and outstanding future maintenance of drainage facilities.

Upon inquiry by Director Nagamani, Ms. Bacon discussed possible courses of action and the Board's option to consult with outside counsel.

Upon motion by Director Akins, seconded by Director Matthews, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Director Nagamani and Director Lindamood to consult with outside counsel, not to exceed \$10,000, on the City of Houston Drainage Fee.

12. Discuss next meeting date. The Board agreed to schedule the regular Board meeting on Thursday, May 15, 2025 at 9:30 a.m. at the Clear Lake City Water Authority.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board on May 15, 2025.

President, Board of Directors

Attest:

Secretary, Board of Directors

(DISTRICT SEAL)