

**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94**  
**Minutes of Meeting of Board of Directors**  
**January 10, 2024**

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 94 (the "District") met in special session, open to the public on January 10, 2024, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Jerry Rueschhoff, President  
John Kessler, Vice President  
Roger Olsen, Secretary  
Michael Pachulio, Assistant Secretary  
Ray Waymel, Assistant Secretary

all of whom were present at the meeting, thus constituting a quorum.

Also attending the meeting were Jon VanderWilt of Costello, Inc. ("Costello"); Travis Benes and Michelle Kincer of Storm Water Solutions LP ("SWS"); Creston Minter of H2O Innovation Operation and Maintenance, LLC ("H2O"); Derek Davenport of McLennan & Associates, LP ("McLennan"); Bear Oakley of Acclaim Energy Advisors ("Acclaim"), who entered later in the meeting as noted herein; Barbara Nussa of Republic Services, Inc. ("Republic"); Brittany Keeswood of Assessments of the Southwest, Inc. ("ASW"); Sergeant Joshua Orr, Sergeant Ronny Glaze, and M. Garcia of the Montgomery County Constable's Office ("MCCO"); Jeff Girardeau of Goodwin & Company ("Goodwin"); Troy Hill, Lisa Miller, Amanda Keedy, and Michael Grobelny, residents of the District and representatives of the Spring Trails Homeowners Association (the "Association"); and Gordon Cranner and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

**PUBLIC COMMENTS**

The Board considered comments from the public. Mr. Troy Hill, President of the Association, addressed the Board regarding a request from the Association, a copy of which is attached hereto as **Exhibit A**, to install a temporary maintenance shed next to the restroom facility at Cardinal Park to store materials and a utility task vehicle ("UTV"). He then responded to inquiries from the Board. No action was taken by the Board at this time.

**MINUTES OF MEETING**

The Board next considered approval of the minutes of the Board meeting held December 5, 2023. After discussion, it was moved by Director Kessler that the minutes of the Board meeting

held on December 5, 2023, be approved, as written. Director Rueschhoff seconded the motion, which unanimously carried.

**REPORT FROM THE MONTGOMERY COUNTY CONSTABLE'S OFFICE REGARDING SECURITY**

Sergeant Orr next presented and reviewed a security report provided by the MCCO's office for the month of December 2023, a copy of which report is attached hereto as **Exhibit B**. He discussed recent activity within the District and related security matters, and the status of purchase of new patrol vehicles to be utilized within the District. In that regard, he advised that MCCO is in possession of the vehicles, but is awaiting receipt and installation of the vehicle equipment.

A discussion next ensued regarding the proposed credit to be provided to the District for the salvage value of the vehicles previously replaced in approximately 2018, and the current vehicles (purchased in approximately 2018) that are about to be decommissioned. Sergeant Orr was requested to look into this matter and report back to the Board concerning the MCCO's formal position so that a resolution can be reached at the next meeting.

Sergeant Orr next addressed the Board regarding the status of staffing of deputies pursuant to the District's contract with MCCO.

Sergeant Orr, Sergeant Glaze, and M. Garcia exited the meeting at this time.

**REPORT BY REPUBLIC SERVICES, INC.**

Ms. Nussa next addressed the Board on behalf of Republic and presented a Customer Service Report, a copy of which is attached hereto as **Exhibit C**. She reminded the Board that the annual document shred event will be held on April 20, 2024. No action was taken by the Board at this time.

**STORMWATER MANAGEMENT PROGRAM AND DRAINAGE FACILITIES REPORT**

Ms. Kincer then presented and reviewed a Drainage Facilities Report provided by SWS, a copy of which is attached hereto as **Exhibit D**, as well as a proposal in the amount of \$20,455 to install approximately 34 boulders and a pipe gate at the downstream side of Spring Trails Bend, and to locate the existing force main, a copy of which proposal is included with **Exhibit D**. A discussion ensued regarding usage of the remaining boulders upon completion of this project. Following discussion, Director Rueschhoff moved that the Board approve the proposal provided by SWS, and authorize SWS to install any remaining boulders within the District, as appropriate and as discussed. Director Kessler seconded the motion, which unanimously carried.

