

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 152A

MINUTES OF MEETING

August 21, 2024

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 152A met in regular session, open to the public on August 21, 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 Farrell thus constituting a quorum.

Also present were Lorenzo Rivera on behalf of TPHTL HBL, LLC ("TPHTL"); 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 Pape-Dawson Engineers, LLC ("Pape-Dawson"); Lori Buckner of Municipal District Services, L.L.C. ("MDS"); Julie Peak of Masterson Advisors LLC ("Masterson"); Robert Garcia of Champions Hydro-Lawn, Inc. ("Champions"); Erin Larimore of Clark Condon ("Clark Condon"); Greg McGrath of McGrath & Co., PLLC ("McGrath") and Diana Miller, Julie Kime, and Jennifer Spears 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 July 17, 2024. Following discussion of the minutes presented, Director Brown moved that such minutes be approved, as presented. Director Cox seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Mr. Patel then presented to and reviewed with the Board the bookkeeping report dated August 21, 2024, a copy of which is attached hereto as **Exhibit A**. Mr. Patel also presented check no. 2367 for the MidAmerican Energy Services, LLC ("MidAmerican") invoice expected to be received following meeting and due prior to the next meeting, and check no. 2368 to Montgomery Central Appraisal District in the amount of \$750.00, noting that the same would be

included in the next Bookkeeping Report. Following review and discussion, Director Cox moved that the bookkeeping report be approved and that payment be authorized on the checks presented, being check nos. 2350 through 2366, except check no. 2351, which was voided, and with the addition of check no. 2367 to MidAmerican, pending receipt of the invoice from MidAmerican, and check no. 2368 to Montgomery Central Appraisal District in the amount of \$750.00. Director Brown seconded the motion, which unanimously carried.

ADOPTION OF OPERATING BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2025

Mr. Patel also presented for the Board's consideration a proposed budget for the fiscal year ending August 31, 2025, a copy of which is attached hereto as **Exhibit B**. Following review and discussion, Director Cox moved to approve the proposed budget for fiscal year ending August 31, 2025. Director Brown seconded the motion, which unanimously carried. .

ENGAGEMENT OF AUDITOR TO AUDIT THE DISTRICT'S FINANCIAL STATEMENTS AND PREPARE THE DISTRICT'S AUDIT REPORT FOR FISCAL YEAR ENDING AUGUST 31, 2024

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending August 31, 2024. Mr. McGrath presented to and reviewed with the Board a proposal from McGrath, a copy of which is attached hereto as **Exhibit C**. He advised that McGrath's estimated fee for the preparation of said audit is between \$12,000 and \$16,000. Ms. Miller reported to the Board that McGrath has filed a Texas Ethics Commission ("TEC") Form 1295 with the TEC and has provided the District with a copy of said form. Following discussion, Director Cox moved that (i) the proposal for preparation of the District's audit report for fiscal year ending August 31, 2024, from McGrath be approved, and the President be authorized to execute same on behalf of the District, and (ii) McGrath's TEC Form 1295 be accepted, and SPH be authorized to acknowledge the District's receipt of same with the TEC. Director Brown seconded the motion, which unanimously carried.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Goin presented the Tax Assessor/Collector's Report dated July 31, 2024, a copy of which is attached hereto as **Exhibit D**. Following review and discussion, Director Selber moved that the Tax Assessor/Collector Report be approved and that payment be authorized on the checks listed therein. Director Brown seconded the motion which unanimously carried.

DEVELOPER'S REPORT

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

ENGINEERS' REPORTS

Mr. Murdock presented an Engineer's Report prepared by Quiddity dated August 21, 2024 ("Quiddity Report"), a copy of which is attached hereto as **Exhibit E**. Following review and discussion, Director Cox moved to (i) authorize Quiddity to advertise for bids for water, sanitary

sewer, drainage and paving facilities to serve Woodson's Reserve Section 30, (ii) authorize payment of the pay estimates listed in the Quiddity Report, and (iii) approve the change orders identified in the Quiddity Report. Director Hightower seconded the motion, which unanimously carried.

