

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

INFORMATION KIT

January 12, 2024

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FACT SHEET: DISTRICT OVERVIEW

District Mailing Address and Telephone Number

Fort Bend County Municipal Utility District No. 116
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Telephone: (713) 860-6400

District Website

The District's website is <https://www.fbmud116.com>.

Public Information Officer/Media Contact

Adisa Harrington
Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Telephone: (713) 860-6494

Emergency Contact

Adisa Harrington
Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Telephone: (713) 860-6494

For Water and Sewer Emergencies Contact

Rick Marriott
Si Environmental, LLC
6420 Reading Road
Rosenberg Texas 77471
Telephone: (832) 490-1572
24 Hour Dispatch Repairs and Maintenance (832) 490-1601

Date of Creation

March 18, 1998

Size of District and Annexations

- Original size of District at creation: 353.880 acres
- Annexations added: 406.52 acres
- Current size of the District: 760.40 acres
- 1,347 active residential connections as of January 2024
- Projected number of residential connections at completion of development is 1,464.
- The District is located in the extraterritorial jurisdiction of the City of Richmond, Texas, with a portion of the District within the corporate limits of the City of Richmond.

Bond History

\$95,630,000 in bonds have been authorized by the voters and, as of January 2024, \$49,940,000 remain authorized but unissued. \$26,000,000 in refunding bonds have been authorized and, as of January 2024, \$24,485,000 remain authorized but unissued. \$7,500,000 in recreational bonds have been authorized and, as of January 2024, \$7,500,000 remain authorized but unissued. \$5,000,000 in recreational refunding bonds have been authorized and, as of January 2024, \$5,000,000 remain authorized but unissued. For additional information, please see separate section entitled, "How does the District fund its projects?" and separate fact sheet entitled, "District Bond Issuance History."

Tax Rate

The tax rate has declined from an initial rate of \$1.45/\$100 in assessed value to \$0.76/\$100 in assessed value for 2023. For additional information, please see separate section entitled, "How does the District fund its projects?"

Current Rate Order

The District's current Rate Order is available by contacting Kathryn Blanton, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027 (713) 800-8688.

Subdivisions

Subdivisions in the District are: Canyon Gate at the Brazos, Brazos Gardens, Brazos Village, Canyon Lakes, Lakes of Williams Ranch, and The Estates at Lakes of Williams Ranch.

Builders of homes in the District include Legacy Homes, Deerwood Homes, First Texas Homes, Maplewood Homes, Choice Homes, Westin Homes, Fuqua Homes, and other custom builders.

A current map is attached for your convenience.

Directors

The Board of Directors of Fort Bend County Municipal Utility District No. 116 consists of Chad Millis, Dr. John Knight, Angela W. Riley, Dallas Duffy and Jesse Matthews. For more complete information, please see separate sections entitled "Who manages the District?" and "How can I contact the District?"

Notable District Projects and Accomplishments

The District's wastewater treatment services are provided by a regional wastewater treatment plant operated by the City of Richmond. The District is located within the City's mandated Groundwater Reduction Plan.

In 2001, the District worked with the City of Richmond to help fund the establishment of City Fire Station No. 2. This station services the District and is located at Fort Bend County Road and Bridge Maintenance on FM 762 adjacent to the District.

The District has entered into a Strategic Partnership Agreement with the City of Richmond, which has resulted in additional sales tax revenue to the District. The District is a participant in a regional levee improvement project (see section on Drainage).

FACT SHEET: DISTRICT BOND ISSUANCE HISTORY

District voters authorized a total of \$47,630,000 of bonds at an election held on May 1, 1999, for the purpose of acquiring, constructing, repairing, improving and expanding waterworks, wastewater treatment and storm drainage in the District. Additionally, on May 1, 2021, the District voters authorized a total of \$48,000,000 at an election for the purpose of acquiring, constructing, repairing, improving & expanding waterworks, sanitary sewer, drainage, & storm sewer in the District and \$7,500,000 for recreational facilities in the District. Thus far, the following water, sewer and drainage bonds have been issued:

Type Issued	Series	Amount
Unlimited Tax Bonds	2000	\$4,300,000
Unlimited Tax Bonds	2001	\$6,800,000
Unlimited Tax Bonds	2003	\$5,425,000

Unlimited Tax Bonds	2004	\$4,570,000
Unlimited Tax Bonds	2005A	\$5,325,000
Unlimited Tax Bonds	2007	\$6,000,000
Unlimited Tax Bonds	2009	\$4,000,000
Unlimited Tax Bonds	2010	\$2,545,000
Unlimited Tax Bonds	2016	\$2,175,000
Unlimited Tax Bonds	2017	\$2,800,000
Unlimited Tax Bonds	2020	\$1,750,000

District voters have authorized a total of \$26,000,000 of refunding bonds at an election held on May 1, 1999. Additionally, the District voters authorized a total of \$5,000,000 for recreational refunding bonds at an election held on May 1, 2021. Thus far, the following refunding bonds have been issued:

<u>Type Issued</u>	<u>Series</u>	<u>Amount</u>
Unlimited Tax Refunding Bonds	2005	\$3,985,000
Unlimited Tax Refunding Bonds	2011	\$5,080,000
Unlimited Tax Refunding Bonds	2012	\$7,715,000
Unlimited Tax Refunding Bonds	2013	\$3,475,000
Unlimited Tax Refunding Bonds	2013A	\$3,360,000
Unlimited Tax Refunding Bonds	2016A	\$6,960,000
Unlimited Tax Refunding Bonds	2019	\$8,115,000

WHAT IS A MUNICIPAL UTILITY DISTRICT OR MUD?

Municipal utility districts, or “MUDs,” are created to bring public water, sewer, drainage and other basic services to residents who are not served by a city. To accomplish the purposes for which they are created, MUDs are authorized by law to purchase, construct, own, operate and maintain all facilities necessary to supply water to, to collect and treat wastewater from, and to collect, store, and drain stormwater from the land within their boundaries. In addition to providing water, sewer and drainage services, MUDs may provide trash collection, fire service and supplemental security patrol services, and may generally enhance communities by building parks and recreational facilities. In connection with providing services, a MUD adopts rules and charges for the services it provides, enters into contracts for goods and services, incurs debt, and levies taxes.

MUDs are authorized by Article XVI, Section 59 of the Texas Constitution and by Chapters 49 and 54 of the Texas Water Code. MUDs (also called “Districts”) are political subdivisions of the State of Texas. They can perhaps best be described as the most fundamental form of local government because they provide municipal level services, have elected officials, and are authorized to assess and collect taxes and sell bonds in order to pay off the debt incurred in providing their services. Because a

District is a political subdivision, its meetings and files, including the meeting minutes, are open to the public. Unless it is financially dormant or otherwise exempt, each District also has an annual standardized independent audit. The audit results are filed with the Texas Commission on Environmental Quality ("TCEQ") and are open to the public.

HOW AND WHEN WAS THE DISTRICT CREATED?

The District was created by the Texas Natural Resource Conservation Commission, predecessor to the Texas Commission on Environmental Quality, in 1998, with the idea that providing water, drainage, sewer and other services to our communities was a job best done by a group of citizens who are residents of the District and who are elected by their neighbors. Operating as a MUD also allows broader latitude to customize services, promote community benefits and respond to opportunities that benefit our customers.

WHO ARE OUR CUSTOMERS AND WHAT AREA DO WE SERVE?

The District is comprised of approximately 760.40 acres of land located 27 miles southwest of the central downtown business district of the City of Houston and 7 miles west of the intersection of U.S. Highway 59 and State Highway 6. The District is located in the extraterritorial jurisdiction of the City of Richmond, with a portion of the District within the corporate limits in the City of Richmond. The District is bounded on the south by Farm-to-Market 762, on the west by vacant acreage, on the east by Crabb River Road/Grand Parkway, and is located on both sides of U.S. Highway 59. The District is primarily residential in nature, but has retail and other commercial establishments sufficient to support our residents' needs. As of January 2024, the District includes the following subdivisions: Canyon Gate at the Brazos, Brazos Gardens, Brazos Village, Canyon Lakes, Lakes of Williams Ranch, and The Estates at Lakes of Williams Ranch.