Ms. Miller and Ms. Keedy exited the meeting at this time.

## **TAX ASSESSOR/COLLECTOR'S REPORT**

Ms. Keeswood next presented and reviewed the Tax Assessor/Collector's Report for the month of December 2023, including a delinquent listing as of January 5, 2024, copies of which are attached hereto as **Exhibit E**. After discussion, it was moved by Director Kessler that the Tax Assessor/Collector's Report be approved and the disbursements identified therein be approved for payment. Director Olsen seconded the motion, which carried unanimously.

Mr. Girardeau and Mr. Benes exited the meeting at this time.

## **DELINQUENT TAX REPORT**

Mr. Cranner reminded the Board that the District's delinquent tax attorneys, Perdue, Brandon, Fielder, Collins & Mott, L.L.P., provide written reports on a quarterly basis, and advised that no report was received for today's meeting.

## **EXEMPTIONS FROM TAXATION**

Mr. Cranner outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by the Texas Constitution and the Texas 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 further discussion of the matter, Director Kessler moved that the District (a) not grant the residential homestead exemption, and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2024, and that the Resolution relative to same, attached hereto as **Exhibit E**, be approved and adopted by the Board and the District. Director Rueschhoff seconded said motion, which carried unanimously.

Mr. Oakley entered the meeting at this time.

## **ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit G**. Mr. Cranner advised that the Board is authorized pursuant to the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, 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 as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Olsen, seconded by Director Rueschhoff and unanimously

carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board.

### **OPERATIONS REPORT**

The Board next considered the Operations Report. Mr. Minter presented a written report prepared by H2O, a copy of which is attached hereto as **Exhibit H**, and reviewed same with the Board. He advised that the fire hydrants are in the process of being repainted by SMJ Equipment, LLC, as previously authorized by the Board.

Ms. Keeswood exited the meeting at this time.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 42807. He advised that the customer has requested that two (2) NSF fees totaling \$60.00 be waived on their account. After discussion on the matter and consideration of the relevant facts and circumstances, Director Olsen moved that H2O be authorized to waive the second NSF fee on the customer's account but not the first. Director Kessler seconded the motion, which unanimously carried.

### **CONSUMER CONFIDENCE REPORT**

The Board next considered authorizing H2O to provide required information to districts receiving water from the District relative to Consumer Confidence Reports. Mr. Craner advised the Board that pursuant to Consumer Confidence Report requirements promulgated by the United States Environmental Protection Agency, the District is required to provide, by April 2024, a report containing various information regarding the District's water supply to any other water supplier which has received water from the District during the past year. After discussion on the matter, Director Olsen moved that the Board authorize H2O to provide the required information as set forth hereinabove. Director Kessler seconded said motion, which carried unanimously.

The Board then considered including various inserts in customer water bills that were obtained from H2O, including an insert regarding how to read a water meter. The Board reviewed the content of the proposed inserts. Following discussion, Director Kessler moved that all of the inserts be included on the District's website, and that the water meter insert be included in the next cycle of customer water bills. Director Olsen seconded the motion, which unanimously carried. Director Waymel advised that he would coordinate with Off Cinco, LLC to upload the inserts on the District's website.

### **ENGINEER'S REPORT**

Mr. VanderWilt next presented to the Board a written Engineer's Report, dated January 10, 2024, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District. He provided an update regarding the conversion of the Water Plant Disinfection System by JCS Industries, Inc. ("JCS"), and advised that the District is in receipt of Change Order No. 1 in the amount of \$4,000. Following discussion, Director Kessler moved that

the Board approve payment of Change Order No. 1 to JCS. Director Rueschhoff seconded the motion, which unanimously carried.