Mr. Zollman next presented an Engineer's Report prepared by Pape-Dawson dated August 21, 2024 ("Pape-Dawson Report"), a copy of which is attached hereto as **Exhibit F**. Following review and discussion, Director Brown moved to award the contract for construction of water, drainage and paving facilities to serve Townsend Boulevard to Fellers & 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. Director Hightower seconded the motion, which unanimously carried.

ADOPTION OF RESOLUTION REQUESTING APPRAISAL OF PROPERTY AS OF SEPTEMBER 1, 2024, FROM THE MONTGOMERY CENTRAL APPRAISAL DISTRICT

Ms. Miller advised the Board that Masterson has requested that the District request an estimate of value from Montgomery Central Appraisal District as of September 1, 2024. Following discussion, Director Cox moved for the approval and execution of the Resolution Authorizing Request for Appraisal of Property as of September 1, 2024, a copy of which is attached hereto as **Exhibit G**. Director Hightower seconded the motion, which unanimously carried.

2024 TAX RATE RECOMMENDATION

The Board then considered the tax rate to be adopted for the 2024 tax year. Ms. Peak presented a Proforma Cash Flow Analysis prepared by Masterson relative to the District's 2024 debt service and maintenance tax rates, a copy of which is attached hereto as **Exhibit H**. Following discussion, Director Cox moved that the District provide notice of its intent to levy a 2024 debt service tax rate of \$0.31 per \$100 of assessed valuation, and a 2024 maintenance tax rate of \$0.79 per \$100 of assessed valuation. The motion was seconded by Director Brown and unanimously carried.

There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 tax rate. Ms. Miller advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered, including the proposed tax rate to be adopted. She advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting. After further discussion on the matter, Director Cox moved that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt 2024 tax rates at a public hearing to be held at 12:00 noon, on Wednesday, September 18, 2024, in the form and at the time required by law. Director Brown seconded said motion, which unanimously carried.

RECEIVE BIDS FOR PURCHASE OF THE DISTRICT'S \$14,000,000 UNLIMITED TAX BONDS, SERIES 2024 (THE "BONDS")

As the next order of business, it was announced that, pursuant to notice published as required by law, public bids for the sale of the District's Series 2024 Bonds were to be received at this time and place. Ms. Peak announced that three (3) bids for the Bonds had been received electronically, and presented the Pricing Book attached hereto as **Exhibit I**. Ms. Peak reported that (i) the low qualified bid for the Bonds was submitted by Robert W. Baird & Co., Inc. ("Baird"), at a net effective interest rate of 4.329137%. After a discussion of the bids received, Director Brown moved that the Board accept the bid of Baird for the purchase of the Bonds, and that the accompanying Texas Ethics Commission ("TEC") Form 1295 be accepted and acknowledged. Director Hightower seconded said motion, which unanimously carried.

BOND ORDER

Ms. Miller presented to the Board the Order authorizing the issuance, sale and delivery the Bonds. She reviewed various provisions of the Order with the Board, a copy of which Order is attached hereto as **Exhibit J**. After further discussion, it was duly moved by Director Brown, seconded by Director Hightower, and unanimously carried, that the Order presented be passed and adopted and that the President be authorized to execute the Order and the Secretary to attest same on behalf of the Board and District.

DISTRIBUTION OF FINAL OFFICIAL STATEMENT

As the next order of business, the Board discussed preparation of the Final Official Statement in connection with the Bonds. After further discussion of the matter, Director Brown moved that Masterson be authorized to complete the Final Official Statement, dated as of the date hereof, and that said Final Official Statement be adopted by the Board and District. Director Hightower seconded said motion, which carried unanimously.

PAYING AGENT/REGISTRAR AGREEMENT WITH THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

The Board next considered and reviewed a Paying Agent/Registrar Agreement ("Agreement") by and between the District and The Bank of New York Mellon Trust Company, N.A. ("BNY"), relative to the Bonds. Ms. Miller reviewed the various provisions of the Agreement with the Board, and noted that BNY has indicated that it is a publicly traded business and, therefore, are not required to file TEC Form 1295. After further discussion of the Agreement, Director Brown moved that the Agreement be approved, that the President be authorized to execute the Agreement on behalf of the Board and District. Director Hightower seconded said motion, which carried unanimously.

