

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

April 12, 2021

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 155 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Abbott's emergency disaster declaration dated March 13, 2020, on the 12th day of April, 2021, and the roll was called of the members of the Board:

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| Donna Johnson | President |
| Brett Telford | Vice President |
| Christina Garcia | Assistant Vice President |
| Jessica Robach | Secretary |
| Dwayne Grigar | Assistant Secretary |

and all of the above were present, thus constituting a quorum.

Also attending the teleconference for all or part of the meeting were Mark McGrath of McGrath & Co., PLLC; Kirsten Wilson and Gary Mesick of LJA Engineering, Inc. ("LJA"); Jorge Diaz of McLennan & Associates, LP ("McLennan"); Rick Marriott and of Si Environmental, LLC ("SiEnviro"); Nick Steffek of Lake Management Services, L.P. ("LMS"); Regina Morales and Joel Raymond of GreenScape Associates; John N. Taylor of Bonbrook Plantation, LP; Vanessa Rodriguez of Beazer Homes Texas LP; Chief Frank Cempa, Jr. and Lieutenant Corey Hanson of Fort Bend County Precinct 1 Constable's Office ("Constable"); Craig Rathmann of Rathmann & Associates, L.P.; Karen Carr and Gary Pochyla, members of the public; and Nellie Connally and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Connally reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at <https://www.districtdirectory.org/agendapackets/fbcmud155>.

PUBLIC COMMENTS

The meeting convened at 11:01 a.m. Ms. Connally offered any members of the public attending the meeting by telephone the opportunity to make a public comment.

Mr. Pochyla stated he represents Big Creek Ltd., and stated he would like to discuss the notice from the Fort Bend County Environmental Health office regarding the maintenance of the temporary drainage channel. He stated the drainage channel was constructed for the benefit of the developer and the District and has not been maintained since construction was completed. Mr. Pochyla stated he does not believe Big Creek Ltd.

is responsible for the maintenance of the drainage channel since it was constructed specifically to benefit the District. Ms. Carr requested the Board communicate its decision regarding the maintenance of the drainage channel so Fort Bend County can be updated.

CONSIDER OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS, IF NECESSARY

Ms. Connally stated that there were no emergency actions taken between Board meetings that needed to be ratified.

APPROVE MINUTES

The Board considered approving the minutes of the March 8, 2021, regular meeting and March 15, 2021 special meeting. Director Johnson stated she had questions about page three and page five of the regular meeting minutes. Ms. Connally explained that the Board initially discussed improvements to the wastewater treatment plant under operating matters, then tabled the item to further discuss under engineering matters. Following review and discussion, Director Johnson moved to approve the minutes, subject to the ability to further discuss the wastewater treatment plant in today's meeting. Director Telford seconded the motion, which passed unanimously.

CONSTABLE'S REPORT

The Board reviewed a security report for the District, a copy of which is attached. Discussion ensued regarding recent calls, responses and group homes in the District.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Taylor stated he has no development updates. Ms. Rodriguez updated the Board regarding development in the District, noting it is nearly complete.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR ENDING APRIL 30, 2021

Mr. McGrath requested authorization to conduct the District's audit for the fiscal year ending April 30, 2021 and noted the estimated fee is \$12,750. Following review and discussion, Director Grigar moved to authorize McGrath to conduct the District's audit for the fiscal year ending April 30, 2021. Director Robach seconded the motion, which passed unanimously.

SERIES 2021 UNLIMITED TAX BONDS ("SERIES 2021 BONDS")

Ms. Connally updated the Board regarding the Unlimited Tax Bonds, Series 2021. Mr. McGrath reviewed the developer reimbursement report for the Series 2021 bonds. Discussion ensued regarding use of surplus funds and Ms. Connally stated these funds may only be used for water, sewer and drainage projects. After review and discussion,

Director Johnson moved to approve the developer reimbursement report for the Series 2021 bonds and authorize disbursement of proceeds as set out in the report. Director Grigar seconded the motion, which passed unanimously.

