

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 152A

MINUTES OF MEETING

January 17, 2024

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 152A met in regular session, open to the public on January 17, 2024, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas 77056, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Justin Cox	President
Wesley Hightower	Vice President
Stanton Brown	Secretary
Mary V. Farrell	Assistant Secretary
Peter Selber	Assistant Secretary

and all of said persons were present, except Director Hightower, thus constituting a quorum.

Also present were Lorenzo Rivera on behalf of TPHTL HBL, LLC ("TPHTL HBL"); Ravi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Robin Goin of BLICO Inc. ("BLICO"); Martin Murdock and Cameron Miller of Quiddity Engineering, LLC ("Quiddity"); William R. Zollman of Costello, Inc. ("Costello"); Dana Hollingsworth of Municipal District Services, L.L.C. ("MDS"); Greg Lentz of Masterson Advisors LLC ("Masterson"); Robert Garcia of Champions Hydro-Lawn, Inc. ("Champions"); Greg McGrath of McGrath & Co., PLLC ("McGrath"); and Howard Cohen and Julie Kime, of Schwartz, Page & Harding, L.L.P. ("SPH").

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no comments from members of the public, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of its meeting held on November 15, 2023. Following discussion of the minutes presented, Director Cox moved that such minutes be approved, as presented. Director Brown seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Mr. Patel then presented to and reviewed with the Board the bookkeeping report dated January 17, 2024, a copy of which is attached hereto as **Exhibit A**. Following review and discussion, Director Selber moved that the bookkeeping report be approved and that payment be authorized on the checks presented, pending receipt of developer advances, except check no. 2236, which was voided. Director Cox seconded the motion, which unanimously carried.

## AUDIT REPORT FOR FISCAL YEAR ENDED AUGUST 31, 2023

In connection with the District's annual audit, Mr. McGrath presented and reviewed with the Board a draft audit report and Management Letter prepared by McGrath, concerning the Board's internal controls over financial reporting (the "Management Letter"), copies of which are attached hereto as **Exhibit B**. Mr. McGrath advised the Board that the Management Letter is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. Mr. Cohen further discussed the Management Letter with the Board and distributed a proposed response to same on behalf of the Board and the District, a copy of which is included with **Exhibit B** (the "Management Response"). Mr. Cohen reviewed the Management Response with the Board and noted that same would be included in the final Management Letter. After discussion, it was moved by Director Selber, seconded by Director Farrell and unanimously carried, that (i) the audit report for the fiscal year ended August 31, 2023, be approved, subject to final review and comment by the District's consultants and Directors, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, (iii) such audit report and Annual Filing Affidavit be filed with the Texas Commission on Environmental Quality ("TCEQ"), and (iv) the draft Management Response be approved as presented and forwarded to McGrath for inclusion in the final Management Letter.

## AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Cohen advised the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, certain water districts are required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Cohen advised that at the request of the Board, SPH will prepare and submit the required information to the Comptroller for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Cox moved to authorize SPH to prepare the required information and submit same to the Comptroller. Director Brown seconded the motion which unanimously carried.

## CONTINUING DISCLOSURE REPORT

Mr. Cohen reviewed with the Board the District's Continuing Disclosure Report for the fiscal year ended August 31, 2023, prepared by McCall Parkhurst & Horton L.L.P., the District's Disclosure Counsel. Following review and discussion, Director Cox moved to approve and authorizing the filing of such Report, as required by Rule 15c2-12 of the Securities and Exchange Commission, in connection with the District's outstanding bonds. Director Brown seconded the motion, which unanimously carried. A copy of the Continuing Disclosure Report thus approved is attached hereto as **Exhibit C**.

ADOPT LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE DISTRICT

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Cohen presented and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted to the list previously adopted by the Board, copies of which are attached hereto as **Exhibit D**. Mr. Cohen further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Selber moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, as discussed, and (ii) that the President and Secretary be authorized to execute same. Director Cox seconded said motion, which unanimously carried.

ENGAGE MUNICIPAL RISK MANAGEMENT GROUP, LLP ("MRMG") TO PREPARE ANNUAL MAINTENANCE FOR ARBITRAGE ANALYSIS REPORT FOR THE DISTRICT'S OUTSTANDING BONDS