### **STATUS OF CONSTRUCTION OF NEW CONCRETE WASTEWATER TREATMENT PLANT**

Mr. VanderWilt next provided the Board with an update concerning the status of construction of the new concrete wastewater treatment plant by Montgomery County Municipal Utility District No. 119. No action was taken by the Board at this time.

### **ASSOCIATION CONSTRUCTION PROJECTS WITHIN DISTRICT PROPERTY; ASSOCIATION AND/OR RESIDENT COMMUNICATIONS**

The Board next considered the approval and/or status of any Association related construction or maintenance projects within District property and resident communications concerning maintenance.

A discussion ensued regarding the status of receipt of confirmation of payment and request for reimbursement from the Association for installation of the water fountain at Cardinal Park. It was noted that the District is in receipt of the invoice from the Association in the amount of \$8,725. Following discussion, Director Kessler moved that the Board approve reimbursement by the District to the Association in the amount of \$8,725. Director Olsen seconded the motion, which unanimously carried.

A discussion ensued regarding ownership and title to the recreational center located within the District. Mr. Cranner updated the Board on his recent discussions with the attorney for the Association. Following discussion, no action was taken by the Board.

Ms. Nussa and Ms. Kincer exited the meeting at this time.

### **ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred consideration of issuance of utility commitments after noting that no requests had been received.

### **BOOKKEEPER'S REPORT**

Mr. Davenport next presented and reviewed a written Bookkeeper's Report dated January 10, 2024, including the District's Investment Report for the month of December 2023, copies of which are attached hereto as **Exhibit J**. After discussion, it was moved by Director Kessler that the Board (i) approve the Bookkeeper's Report and Investment Report, including additional checks payable to Harris County Water Control and Improvement District No. 92, and the Association, and (ii) authorize the District's Investment Officer to execute the Investment Report on behalf of the Board and the District. Director Rueschhoff seconded the motion, which carried unanimously.

Mr. Hill exited the meeting at this time.

## **RESOLUTION ADOPTING 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. Cranner advised that, pursuant to the Public Funds Investment Act, the Board is required to review, and revise if necessary, such list at least annually. He presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District (the "Resolution"), and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit K**. Mr. Cranner 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 Rueschhoff moved that the Resolution be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Kessler seconded said motion, which unanimously carried.

## **ENERGY MANAGEMENT AGREEMENT**

Mr. Oakley next presented to and reviewed with the Board the Energy Management Agreement (the "Agreement") between the District and Acclaim, a copy of which is attached hereto as **Exhibit L**, which had been previously discussed at the November meeting. Following discussion, Director Waymel moved that the Board (i) approve the Agreement and authorize the President to execute same on behalf of the Board and the District; and (ii) authorize SPH to accept and acknowledge the Texas Ethics Commission ("TEC") Form 1295 submitted by Acclaim in connection with the Agreement, as required. Director Kessler seconded the motion, which unanimously carried.

The Board requested that Mr. Oakley determine where the meter is located for the street light account being paid by the District and provide such location to SPH. Mr. Oakley advised that he would do so.

## **STATUS OF WEBSITE**

The Board next discussed the status of the District's website. Director Kessler advised that several items need to be updated on the website, and that he will coordinate with Director Waymel to make the appropriate changes.

## **WORKSHOPS AND/OR PROFESSIONAL DEVELOPMENT PROGRAM**

A discussion ensued regarding the workshop currently scheduled to be held on January 26, 2024, related to general bond issuance procedures. It was noted that a workshop related to solid waste collection and recycling procedures is scheduled to be held on February 23, 2024, and that a workshop scheduled to be held related to the District's Stormwater Management Program is scheduled to be held in April 2024. Director Kessler advised that he is looking into whether the general bond issuance procedure workshop can be rescheduled for February or March.

## **EMERGENCY RESPONSE PLAN ("ERP")**

Director Olsen next addressed the Board and discussed the status of recommended changes to the District's ERP. He advised that he will send changes in red-line form to SPH for review. No action was taken by the Board at this time.