UNLIMITED TAX REFUNDING BONDS, SERIES 2021

REPORT FROM FINANCIAL ADVISOR ON REFUNDING BOND ISSUE AND AUTHORIZE PURCHASE OF INSURANCE AND APPLICATION FOR RATING

Mr. Rathmann discussed the potential refunding opportunity with the Board. He presented and reviewed the analysis for the Unlimited Tax Refunding Bonds, Series 2021 ("Series 2021 Refunding Bonds"), a copy of which is attached. He stated the District could possibly refund approximately \$8,575,000 in unlimited tax water, sewer and drainage bonds.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Rathmann reviewed a draft of a Preliminary Official Statement ("POS") and Official Notice of Sale for the issuance and sale of the Series 2021 Refunding Bonds.

The Board discussed setting parameters for the Series 2021 Refunding Bonds and concurred to establish the following parameters: a minimum present value savings of 9.5%, with the par amount not to exceed \$9,000,000 ("Parameters"). The Board concurred to appoint Director Johnson as the authorized representative, with Director Telford serving as the alternate representative.

DESIGNATE UNDERWRITER

Mr. Rathmann reviewed options for underwriters for the District's Series 2021 Refunding Bonds. Mr. Rathmann recommended the Board designate co-underwriters consisting of RBC Capital Markets, LLC, and SAMCO Capital Markets, Inc.

APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

Mr. Rathmann recommended that the Board appoint The Bank of New York Mellon Trust Company, N.A. ("BONY") as paying agent/registrar and escrow agent for the District's Series 2021 Refunding Bonds.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S BONDS

Ms. Connally discussed the Resolution Authorizing the Issuance of the District's Series 2021 Refunding Bonds ("Resolution").

EXECUTION OF DOCUMENTS RELATED TO THE REFUNDING BONDS

Ms. Connally next explained that there will be various documents related to delivery of the District's Series 2021 Refunding Bonds requiring execution by the directors prior to closing. She requested that the Board authorize all necessary directors to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the District's Series 2021 Refunding Bonds to the purchaser.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Connally discussed Certificate Regarding Provision of Financial Advice (the "Certificate").

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving the payment to the Attorney General relating to bond issue transcript review.

Following review and discussion, Director Johnson moved to: (1) establish the following parameters: minimum present value savings of 9.5%, with the maximum par amount not to exceed \$9,000,000; (2) approve the Preliminary Official Statement and Official Notice of Sale; (3) designate RBC Capital Markets, LLC, and SAMCO Capital Markets, Inc. as co-Underwriters; (4) appoint BONY as the paying agent/registrar and escrow agent; (5) adopt the Resolution and to authorize Director Johnson, with Director Telford as alternate, to act as the District's authorized representative to approve the pricing of the Series 2021 Refunding Bonds, including the execution of the Bond Purchase Agreement and any other necessary documents, so long as Parameters are met; (6) authorize execution of documents related to the sale and delivery of the Series 2021 Refunding Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2021 Refunding Bonds; (7) authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records; (8) approve payment to the Texas Attorney General for the bond transcript review; (9) acknowledge receipt of the IRMA certificates and Rule G17 disclosures; and (10) engage S&P Global Ratings and Moody's Investor Service to perform rating services. Director Garcia seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Diaz presented and reviewed the bookkeeper's report, a copy of which is attached, and presented the checks for payment. A copy of the bookkeeper's report is attached, which includes the investment report. He reviewed the year-to-date budget comparison and explained variances.

Mr. Diaz presented and reviewed a draft budget for the fiscal year end April 30, 2022, a copy of which is attached to the bookkeeper's report. Director Garcia inquired about the wastewater treatment plant improvements and it was noted the improvements and lease payments are reflected in the fiscal year end 2022 budget.

After review and discussion, Director Robach moved to approve the bookkeeper's report and the checks presented for payment; and adopt the budget for the fiscal year end April 30, 2022. Director Garcia seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Marriott presented and reviewed the operator's report, a copy of which is attached, and reviewed repair and maintenance items for the month.

Mr. Marriott stated fire hydrant repairs were completed.

Mr. Marriott presented the Annual Identity Theft Prevention Program Report, a copy of which is attached to the operator's report, indicating that the District is in compliance with the Identity Theft Prevention Program. He stated that no changes are recommended.