As of January 2024, the District has 1,347 single family residences and 33 commercial enterprises within its boundaries, and the 2023 certified valuation for all residential and commercial properties in the District is \$619,350,025. For complete and updated information regarding the number of active residential or commercial connections, you may consult the monthly operator's report attached to the District's monthly meeting minutes, which are available from Allen Boone Humphries Robinson LLP, (713) 860-6400.

WHAT UTILITY SERVICES DOES THE DISTRICT PROVIDE FOR ITS RESIDENTS?

The District is within the extraterritorial jurisdiction of the City of Richmond. Therefore, its utility systems have been designed and constructed to meet the standards of the City of Richmond, as well as all applicable state standards.

WATER

The District has the capacity to supply 2,382,000 gallons per day of potable water to its residents. In the event of an emergency, the District has an interconnect with the City of Sugar Land to maintain water service. Additionally, the District has entered into an Emergency Water Supply Agreement with the City of Richmond. The District has an interconnect with the City of Richmond to provide an additional source of water supply during an emergency. Although the District owns all water supply facilities, it contracts with an independent company, Si Environmental, LLC, for the operation of such facilities. The District has entered into a Groundwater Reduction Plan Participation Agreement with the City of Richmond.

The District tests its water supply on a monthly basis and issues a Water Quality Report. A copy of the most recent report may be found at Si Environmental, LLC, 6420 Reading Road, Rosenberg, Texas 77471. The District also annually publishes a consolidated water quality report, the Consumer Confidence Report. A copy of the entire report may be found at Si Environmental, LLC, 6420 Reading Road, Rosenberg, Texas 77471.

WASTEWATER/SEWER

The District treats and processes approximately 327,000 gallons of wastewater every day. The wastewater treatment system is operated by Si Environmental, LLC, and the wastewater treatment plant is operated by the City of Richmond pursuant to the Amended Regional Wastewater Treatment Plant Agreement between the District and the City of Richmond.

DRAINAGE

The District has installed approximately 67,000 linear feet of storm sewers that outfall into either the approximately 17,100 linear feet of drainage channels located throughout the District or into the four District detention facilities. The District is provided additional drainage protection by a levee owned and operated by Fort Bend County Levee Improvement District No. 11.

Additionally, the District has partnered with other neighboring districts to construct a perimeter levee, pursuant to a Cost Sharing Agreement with Fort Bend County Levee Improvement District No. 6, Fort Bend County Levee Improvement District No. 10, Fort Bend County Levee Improvement District No. 11, and Fort Bend County Municipal Utility District No. 121, dated November 6, 2007. Construction of the perimeter levee is complete and the levee has been certified. Certain land within the District may be included in a 100-year flood plain study of Fort Bend County. Please check with the

Fort Bend County Drainage District regarding any questions you may have about the 100-year flood plain study or the impact that the results of the study may have on your property.

WHAT SERVICES DOES THE DISTRICT PROVIDE OTHER THAN UTILITIES?

TRASH COLLECTION

State law authorizes MUDs to provide solid waste collection and removal services. The District has contracted with Best Trash, LLC to provide trash and recycling collection services to the MUD's residents.

FIRE PROTECTION SERVICE

State law authorizes MUDs to provide fire protection services. The District has entered into a Fire Protection Agreement with the City of Richmond to provide fire protection services. In 2001, the District worked with the City of Richmond to help fund the establishment of City Fire Station No. 2. This station services the District and is located at Fort Bend County Road and Bridge Maintenance on FM 762 adjacent to the District.

WHAT EMERGENCY PLANS DOES THE DISTRICT HAVE?

DROUGHT CONTINGENCY PLAN

The State of Texas requires all MUDs to have a Drought Contingency Plan that sets forth the procedures to be used during drought conditions. The District's plan is available by contacting Allen Boone Humphries Robinson LLP, (713) 860-6400.