## **FUTURE DISTRICT PROJECTS AND INITIATIVES**

The Board deferred periodic review of consultant contracts and evaluation forms until a future meeting.

## **RENEWAL OF DISTRICT INSURANCE POLICIES**

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. Mr. Cranner advised the Board that the District's current policies are provided through McDonald and Wessendorff and will expire on March 31, 2024. Following discussion, Director Kessler moved that SPH be authorized to solicit a proposal for renewal of the District's insurance coverage from McDonald Wessendorff, for review and consideration by the Board at its next meeting. Director Olsen seconded the motion, which unanimously carried.

## **MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION**

Mr. Cranner reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, he presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit M**, regarding participation in the joint election with Montgomery County (the "County"). In connection therewith, Mr. Cranner 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 Kessler, seconded by Director Olsen 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. Cranner presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit N** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Kessler and Pachulo expire in May of this year. In reviewing the Order with the Board, Mr. Cranner advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivisions, 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 Kris Eddlemon as such agent (the "Election Agent"). Mr. Cranner further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. He 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. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) 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 and on the District's website. Mr. Cranner also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Kessler 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 Olsen seconded said motion, which unanimously carried. Mr. Cranner 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.

### **ATTORNEY'S REPORT**

The Board next considered the attorney's report. In that regard, Mr. Cranner presented and reviewed the Arbitrage Rebate Calculation Report, a copy of which is attached hereto as **Exhibit Q**, for the 10<sup>th</sup> year computation period prepared by Arbitrage Compliance Specialists, Inc. for the District's Unlimited Tax Park Bonds, Series 2013A. He noted that, according to the report, no action are required by the Board at this time.

### **EXECUTIVE SESSION**

The Board then entered into executive session pursuant to Texas Government Code Section 551.071 at 2:38 p.m. At this time all those present, with the exception of the Board, Mr. VanderWilt, Mr. Cranner, and Ms. Eddlemon, exited the meeting.

At 3:29 p.m., the President announced that the Board would reconvene in Open Session.

Mr. Grobelny re-entered the meeting at this time.

A discussion re-ensued regarding the Association's request to install a temporary maintenance shed within the District. Following discussion, Director Waymel moved that the Board deny the request to install the temporary maintenance shed at the location proposed by the Association as presented, and that SPH be authorized to prepare a written response to the Association relative to same. Director Kessler seconded the motion, which unanimously carried. The Board expressed its willingness to consider installation of the shed at an alternate location and subject to the points to be included in the District's written response.

### **POSSIBLE FUTURE AGENDA ITEMS**

The Board next considered additional items for placement on future agendas. No specific agenda items, other than routine and ongoing matters, were requested.



**ADJOURN**

There being no further business to come before the Board, Director Kessler moved that the meeting be adjourned. Director Olsen seconded said motion, which unanimously carried.

  
Secretary  
Board of Directors

703037

## LIST OF EXHIBITS

EXHIBIT A	Request from Spring Trails Community Association, Inc.
EXHIBIT B	Security Report
EXHIBIT C	Customer Service Report (Republic Services, Inc.)
EXHIBIT D	Drainage Facilities Report; Proposal
EXHIBIT E	Tax Assessor/Collector's Report
EXHIBIT F	Resolution Concerning Exemptions From Taxation
EXHIBIT G	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
EXHIBIT H	Operations Report
EXHIBIT I	Engineer's Report
EXHIBIT J	Bookkeeper's Report
EXHIBIT K	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
EXHIBIT L	Energy Management Agreement
EXHIBIT M	Memorandum prepared by Schwartz, Page & Harding, L.L.P.
EXHIBIT N	Order Calling Directors Election
EXHIBIT O	Arbitrage Rebate Calculation Report for the 10 <sup>th</sup> year computation period prepared by Arbitrage Compliance Specialists, Inc. for the District's Unlimited Tax Park Bonds, Series 2013A