Mr. Marriott discussed the freeze event and stated SiEnviro included a generic leak request adjustment form on their website, noting the District did not approve the leak adjustment resolution last month. He stated SiEnviro has received 3 leak adjustment requests from District residents, totaling 45,700 gallons and \$292.48 for relief of water, sewer and GRP fees. Mr. Marriott stated he expects at least two more additional leak adjustment requests. Ms. Connally presented and reviewed a Resolution Adopting Policy and Procedures for February 2021 Freeze Event Leak Adjustment Credits ("Leak Adjustment Resolution"). Discussion ensued. Following review and discussion, Director Telford moved to approve the Leak Adjustment Resolution, with adjustments to be granted based on the operator's discretion. Director Garcia seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER SERVICE

Mr. Marriott presented to the Board a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or

correct their bills and to show why utility services should not be terminated for reason of non-payment.

Following review and discussion, Director Telford moved to: (1) approve the operator's report, as presented; (2) acknowledge the Annual Identity Theft Prevention Program Report; and (3) authorize termination of delinquent accounts in accordance with the District's Rate Order, on or after May 1, 2021 and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Johnson, which passed unanimously.

Ms. Connally stated a draft of the District's Consumer Confidence Report is included in the packet for the Board's review and noted the CCR will be on the May agenda for approval. Director Johnson requested the contact information be updated and posted to the District's website upon approval next month.

ENGINEER'S REPORT

Ms. Wilson presented and reviewed an engineer's report, a copy of which is attached, and updated the Board on the status of ongoing engineering projects in the District.

Ms. Wilson updated the Board regarding the detention pond erosion project and noted it is scheduled to begin April 12, 2021.

Ms. Wilson discussed the proposed improvements to the Fort Bend County Municipal Utility District No. 152 ("FB MUD 152") Wastewater Treatment Plant ("WWTP") in the total amount of \$1,060,000, of which the District's share would be \$454,846. Ms. Connally again stated that at the last Board meeting, the Board approved moving forward with the improvements, subject to ABHR's review of the relevant agreements. She stated that, per the Board's direction last month, she confirmed the District's responsibility to share in the cost of the improvements and maintenance, and she noted that a new agreement or an amendment to the current agreement will be drafted if necessary to address the improvements. Ms. Wilson confirmed that FB MUD 152 and FB MUD 158 have agreed to move forward with the improvements, with the agreed upon cost share. She stated that, based on approval by all three boards, the design for the improvements is currently underway. Ms. Wilson and Mr. Mesick provided further explanation regarding the need for the improvements. Mr. Marriott stated that he also recommends the discussed improvements to resolve the current issues caused by the rags. In response to questions from the Board, Ms. Connally confirmed that the District is not responsible for paying another district's share of the costs if all three districts are not in agreement. Discussion ensued regarding responsibility, the provisions of the current agreement in place, and the plan for the District's consultants to confirm that all three districts will be participating.

Ms. Wilson then reviewed the District's cost share which is detailed as follows: \$66,086 for upfront engineering costs, \$180,647 for upfront construction costs, \$2,360 for

the monthly lease payments for 60 months, totaling \$141,603 for the duration of the lease agreement, \$66,510.50 for the buyout cost of the leased equipment due in 2026, at the end of the 5-year lease term.

Ms. Wilson discussed the recent freeze event, noting the operator had to utilize a temporary generator at lift station no. 1. She stated lift station no. 2 has a permanent back-up generator on site and recommended the Board consider installing a permanent backup generator at lift station no. 1 to supply power to the lift station during a power outage. Ms. Wilson stated installing a backup generator would cost approximately \$160,000. Director Grigar discussed a possible Fort Bend County grant that could be utilized for the cost of installing the generator. Ms. Connally stated she and the District's tax attorney will need to review the grant stipulations to determine if the District can use the funds.

Ms. Connally discussed Big Creek, LTD's request for the District to maintain the drainage channel serving the District south of Sections 9 and 10. She stated based on Fort Bend County's request, a revised proposal has been prepared for the initial maintenance which will be discussed later in the meeting.

Discussion ensued regarding clean-up of debris and establishment of grass and landscaping requirements of DR Horton's construction sites. Ms. Wilson stated she continues to follow up with DR Horton regarding the debris removal and grass and establishment. Director Garcia requested Ms. Wilson meet her onsite regarding grading matters at the site.