OTHER MATTERS CONCERNING THE BONDS

As the next order of business, the Board considered acting upon any other matters relative to the Bonds. Ms. Miller presented to and reviewed with the Board the General Certificate, Signature Identification and No-Litigation Certificate with Letter of Instruction to the Attorney General of Texas, and the initial bonds. Following discussion, Director Brown moved that the above documentation be approved and that the Board authorize SPH to handle all matters relative to the sale of the Bonds and in obtaining approval of the Attorney General of Texas for issuance of the Bonds. Director Hightower seconded said motion, which unanimously carried.

ENGAGEMENT OF AN AUDITOR FOR PREPARATION OF AUDIT OF PAYMENTS TO THE DEVELOPER OUT OF THE PROCEEDS OF THE BONDS

The Board next considered the reimbursement to TPHTL HBL, LLC of certain developer advances and operating costs and the payment of connection charges to Montgomery County Municipal Utility District No. 152C ("No. 152C") from the proceeds of sale of the Bonds. Ms. Miller advised the Board that it would be necessary to engage an auditor to prepare a reimbursement audit in connection with the payment of such amounts. In connection therewith, Mr. McGrath presented an Engagement Letter for the preparation of such audit, which is attached hereto as **Exhibit K**, and advised the Board that McGrath's fees for preparing the audit report will be computed at its standard hourly rates. After discussion on the matter, Director Brown moved to (i) approve the Engagement Letter from McGrath to prepare the reimbursement audit report in connection with amounts to be paid to TPHTL and the connection charges to be paid to No. 152C, and (ii) accept the corresponding TEC Form 1295 received from McGrath, and authorize SPH to acknowledge the District's receipt of same with the TEC. Director Hightower seconded said motion, which carried unanimously.

DISCUSSION REGARDING PROPOSED ISSUANCE OF SERIES 2024 ROAD BONDS ("ROAD BONDS") AND AUTHORIZE ANY ADDITIONAL ACTION IN CONNECTION THEREWITH

Ms. Peak then discussed the issuance of the District's second series of road bonds in the proposed amount of \$5,075,000, and reviewed with the Board a draft Summary of Costs prepared by Quiddity in connection therewith, a copy of which is attached hereto as **Exhibit L**. Ms. Miller advised that it would be necessary to engage an auditor to pre-audit the projects to be included in such bond issue in order to finalize the Summary of Costs. Mr. McGrath then presented an Engagement Letter for the preparation of such audit and advised the Board that McGrath's fees for preparing the audit report will be computed at its standard hourly rates. After discussion of the matter, Director Selber moved that the Board (i) approve the Summary of Costs relative to the Bonds, subject to final review and comment by SPH and Masterson, in an amount not to exceed \$5,075,000, (ii) approve the engagement letter from McGrath to prepare an audit report in connection with the projects to be included in the road bond issue, and (iii) authorize SPH to acknowledge the District's receipt of the corresponding TEC Form 1295 received from McGrath.

Director Cox seconded said motion, which carried unanimously. A copy of the engagement letter thus approved is attached hereto as **Exhibit M**.

Mr. Murdock presented a proposal from Quiddity for preparation of a cost summary and related documents required in connection with the Series 2024 Road Bonds, a copy of which is attached hereto as **Exhibit N**. Ms. Miller reported that Quiddity filed a TEC Form 1295 with the TEC and provided the District with a copy of same. Following discussion, Director Selber moved to approve and authorize the President to execute such proposal and accept and authorize SPH to acknowledge the District's receipt of Quiddity's TEC Form 1295 with the TEC. Director Cox seconded the motion, which unanimously carried.

