

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110
MINUTES OF MEETING OF BOARD OF DIRECTORS**

November 13, 2024

**THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**

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The Board of Directors (the “Board”) of Harris County Water Control and Improvement District No. 110 (the “District”) met in **regular session**, open to the public, at the designated meeting place of the Board in the District on **November 13, 2024, at 5:00 p.m.** Whereupon, at 5:02 p.m., the roll was called of the duly constituted officers and members of the Board, to-wit:

James N. Williams	-	President
Jeannie Perkins	-	First Vice President/Asst. Secretary
Jerry A. Strickland	-	Second Vice President
Vanessa Sommer	-	Secretary
Vacant	-	Director

All Directors were present, thus constituting a quorum.

Also present at the meeting were Brian Mills, District Manager; Shane Breyette, District Maintenance Manager; Tim Hardin, John Davis and Norman Gutierrez of Lanford Engineering Inc. (“LEI”), Engineers for the District; Phil Halbert of Storm Water Solutions (“SWS”); Pat Hall of Equi-Tax, Tax Assessors for the District; Kim Shelnett of Myrtle Cruz, Inc. (“Myrtle Cruz”), Bookkeeper for the District; Captain Medina and Sgt. Walker of Harris County Precinct 4 Constables’ Office; Mike Williams of Municipal Operations (“MOC”), Operators for the District; Stephen Eustis of R.W. Baird (“Baird”), Financial Advisors for the District; Ryan Fortner of Revenue Management Services; Michelle Tounes of McCall Gibson Swedlund Barfoot PLLC (“McCall”), Auditors for the District; Joshua J. Kahn and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn, LLP (“SK Law”), Attorneys for the District; and members of the Public listed on the attached Attendance Sheet.

The meeting was called to order and the following business was conducted.

Some Agenda items were taken out of order.

HEAR FROM THE PUBLIC

The Board recognized Ms. Brady who inquired whether District contractors could work on LOCF projects. The District’s Attorneys provided contact information for Engineers whom LOCF could engage to oversee LOCF projects.

The Board recognized Mr. Olesen, who inquired about the EyeOnWater App.

The Board recognized Mr. Dowdy, who thanked the Board and District consultants.

AUDIT

The Board recognized Ms. Tounes, who reviewed with the Board the Audit for fiscal year ending July 31, 2024.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board voted unanimously to approve the Audit for fiscal year ending July 31, 2024, subject to final review and comments by the District's Directors and Consultants.

FINANCIAL ADVISOR'S REPORT

Receipt of Bids and Award of Sale Of Bonds

Consideration was given to the receipt of bids for the District's \$1,825,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2024A (herein, the "Bonds"). The Board recognized Mr. Eustis, who informed the Board that six bids were received. Mr. Eustis submitted to and reviewed with the Board a bid comparison, a copy of which is attached hereto, and further reviewed the bids that had been received for the sale of the Bonds.

The bids were as follows:

<u>Bidder</u>	<u>Net Effective Interest Rate</u>
Northland Securities, Inc.	4.339558%
SAMCO Capital Markets	4.369783%
Bernardi Securities, Inc.	4.374048%
TD Securities	4.378891%
The Baker Group	4.458220%
HilltopSecurities, Inc.	4.466123%

Mr. Eustis recommended that the Board accept the bid submitted by Northland Securities, Inc., as it was the low bidder with a net effective interest rate of 4.339558%.

Upon motion by Director Strickland, seconded by Director Perkins, and after full discussion, the Board voted unanimously to accept the bid on the Bonds submitted by Northland Securities, Inc., as it was the low bidder with a net effective interest rate of 4.339558%.

APPROVAL AND AUTHORIZATION OF DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

The Board recognized Mr. Kahn, who presented to the Board the following documents in connection with the sale of the Bonds:

- a. Order Authorizing Issuance of the Bonds;
- b. Order Approving Official Statement;
- c. General Certificate;
- d. Signature Identification and No Litigation Certificate;
- e. Tax Exemption Certificate;
- f. Closing Certificate of President;
- g. Bond Registrar, Paying Agency, and Transfer Agency Agreement;
- h. Letters addressed to Attorney General of Texas and Sanford Kuhl Hagan Kugle Parker Kahn LLP regarding dating of the Signature Identification and No Litigation Certificate and the General Certificate and Letter to the Comptroller regarding delivery of the Initial Bonds;
- i. Rule 15c2-12 Certificate;
- j. IRS Form 8038-G; and
- k. Other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas.