VULNERABILITY ASSESSMENT

Pursuant to the Bioterrorism Preparedness and Response Act of 2002, the District performed a Vulnerability Assessment on June 21, 2004, and prepared an Emergency Response Plan filed with the U.S. Environmental Protection Agency on December 17, 2004.

HURRICANE PROTECTION AND EVACUATION

The District has an Emergency Preparedness Plan, including hurricane protection and post-hurricane planning, prepared by the District's operator, Si Environmental, LLC.

HOW DOES THE DISTRICT FUND ITS PROJECTS?

TAXES

The Texas Constitution allows the District, if authorized by its voters, to levy *ad valorem* taxes. Taxes are used to maintain and improve the District's systems and to pay off any bond debt. The District's tax rate is set annually by its Board of Directors after consultation with its independent financial advisor, and the rate is the same for all properties within the District. The District's 2023 tax rate is \$0.76 per \$100 in assessed value. The tax rate is set annually in September or October. For complete and updated information regarding the District's tax rate (current and historical), you may consult the District's monthly meeting minutes, which are available from Allen Boone Humphries Robinson LLP, (713) 860-6400.

BONDS

The laws creating the District allow it to finance, subject to voter authorization, various acquisition, construction, maintenance and capital improvement projects by issuing and selling bonds. If voted, the District may also issue park bonds. The District repays the principal and interest on its bonds through *ad valorem* taxes and/or net operating revenues.

In the typical situation, the developer advances the money necessary to design and construct the District's initial water, sewer, and drainage infrastructure. This advance is conditioned on the District's promise to repay the developer a portion of the expense to the extent approved by the TCEQ if and when property value increases to an amount sufficient to allow the District to sell bonds. In addition to selling bonds to repay the developer for the initial design and installation of the infrastructure system, a District may sell bonds (1) to install its own initial system; (2) to repair, upgrade, maintain or enhance existing systems; (3) to refund existing bonds in order to lower debt service costs; and/or (4) to fund parks.

At an election, voters within the District must authorize the issuance of bonds prior to the District being able to issue bonds. Also, the TCEQ (except for refunding bonds) must review and approve the projects to be funded with bond proceeds and the Texas Attorney General must approve the District's authority to sell the bonds and levy the taxes to repay them. Thus, a District cannot and does not incur debt without both voter approval and proper governmental safeguards. Moreover, no bond funds are paid to a developer until there has been a reimbursement audit by an independent auditor.

The District directors work to balance the need to minimize taxes with the need to provide consistent, quality services. The voters in the District have authorized the

issuance of \$95,630,000 in bonds and the District has issued \$45,690,000, for water, sewer and drainage facilities. The voters in the District have authorized the issuance of \$7,500,00 in bonds for recreational facilities, none of which have been issued.

WHO MANAGES THE DISTRICT?

The District is administered by a Board of Directors with five members who all either own property or are residents within the District. The District's Board has financial and operational authority for the District, but retains consultants and contractors who, among other things, operate, maintain, improve and repair the water, sewer and drainage systems and plants, bill and collect for water, sewer and trash collection services the District provides, and provide the District with financial and legal advice.

Board members are elected for four-year staggered terms, with elections held every two years.

The current directors of The District are:

<u>Name</u>	<u>Title</u>
Chad Millis	President
Dallas Duffy	Vice President
Angela W. Riley	Secretary
Jesse Matthews	Assistant Vice President
Dr. John Knight	Assistant Secretary

WHO ASSISTS IN THE OPERATION OF THE DISTRICT?

Auditor

The District has engaged McCall Gibson Swedlund Barfoot PLLC as its auditor. The auditor conducts an independent annual audit that is filed with the TCEQ.

Bookkeeper

The District has engaged Municipal Accounts & Consulting, L.P. as its bookkeeper. The bookkeeper maintains the general ledger, reconciles bank and other financial statements, invests funds in accordance with the Texas Public Funds Investment Act and with the District's Investment Policy, and prepares monthly activity and budget reports.

Engineer

The District has engaged Blackline Engineering, LLC, as its engineer. The engineer oversees the design, construction and installation of the water, sewer and drainage systems.