The Board considered engagement of MRMG to prepare annual maintenance arbitrage analysis reports for the District's outstanding bonds. Mr. Cohen reminded the Board that, as previously advised in connection with the issuance of the District's outstanding bonds, arbitrage compliance is ultimately the responsibility of the Board and the District, and that MRMG's report will assist with same. Mr. Cohen noted that SPH has reviewed and approved of MRMG's form of engagement letter. Mr. Cohen then reviewed the terms of the engagement letter with the Board, and noted that the fee to MRMG is \$600.00 for the initial yield restriction and rebate calculation analysis for the outstanding bonds and \$500 per year for maintenance, plus \$600 per any new issue. Mr. Cohen noted that MRMG has filed Texas Ethics Commission ("TEC") Form 1295 with the TEC, and has provided the District with a copy of same. Following discussion, Director Brown moved that (i) MRMG be engaged to prepare an annual maintenance report for the District's outstanding bonds, and the President be authorized to execute the engagement letter with MRMG on behalf of the Board and the District, and (ii) SPH be authorized to acknowledge the District's receipt of TEC Form 1295 with the TEC. Director Cox seconded said motion, which unanimously carried. A copy of the engagement letter thus approved is attached hereto as **Exhibit E**.

TAX ASSESSOR/COLLECTORS REPORT

Ms. Goin presented the Tax Assessor/Collector's Reports dated November 30, 2023, and December 31, 2023, copies of which are attached hereto as **Exhibit F**. Following review and discussion, Director Selber moved that the Tax Assessor/Collector Reports be approved and that payment be authorized on the checks presented. Director Cox seconded the motion, which unanimously carried.

## RESOLUTION REQUESTING APPRAISAL OF PROPERTY

Mr. Cohen advised the Board that Masterson has requested that the Board consider adoption of a Resolution Authorizing Request to Montgomery Central Appraisal District for Appraisal of Property as of January 1, 2024, a copy of which Resolution is attached hereto as **Exhibit G**. After discussion, Director Cox moved that the Board adopt the Resolution Authorizing Request to Montgomery Central Appraisal District for Appraisal of Property, as discussed. Director Brown seconded the motion, which unanimously carried.

## RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION FOR 2023

Mr. Cohen outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After discussion of the matter, Director Brown moved that the District (i) not grant the residential homestead exemption and (ii) not grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and that the Board adopt the Resolution Concerning Exemptions from Taxation, a copy of which is attached hereto as **Exhibit H**. Director Cox seconded said motion, which carried unanimously.

## RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Cohen advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent sixty (60) days after February 1, 2024, as more fully described in said Resolution. After discussion, it was moved by Director Selber, seconded by Director Brown and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit I**, be adopted by the Board, and that the District's delinquent tax attorneys be authorized to collect delinquent personal property taxes beginning April 1, 2024, including the filing of lawsuits, as necessary.

## DEVELOPER'S REPORT

Mr. Rivera discussed the status of the development in the District.



## ENGINEERS' REPORTS

Mr. Miller presented an Engineer's Report prepared by Quiddity dated January 17, 2024 ("Quiddity Report"), a copy of which is attached hereto as **Exhibit J**. Following presentation of the Quiddity Report, Director Brown moved to (i) award the contract for construction of water, sanitary sewer, drainage and paving facilities to serve Woodson's Reserve Section 27 to Fellars & Clark, LP, subject to SPH's confirmation that the payment and performance bonds and insurance certificates submitted in connection with such contract meet the requirements of the bid specifications, the rules of the TCEQ and provisions of the Texas Water and Insurance Codes, and (ii) authorize payment of the pay estimates and approve the change order identified in the Quiddity Report. Director Cox seconded the motion, which unanimously carried.

Mr. Zollman next presented an Engineer's Report prepared by Costello dated January 17, 2024 ("Costello Report"), a copy of which is attached hereto as **Exhibit K**. Following review and discussion, Director Cox moved to authorize payment of the pay estimates identified in the Costello Report. Director Selber seconded the motion, which unanimously carried. .

## ADOPTION AND SUBMISSION OF EMERGENCY PREPAREDNESS PLAN

The Board considered the adoption of an emergency preparedness plan, as required by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Cohen explained that, pursuant to Chapter 13 of the Texas Water Code and the Chapter 290 implementation rules adopted by the TCEQ in accordance therewith, a district that furnishes water to more than one customer is considered an "affected utility" and is required to adopt and file an emergency preparedness plan with the TCEQ. Mr. Cohen further advised that the District is an affected utility and must therefore adopt and file an emergency preparedness plan. After review and discussion of the emergency preparedness plan prepared by the MDS and upon motion duly made by Director Cox and seconded by Director Brown, the Board adopted said plan subject to review and comment by SPH and authorized that same be filed with the TCEQ and other governmental authorities, as required by law. A copy of the plan is not attached to the minutes, as its contents are confidential and are not subject to disclosure under the Public Information Act. MDS was requested to provide SPH with evidence of such filing for the District's records.