In response to a request from the Board, Ms. Wilson stated she will contact the Fort Bend County Drainage District regarding trash and debris removal near the bridge.

The Board reviewed the 0.0525-acre landscape easement with the owner of the Chevron gas station at the corner of Benton Road and Reading Road ("Easement"). Following review and discussion, Director Grigar moved to approve the Easement. Director Telford seconded the motion, which passed unanimously.

UPDATE ON DETENTION/AMENITY LAKES MAINTENANCE INCLUDING LAKE MANAGEMENT SERVICES, LP PROPOSAL INCLUDING BUDGET FOR MAY 1, 2021 TO APRIL 30, 2022

Mr. Steffek reviewed a detention/amenity lakes maintenance report with the Board, a copy of which is attached. He stated per the Board's authorization, Lake Management performed additional trash and debris removal at Lakes E, F and G in the amount of \$300 ("Proposal"). Mr. Steffek presented and reviewed a budget for the 2021/2022 fiscal year beginning May 1, 2021 through April 30, 2022, noting the annual maintenance cost is \$53,100, excluding capital repairs, major repairs, any additional treatments, labor or additional work beyond the initial scope of work detailed in the proposed budget ("2021/2022 Budget"), a copy of which is attached. Following review

and discussion, Director Garcia moved to approve the Proposal and the 2021/2022 Budget. Director Johnson seconded the motion, which passed unanimously.

STORM WATER MANAGEMENT PLAN ("SWMP") AND STORM WATER PERMITTING MATTERS

There was no discussion regarding this item.

UPDATE ON LANDSCAPE MAINTENANCE

Mr. Raymond reviewed a landscape maintenance and mowing report with the Board, a copy of which is attached. He reviewed a revised proposal for one-time maintenance for the temporary drainage located on the Big Creek Ltd. Property in the amount of \$2,350.00 and regular maintenance, which includes 26 visits annually, beginning after the initial clean-out in the amount of \$20,410.00.

Ms. Morales discussed preparation of the parks bond information and stated she is looking forward to presenting additional information to the Board at the special meeting.

Director Garcia discussed the trees that the District will receive through the Fort Bend County program and inquired about the initial installation and irrigation costs. Mr. Raymond stated he believes an amount not to exceed \$8,000 should cover the costs associated with the installation and irrigation update. The Board concurred to defer this matter pending additional information and requested the item be added to the special meeting agenda. Director Garcia requested GreenScape survey the District and replace any missing irrigation caps. Mr. Raymond confirmed he will have a representative survey the area and install caps as necessary.

The Board concurred to defer approval of the maintenance of the drainage channel until the matter can be further discussed in executive session.

CLASSIC MESSAGING EMERGENCY MESSAGING MATTERS

Ms. Connally stated the letter regarding the erosion improvements to the District's lakes was posted on the District's website.

GARBAGE AND RECYCLING MATTERS

Director Johnson stated garbage collection has been delayed as a result of large amounts of construction debris and yard waste being placed for pick up. Director Garcia recommended adding information to the District's website regarding collection matters.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board received and reviewed a tax assessor/collector's report from Fort Bend County, a copy of which is attached. Ms. Connally stated the District's contract with Fort

Bend County will be automatically renewed unless otherwise terminated. Following review and discussion, Director Johnson moved to approve the tax assessor/collector's report as presented and concurred to renew the District's contract with Fort Bend County. Director Robach seconded the motion, which passed unanimously.

ARBITRAGE REBATE REPORT FOR SERIES 2016 BOND

Ms. Connally next reviewed OmniCap Group LLC's arbitrage rebate and yield restriction calculations for the District's Series 2016 Bonds and said no rebate is due to the Internal Revenue Service.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in executive session at 2:04 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 2:40 p.m. Following review and discussion, Director Telford moved to approve the proposal from GreenScape for one-time maintenance for the temporary drainage located on the Big Creek Ltd. Property in the amount of \$2,350.00 but decline regular maintenance, which includes 26 visits annually, beginning after the initial clean-out in the amount of \$20,410.00. Director Robach seconded the motion, which passed unanimously.

There being no further business to come before the Board, the Board concurred to adjourn the meeting at 2:46 p.m.

/s/ Jessica Robach

Secretary, Board of Directors



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