

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

January 10, 2024

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

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 **January 10, 2024, at 5:00 p.m.** Whereupon, at 5:00 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
- Tom Dowdy - Treasurer/Investment Officer

All Directors were present, thus constituting a quorum.

Also present at the meeting were Brian Mills, District Manager; Shane Breyette, Maintenance Manager; Stephen Eustis of R.W. Baird (“Baird”), Financial Advisors for the District; John Davis and Norman Gutierrez of Lanford Engineering Inc. (“LEI”), Engineers for the District; Ryan Fortner of Revenue Management Services (“RMS”); J.C. Reno of Storm Water Solutions (“SWS”); Kim Shelnett of Myrtle Cruz, Inc. (“Myrtle Cruz”), Bookkeeper for the District; Captain Medina, Sgt. Walker, and Deputy Flores of Harris County Precinct 4 Constables’ Office; Mike Williams and Mario Garcia of Municipal Operations (“MOC”), Operators for the District; Maria S. Parker, 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 noted that no Public wished to address the Board.

RECEIPT OF BIDS AND AWARD OF SALE OF BONDS

Consideration was given to the receipt of bids for the District’s \$4,185,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2023 (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>
SAMCO Capital Markets	3.368505%
Crews & Associates, Inc.	3.495148%
TD Securities	3.651646%
Raymond James & Associates, Inc.	3.710149%
Northland Securities, Inc.	3.767101%
HilltopSecurities, Inc.	3.790980%

Mr. Eustis recommended that the Board accept the bid submitted by SAMCO Capital Markets, as it was the low bidder with a net effective interest rate of 3.368505%.

Upon motion by Director Dowdy, seconded by Director Perkins, and after full discussion, the Board voted unanimously to accept the bid on the Bonds submitted by SAMCO Capital Markets, as it was the low bidder with a net effective interest rate of 3.368505%.

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 SAMCO Capital Markets' approval; and (iv) there have been no adverse changes in the District's financial condition since July 31, 2023, 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 Dowdy, 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 February 15, 2024.

HAZARD MITIGATION PLAN

The Board took no action.

LAND ACQUISITION

The Board took no action.

TRASH/RECYCLING

The Board recognized Mr. Mills, who reviewed with the Board the survey results, noting that recycling is down 6% from 2022 and that he has a meeting scheduled with Ken Farrer of Best Trash to discuss trash and recycling.

DRAINAGE POLICY

The Board recognized Ms. Parker, who updated the Board on the status of the certification of detention facilities of commercial property owners, noting that no terminations of service will occur.

CONSENT AGENDA

The Board considered the following items under its Consent Agenda:

1. **Detention and Drainage Facilities Reports:** The Board recognized Mr. Reno, who reviewed the report from SWS regarding the maintenance of various detention ponds in the District.
2. **Tax Assessor/Collector's Report and Delinquent Tax Report:** The Board recognized Ms. Parker, who on behalf of the District's Tax Assessor, 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:** 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 December 13 and December 27, 2023, previously distributed to the Board, were presented for consideration and approval.
6. **Revenue Management Services:** The Board recognized Mr. Fortner, who presented to and reviewed with the Board the Quarterly Sales Tax Report.
7. **Eminent Domain Resolution:** The Board recognized Ms. Parker, who reviewed with the Board legislation enacted by the Texas Legislature which requires governmental entities with eminent domain authority to report annually to the Texas State Comptroller certain District information relating to its eminent domain authority, noting that this year's report is required to be filed on or before February 1, 2024. Ms. Parker noted that SK Law will file the required information on behalf of the District and reviewed with the Board a Resolution Evidencing Annual Review and Authorizing Filing with Comptroller of Public Accounts of State of Texas Documentation of Eminent Domain Authority.

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; (2) approve the Tax Assessor/Collector's Report and payment of checks listed therein; (3) approve the Bookkeeper's Report, the Investment Report, and the checks presented for payment; (4) approve the Peace Officer's Report; (5) approve the Minutes of the meeting held December 13, as submitted, and the Minutes of the meeting held December 27, 2023, as amended; (6) approve the Quarterly Sales Tax Report; and (7) approve the Resolution Evidencing Annual Review of Eminent Domain Authority.

FLOCK CAMERAS

No Report was offered.