LANDSCAPE ARCHITECT REPORT

Ms. Larimore presented the landscape architect report prepared by Clark Condon, dated as of August 21, 2024 ("Clark Condon Report"), a copy of which is attached hereto as **Exhibit O**. Following such presentation and review, Director Cox moved to approve the pay estimates identified in the Clark Condon Report, and award the contract for construction of Woodson's Reserve Section 27 Landscape Improvements to Triple E Landscapes, 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. Director Hightower seconded the motion, which unanimously carried.

OPERATOR'S REPORT

Ms. Buckner presented an Operations Report prepared by MDS, a copy of which is attached hereto as **Exhibit P**. Following discussion, Director Cox moved to approve the Operations Report, as presented, and authorize MDS to terminate water service to delinquent accounts in accordance with the District's Rate Order. Director Hightower seconded the motion, which unanimously carried.

AMENDMENT OF OPERATOR'S SCHEDULE OF RATES AND APPROVAL OF AMENDMENT TO SERVICE AGREEMENT

The Board considered amendment to the Operator's Schedule of Rates and approval of a Second Amendment to Service Agreement between the District and MDS (the "Amendment") to address proposed fee increases for various services. Ms. Buckner then presented the Schedule of Rates attached hereto as **Exhibit Q**. After discussion on the matter, it was moved by Director Cox, seconded by Director Hightower, and unanimously carried that the Schedule of Rates be approved, as presented, and that the President be authorized to execute a Second Amendment to Service Agreement between the District and MDS, effective September 1, 2024, subject to final review of same by SPH, and that the TEC Form 1295 from MDS be accepted, and SPH be authorized to acknowledge same with the TEC.

AMENDMENT OF DISTRICT RATE ORDER

The Board then discussed an amendment of the District's Rate Order to reflect the increased fees approved in the Second Amendment to Service Agreement with MDS. Following discussion, Director Cox moved to adopt the amended Rate Order attached hereto as **Exhibit R**, and revoke all prior Rate Orders adopted by the Board. Director Hightower 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 August 2024, a copy of which is attached hereto as **Exhibit S**. He noted that there were no action items regarding the Detention and Drainage Facilities Report. Mr. Garcia also presented an Annual Maintenance Budget for 2024-2025. Ms. Miller reported to the Board that Champions has filed a TEC Form 1295 with the TEC and has provided the District with a copy of said form. Following review and discussion, Director Brown moved to approve and authorize the President to execute the Annual Maintenance Budget for 2024-2025, and authorize SPH to acknowledge receipt of the TEC Form 1295 provided in connection therewith. A copy of the Annual Maintenance Budget for 2024-2025 thus approved is attached hereto as **Exhibit T**.

ATTORNEY'S REPORT

Ms. Miller advised that she had nothing of a legal nature to report that was not covered under another agenda item.

ADJOURNMENT

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



Mary Farrell

Assistant Secretary, Board of Directors

List of Attachments to
Montgomery County Municipal Utility District No. 152A
Minutes of Meeting of August 21, 2024

- Exhibit A Bookkeeping Report dated August 21, 2024
- Exhibit B Operating Budget for Fiscal Year Ending August 31, 2025
- Exhibit C Accepted Proposal from McGrath & Co., PLLC
- Exhibit D Tax Assessor/Collector Report dated July 31, 2024
- Exhibit E Quiddity Engineering Report
- Exhibit F Pape-Dawson Engineers Report
- Exhibit G Resolution Requesting Appraisal of Property
- Exhibit H Proforma Cash Flow Analysis - 2024 Tax Rate Recommendation
- Exhibit I Pricing Book
- Exhibit J Bond Order – Series 2024 Bonds
- Exhibit K McGrath Engagement Letter
- Exhibit L Draft Summary of Costs
- Exhibit M Engagement Letter for Preparation of Pre-Audit – Series 2024 Road Bonds
- Exhibit N Proposal from Quiddity Engineering, LLC – Engineering Services in connection with the Series 2024 Road Bonds
- Exhibit O Clark Condon Report
- Exhibit P Operations Report
- Exhibit Q Second Amendment to Service Agreement between District and MDS
- Exhibit R Rate Order
- Exhibit S Champions Hydro-Lawn Report
- Exhibit T Champions Hydro-Lawn Annual Maintenance Budget for 2024-2025