Mr. Kahn provided an explanation of each of the bond sale documents:

(a) the Order Authorizing Issuance of the Bonds is the contract between the District and the bondholders and provides, among other things: (1) the legal authority for the District to issue the Bonds; (2) the interest rates on the Bonds; (3) the District's obligation to levy ad valorem taxes to pay the principal and interest due on the Bonds; (4) the designation of the Paying Agent/Registrar for the Bonds; and (5) the covenant by the Board to maintain the tax exempt status of the Bonds. Mr. Kahn further stated that additional revisions may be made to the Bond Order as directed by the Attorney General's office;

(b) the Order Approving the Official Statement, explaining that relevant information from the sale of the Bonds will be included in the Official Statement prior to its printing. He further stated that the Official Statement will be provided by the Underwriter to prospective purchasers of the Bonds;

(c) the General Certificate, explaining that this Certificate provides a brief history of the District, including the directors and terms of office, information on previous bond sales, current tax rate, and the District's current assessed valuation;

(d) the Signature Identification and No-Litigation Certificate, explaining that said Certificate represents that there is no litigation pending against the District affecting the Bonds and that the signatures of the President and Secretary are genuine;

(e) the Tax Exemption Certificate, explaining that this Certificate will be drafted and dated the day of closing on the sale of the Bonds. Mr. Kahn further stated the Certificate states that, in addition to other facts, the District has met certain conditions pursuant to the Internal Revenue Code of 1986, which allows the Bonds to be qualified as tax exempt obligations;

(f) the Closing Certificate of President, explaining that Director Williams will execute this Certificate which states that (i) the District has complied with the terms and conditions of the Order Authorizing Issuance of the Bonds; (ii) there is no pending or threatened litigation which would affect the District and/or the issuance, sale, and delivery of the Bonds; (iii) the Order Authorizing the Issuance of the Bonds has not been amended without Northland Securities, Inc.'s approval; and (iv) there have been no adverse changes in the District's financial condition since July 31, 2024, the most current audited period;

(g) the Agreement with BOKF, N.A., Dallas, Texas, as Paying Agent/Registrar for the Bonds, explaining that this Agreement provides that all tax exempt municipal bonds are required to be fully registered with registry books maintained by a registrar on behalf of the District. The books reflect the names, addresses, and principal amounts of bonds registered in the name of the owner. Mr. Kahn further explained that the Agreement sets forth the duties, responsibilities, and fees involved for maintaining this information and transferring to owners;

(h) the letter to the Attorney General for the State of Texas, explaining that the letter authorizes the dating of the General Certificate and the Signature Identification and No Litigation Certificate as of the date of the Approving Opinion for the Bonds; the letter to the Comptroller of Public Accounts which authorizes the Comptroller of Public Accounts to deliver the bonds to Sanford Kuhl Hagan Kugle Parker Kahn, LLP once they are approved by the Attorney General and registered; and the letter to Sanford Kuhl Hagan Kugle Parker Kahn, LLP which authorizes the dating of the General Certificate, the Signature Identification and No Litigation Certificate, and the Certificate as to Tax Exemption and provides that the District will immediately notify Sanford Kuhl Hagan Kugle Parker Kahn, LLP if any of the facts contained in those documents change prior to the date of closing and delivery of the bonds;

(i) the Rule 15c2-12 Certificate in connection with the issuance of the Bonds, explaining that the purpose of this Certificate is to enable the Underwriter for the Bonds to comply with the Securities Exchange Act of 1934 in connection with the offering and sale of the Bonds;

(j) the IRS Form 8038-G, explaining that this form provides information about the Bonds to the IRS for record keeping purposes; and

(k) other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas, explaining that once the Attorney General's office has received and reviewed the completed Transcript of Proceedings for the Bonds, it is likely it will request additional information and/or documents. Mr. Kahn requested the Board's authority to prepare and have executed any requested documents or amendments to the existing documents.

Upon motion by Director Strickland, seconded by Director Perkins, and after full discussion, the Board voted unanimously to adopt and authorize execution of all of the foregoing documents.

Mr. Kahn noted that the proposed date for closing on the Bonds is December 12, 2024.