## AMENDMENT TO INTERIM WATER SUPPLY AGREEMENT WITH MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 105

Mr. Cohen then advised that the current term of the District's Interim Water Supply Service and Emergency Interconnect Agreement with Montgomery County Municipal Utility District No. 105 ("District 105") (the "Agreement") expires on April 30, 2024. A discussion ensued regarding the delay in power to the Montgomery County Municipal Utility District No. 152C ("District 152C") water plant. Mr. Cohen advised that SPH has contacted District 105 to inquire as to whether District 105 has the capacity to continuing serving the District and to extend the terms of the Agreement for an additional six months.

LANDSCAPE ARCHITECT REPORT

Mr. Cohen noted that no representative of Clark Condon was present and no landscape architect report was received for this meeting.

OPERATOR'S REPORT

Ms. Hollingsworth presented an Operations Report prepared by MDS. There were no actions requested or taken in connection with the Operations Report, a copy of which is attached hereto as **Exhibit L**.

Ms. Hollingsworth then discussed agreements in connection with the District's program for payment of water bills by customers. Following discussion, Director Farrell moved to approve and authorize the President to execute the (i) Heartland Payments Systems, LLC's Bill Pay Merchant Setup Form and Government and Education Merchant Processing Agreement and (ii) FBS Addendum to Merchant Processing Agreement. Director Brown seconded the motion, which unanimously carried.

CHAMPIONS HYDRO-LAWN REPORT

Mr. Garcia presented to and reviewed with the Board a Detention and Drainage Facilities Report dated January 2024, a copy of which is attached hereto as **Exhibit M**. There was no action requested or taken in connection with such report.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Mr. Cohen reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Cohen presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit N**, regarding participation in the joint election with Montgomery County (the "County"). In connection therewith, Mr. Cohen advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Brown, seconded by Director Cox and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint Election.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Cohen presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit O** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Brown, Selber, and Farrell expire in May of this year. Mr. Cohen advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. He advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order

named Julie Kime as such agent (the "Election Agent"). Mr. Cohen further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Cohen advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District. Mr. Cohen also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Brown moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Cox seconded said motion, which unanimously carried. Mr. Cohen advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

#### RENEWAL OF DISTRICT INSURANCE POLICIES

The Board considered the renewal of the District's insurance policies, including those for General Liability and Directors and Officers Liability, as well as the Director Schedule Bond and the Public Employee Blanket Bond, which expire March 31, 2024. In that regard, the Board discussed the renewal proposal received from the District's current insurance broker, McDonald & Wessendorff Insurance ("M&W"). Mr. Cohen reported to the Board that M&W has filed TEC Form 1295 with the TEC and has provided the District with a copy of said form. Following discussion, Director Farrell moved that (i) the proposal of M&W be accepted and that the President be authorized to execute same on behalf of the Board and the District, and (ii) the District accept M&W's TEC Form 1295 and authorize SPH to acknowledge the District's receipt of same with the TEC. Director Selber seconded said motion, which unanimously carried. A copy of the accepted proposal from M&W is attached hereto as **Exhibit P**.

#### ATTORNEY'S REPORT

Mr. Cohen advised that District 152C has authorized SPH to pursue a Groundwater Reduction Plan agreement with the San Jacinto River Authority. He noted that the groundwater pumpage fees charged by SJRA under such an agreement would be passed on to participants of the MUD 152C water plant, including the District.

#### FINANCIAL ADVISORS REPORT

Mr. Lentz advised that Masterson is anticipating a sufficient amount of assessed value for the District to be able to issue another series of road bonds in 2024.

ADJOURNMENT

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



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Secretary, Board of Directors





List of Attachments to  
Montgomery County Municipal Utility District No. 152A  
Minutes of Meeting of January 17, 2024

- Exhibit A Bookkeeping Report dated January 17, 2024
- Exhibit B Draft Audit Report and Management Letter
- Exhibit C Continuing Disclosure Report for Fiscal Year Ended August 31, 2023
- Exhibit D Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District and List of Financial Institutions, Brokers and Dealers
- Exhibit E Engagement Letter with Municipal Risk Management Group, LLP
- Exhibit F Tax Assessor/Collector Reports dated November 30, 2023, and December 31, 2023
- Exhibit G Resolution Requesting Appraisal of Property
- Exhibit H Resolution Concerning Tax Exemptions
- Exhibit I Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit J Quiddity Engineering Report
- Exhibit K Costello Engineering Report
- Exhibit L Operations Report
- Exhibit M Detention and Drainage Facilities Report dated January 2024
- Exhibit N Memorandum regarding Joint Elections with Montgomery County
- Exhibit O Order Calling Directors Election
- Exhibit P Accepted Proposals for Renewal of Insurance