Financial Advisor

The District has engaged Masterson Advisors LLC as its financial advisor. The financial advisor advises the District on issuing bonds and on adopting the annual tax rate.

General Counsel

The District has engaged Allen Boone Humphries Robinson LLP as its general counsel. The District retains attorneys to act as general counsel, advising the Board of Directors on any matters that are presented. The firm selected by the Board is principally engaged in representing municipal utility districts in all aspects of their operations.

Bond Counsel

The District has engaged Allen Boone Humphries Robinson LLP as its bond counsel. The District retains attorneys to act as bond counsel, who assist in the District's issuance of bonds by providing a legal opinion that the bonds are valid and binding obligations of the District payable from a continuing *ad valorem* tax. The firm selected by the District is nationally recognized in this area.

Tax Counsel

When the District issues bonds, it also engages tax counsel to provide a written legal opinion to the effect that interest income on the bonds is tax-exempt to the bondholders, subject to certain conditions, under existing provisions of the federal Internal Revenue Code.

Investment Officers

The District has appointed Mark M. Burton and Ghia Lewis of Municipal Accounts & Consulting, L.P. as its investment officers. The District appoints investment officers to oversee the District's investments pursuant to the District's Investment Policy and in accordance with the Texas Public Funds Investment Act.

Operator

The District has engaged Si Environmental, LLC, as its operator. The operator is the everyday “face” of the District and is responsible for the supply and delivery of water, the collection of wastewater, ongoing inspection and maintenance of the various delivery and treatment systems (such as pipes and plants), maintaining water quality, billing, customer inquiries and issues, and service initiation and termination. The wastewater treatment plant is operated by the City of Richmond.

Tax Assessor/Collector

The District has engaged Wheeler & Associates, Inc. as its tax assessor/collector. The tax assessor/collector applies the District's tax levy to tax rolls prepared by the Fort Bend Central Appraisal District and bills and collects such levy.

HOW CAN I CONTACT THE DISTRICT?

The District's Board of Directors meets the first Tuesday of every month at 12:00 noon at Allen Boone Humphries Robinson LLP, located at 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027. Agendas for each meeting are posted at the Fort Bend County Courthouse and in the District at least 72 hours before every meeting, and the Board of Directors invites all members of the public to attend its meetings.

The District's consultants may be contacted as follows:

Attorney	Adisa Harrington Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027	(713) 860-6494
Legal Assistant	Kathryn Blanton Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027	(713) 800-8688
Auditor	Chris Swedlund McCall Gibson Swedlund Barfoot PLLC 13100 Wortham Center Drive, Suite 235 Houston, Texas 77065-5610	(713) 462-0341

Bookkeeper/ Investment Officers	Mary Ann Mihills Mark M. Burton Ghia Lewis Municipal Accounts & Consulting, L.P. 1281 Brittmoore Road Houston, TX 77043	(713) 623-4539
Delinquent Tax Attorney	Donald Roseman Perdue, Brandon, Fielder, Collins & Mott, L.L.P. 1235 North Loop West, Suite 600 Houston, Texas 77008	(713) 862-1860
Engineer	Asim Tufail Blackline Engineering, LLC 1616 South Voss, Suite 300 Houston, Texas 77057	(832) 431-5959
Financial Advisor	Greg Lentz Masterson Advisors LLC 3 Greenway Plaza, Suite 1100 Houston, TX 77046-0320	(713) 814-0558
Garbage Collection	Matthew May Best Trash, LLC 19430 FM 1093 Rd. Richmond, TX 77407	(281) 313-2378
Operator	Rick Marriott Si Environmental, LLC 6420 Reading Road Rosenberg, Texas 77471	(832) 490-1572
Tax Assessor/ Collector	Isabel Mata Wheeler & Associates, Inc. 6935 Barney Road, Suite 110 Houston, Texas 77092	(713) 462-8906
Webmaster	Angie Hartwell Touchstone District Services 8118 Fry Road, Suite 703 Cypress, Texas 77433	(832) 558-5714