OPERATIONS REPORT

The Board next recognized Mr. Williams, who presented to the Board the Operations Report, a copy of which is attached hereto. Mr. Williams also advised that the District had 139 meters left to be installed. Mr. Williams also advised that there are 365 5/8" meters to be returned, for which the District will receive a refund. Next, Mr. Williams discussed the fire vault meters, noting that they are being read manually.

Upon motion by Director Perkins, seconded by Director Sommer, and after full discussion, the Board voted unanimously to (1) approve the Operations Report; and (2) authorize MOC to change out the 5/8" fire vault meters with electronic meters and to continue to manually read the larger meters.

ENGINEER REPORT

The Board recognized Mr. Gutierrez, who presented to and reviewed with the Board the Engineer's Report and updated the Board on the status of various projects and development within the District. Mr. Gutierrez also advised that a conference call with Harris County Pct 3 and their Engineers was held on January 8. Pct 3 is requesting permission to perform a topographical survey and geotechnical investigations on the Constable Substation Detention Pond. Mr. Gutierrez also requested the following:

- Award the tennis courts improvement project contract to Classis Sports, in the amount of \$590,885.00
- Authorization for Harris County Precinct 3 and its Agents to access to the Constable's Detention Pond for topographic survey and geotechnical investigations.

Upon motion by Director Strickland, seconded by Director Sommer, and after full discussion, the Board voted unanimously to approve (1) the Engineer's Report; (2) Award the tennis courts improvement project contract to Classis Sports, in the amount of \$590,885.00; and (3) Authorization for Harris County Precinct 3 and its Agents to access to the Constable's Detention Pond for topographic survey and geotechnical investigations.

Mr. Gutierrez next discussed with the Board the sanitary sewer rehab project, noting that a structure at 334 Enchanted Trail was in the District's Easement. The Board discussed various options.

Upon motion by Director Strickland, seconded by Director Sommer, the Board approved the following: (1) door tag to be hung; (2) personal contact to be made with resident by District Manager Mills; and (3) resident had 3 days to remove building or building will be removed at owner's expense.

ATTORNEY'S REPORT

The Board recognized Ms. Parker, who discussed with the recording the District's Drainage Policy in the Harris County Real Property Records so that all potential purchasers of commercial property in the District would be on notice of the Policy.

Upon motion by Director Strickland, seconded by Director Perkins, and after full discussion, the Board voted unanimously to authorize SK Law to record the District's Drainage Policy in the Harris County Real Property Records.

Ms. Parker and Mr. Kahn next discussed the District's bond status, noting that the District has only \$1,857,004 in authorized, but unissued bonds, which is not sufficient should the District have a catastrophic event, and further discussed holding a Bond Election in May 2024.

Upon motion by Director Strickland, seconded by Director Dowdy, the Board voted unanimously as follows: (1) approved the Order Calling Bond Election (WS&D and Parks); (2) approved a Joint Election Agreement with Harris County; (3) appointed SK Law as the District's Agent or Election matters; and (4) approved the Engineer's Bond Report.

DISTRICT MANAGER'S REPORT

The Board recognized Mr. Mills, who provided an update on the Flock camera relocation and reduction from 49 cameras to 37 cameras.

Mr. Kahn noted that the new Flock Agreement would be for a 60 month term and would replace all current Flock Agreements.

Mr. Mills next provided an update on upcoming activities in the District and also discussed with the Board additional security for District facilities.

Finally, Mr. Mills presented proposals for playground equipment and recommended that the Board approve the proposal from Playground Boss at a cost not to exceed \$350,000. Ms. Parker confirmed that such equipment could be purchased through Texas BuyBoard, thus eliminating the need to publicly bid the project.

Upon motion by Director Perkins, seconded by Director Strickland, the Board voted unanimously to approve the following: (1) Flock Agreement for 37 cameras for a term of 60 months at an annual cost of \$2,500 per camera; and (2) purchase of playground equipment through Texas BuyBoard from Playground Boss at a cost not to exceed \$350,000.

MAINTENANCE MANAGER'S REPORT

The Board recognized Mr. Breyette, who provided an update on fish management in the Big Lake.

The Board took no action.

FLOOD MITIGATION MATTERS

No Report was offered.

COMMITTEE REPORTS AND DIRECTOR COMMENTS

No Report was offered.

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

APPROVED THIS 2.14.2024.

Vanessa Sommer
Secretary, Board of Directors