ELECTION

The Board recognized Mr. Kahn, who reviewed with the Board the results of the Bond, Park Bond, and Maintenance Tax Election, noting (1) Propositions A and B received a favorable majority vote and the Board of Directors of the District has authority (a) to issue bonds in the maximum aggregate amount of Thirty-four Million Nine Hundred Fifty Thousand Dollars (\$34,950,000) and refunding bonds in the maximum aggregate amount of Thirty-four Million Nine Hundred Fifty Thousand Dollars (\$34,950,000) for water, sewage and drainage purposes and facilities and organization and administration of the District; (b) to issue bonds in the maximum aggregate amount of Ten Million Five Hundred Thousand Dollars (\$10,500,000) and refunding bonds in the maximum aggregate amount of Ten Million Five Hundred Thousand Dollars (\$10,500,000) for park and recreational facilities; and (2) Proposition C did not receive a favorable majority vote and the District's authority to impose and levy a maintenance tax remains an amount not to exceed \$0.15 per \$100 assessed valuation of all property within the District.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board voted unanimously to approve the Order Canvassing for the Bond, Park Bond, and Maintenance Tax Election.

CONSENT AGENDA

The Board considered the following items under its Consent Agenda:

1. **Detention and Drainage Facilities Reports:** The Board recognized Mr. Halbert, who reviewed the report from SWS regarding the maintenance of various detention ponds in the District and advised that a resident had dumped dirt and construction debris on District property.
2. **Tax Assessor/Collector's Report and Delinquent Tax Report:** The Board recognized Ms. Hall, who presented the Tax Assessor/Collector's Report, a copy of which is attached hereto and the checks presented for payment from the District's Tax Account.
3. **Bookkeeper's Report/Investment Report:** The Board recognized Ms. Shelnett, who presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto, and certain invoices for payment by the Board.

4. **Peace Officer's Report and approval of Contract:** The Board recognized Sgt. Walker, who provided a summary of call/complaints originating in the District.
5. **Minutes of Meetings:** Proposed minutes of the meetings held October 9 and October 17, 2024, previously distributed to the Board, were presented for consideration and approval.
6. **Revenue Management Services:** Mr. Fortner updated the Board on SPA collections.
7. **Best Trash Contract:** The Board took no action on this item.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board voted unanimously, as follows: (1) approve the Detention and Drainage Facilities Report and authorize SK Law to send a letter to the resident who dumped dirt and construction debris on District property; (2) approve the Tax Assessor/Collector's Report, including payment of checks listed therein; (3) approve the Bookkeeper's Report, the Investment Report, checks presented for payment; (4) approve the Peace Officer's Report; and (5) approve the Minutes of the meetings held October 9 and October 17, 2024, as submitted.

OPERATIONS REPORT

The Board next recognized Mr. Williams, who presented to the Board the Operations Report, a copy of which is attached hereto.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board voted unanimously to approve (1) the Operations Report; and (2) accounts listed for termination.

ENGINEER REPORT

The Board recognized Mr. Gutierrez, who presented to and reviewed with the Board the Engineer's Report and requested approval of the action items contained therein.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board voted unanimously to (1) authorize LEI to advertise for bids for the utilities project to serve the Meadow Edge property; (2) authorize LEI to prepare a feasibility study for the proposed 1.92 acre Louetta Retail proposed development; (3) approve Pay Estimate No. 4, in the amount of \$59,481.90, payable to Classic Sports for the tennis courts improvements project; and (4) approve the Engineer's Report.

ATTORNEY'S REPORT

The Board recognized Ms. Parker, who advised that, pursuant to recent legislation which become effective December 1, there are certain applications and technology which will be banned from all government-issued devices and that the District is required to adopt a policy implementing such ban.

Upon motion by Director Strickland, seconded by Director Perkins, and after full discussion, the Board voted unanimously to approve the Order Adopting Covered Applications and Prohibited Technology Policy, as presented.

CLOSED SESSION

Upon motion by Director Perkins, seconded by Director Sommer, the Board voted unanimously to convene in Closed Session to discuss potential litigation.

OPEN SESSION

Upon motion by Director Strickland, seconded by Director Perkins, and after full discussion, the Board voted unanimously to reconvene in Open Session.

The Board took no action on potential litigation matters discussed in Closed Session.

DISTRICT AND MAINTENANCE MANAGERS' REPORT

No report was offered.

DIRECTORS

Upon motion by Director Strickland, seconded by Director Perkins, and after full discussion, the Board voted unanimously to appoint Director Sommer as the District's Treasurer.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board approved engaging Tom Dowdy to consult with Director Sommer on bookkeeping matters.

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

APPROVED THIS December 11, 2024.

Vanessa Sommer
Secretary, Board of Directors

