

**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94**  
**Minutes of Meeting of Board of Directors**  
**August 6, 2024**

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 94 (the "District") met in regular session, open to the public on August 6, 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, with the exception of Director Rueschhoff, thus constituting a quorum.

Also attending the meeting were Jon VanderWilt of Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); Creston Minter of H2O Innovation Operation and Maintenance, LLC ("H2O"); Jorge Diaz of McLennan & Associates, LP ("McLennan"); Barbara Nussa of Republic Services, Inc. ("Republic"), who entered later in the meeting as noted herein; Monica Saucedo of Assessments of the Southwest, Inc. ("ASW"); Michelle Kincer of Storm Water Solutions LP ("SWS"); Sergeant Joshua Orr of the Montgomery County Constable's Office ("MCCO"); Michael Willett and Danae Dehoyos of Touchstone District Services, LLC ("Touchstone"), who each entered later in the meeting as noted herein; Ian Grain, resident of the District and representative of the Spring Trails Homeowners Association (the "Association"); and Spencer Creed and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

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

**PUBLIC COMMENTS**

There were no comments from the public at this time.

**MINUTES OF MEETING(S)**

The Board next considered approval of the minutes of the Board meetings held July 2, 2024, and August 1, 2024. After discussion, it was moved by Director Olsen that the minutes of the Board meeting held on July 2, 2024, be approved, as written. Director Kessler seconded the motion, which unanimously carried. The Board deferred approval of the minutes of the August 1, 2024, Board meeting.

**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 July 2024, a copy of which report is attached hereto as **Exhibit A**. He discussed recent activity within the District and related security matters, including the status of auction of the vehicles that are going out of service.

Sergeant Orr exited the meeting at this time.

**BOOKKEEPER'S REPORT**

Mr. Diaz next presented and reviewed a written Bookkeeper's Report dated August 6, 2024, including the District's Investment Report for the month of July 2024, copies of which are attached hereto as **Exhibit B**. After discussion, it was moved by Director Olsen that the Board (i) approve the Bookkeeper's Report and Investment Report, and (ii) authorize the District's Investment Officer to execute the Investment Report on behalf of the Board and the District. Director Kessler seconded the motion, which carried unanimously.

A discussion ensued regarding tracking of expenditures related to the management of trees and erosion (sinkholes) within the District. Following discussion, the Board directed McLennan to begin tracking these expenditures and requested that an item be included on the next agenda for the Board to consider amending the District's operating budget for the fiscal year ending March 31, 2025, in connection with same.

Mr. Willett and Ms. Dehoyos entered the meeting 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 C**. She then presented a proposal in the amount of \$24,600, a copy of which is included with **Exhibit C**, to refresh the rip rap located at the end of the drainage channel. Following discussion, Director Waymel moved that the Board approve the proposal and authorize the Vice President to execute same on behalf of the Board and the District. Director Kessler seconded the motion, which unanimously carried.

Ms. Kincer next presented and reviewed a proposal in the amount of \$17,515, a copy of which is included with **Exhibit C**, to repair erosion in and around the backslope interceptor structures located along the drainage channel. Following discussion, the Board deferred taking action with regard to this proposal until later in the meeting pending receipt of cost information for the use of sand.

Ms. Nussa entered the meeting at this time.

Ms. Kincer next advised that a AT&T box located at interceptor no. 2, as depicted on the Drainage Facilities Report, is in need of removal. Following discussion, the Board concurred that SWS be authorized to remove the box, as discussed.

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

Ms. Saucedo then presented and reviewed the Tax Assessor/Collector's Report for the month of July 2024, including a delinquent account listing as of August 1, 2024, copies of which are attached hereto as **Exhibit D**. 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 Waymel seconded the motion, which carried unanimously.

### **DRAINAGE FACILITIES REPORT CONTINUED**

A discussion re-ensued regarding the proposal in the amount of \$17,515 to repair erosion in and around the backslope interceptor structures located along the drainage channel. Following discussion, Director Kessler moved that the Board approve a revised proposal to include the usage of sand, in a total amount not to exceed \$20,000, and that the Vice President be authorized to execute same on behalf of the Board and the District. Director Olsen seconded the motion, which unanimously carried. The Board requested that any excess sand remaining after this project is completed be utilized in other areas of the District, as recommended by the District's engineer.

### **DELINQUENT TAX REPORT**

Mr. Creed 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.

### **REPORT BY REPUBLIC SERVICES, INC.**

Ms. Nussa next addressed the Board on behalf of Republic and presented a verbal report. She advised that trucks were unable to pick-up trash along Caradoc Springs Court due to cars being parked along both sides of the street. She advised she will provide the Association with photos of the incident so this information can be distributed to District residents.

Ms. Nussa next advised that a resident of the District recently disposed of eleven (11) paint cans in their trash receptacle, which spilled on Republic's employee. Following discussion, Director Kessler moved that SPH be authorized to prepare and send a letter to the resident advising that disposal of paint in residential trash is not authorized, and that a copy of the District's waste acceptance protocol be included with the letter. Director Waymel seconded the motion, which unanimously carried.

### **TOUCHSTONE DISTRICT SERVICES**

The Board next considered a proposal from Touchstone related to communication services. In that regard, Mr. Willatt introduced himself to the Board and provided a presentation and

proposals concerning services provided by Touchstone and the costs associated therewith, copies of which are attached hereto as **Exhibit E**. Following discussion, the Board concurred to defer taking action at this time.

Mr. Diaz and Ms. Kincer exited the meeting during Mr. Willett's presentation.

### **FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2024 TAX RATE**

The Board deferred consideration of the financial advisor's recommendation concerning the District's 2024 tax rate until the next meeting

### **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 F**, and reviewed same with the Board. No action was taken by the Board at this time.

Ms. Nussa, Mr. Willett, and Ms. Dehoyos exited the meeting at this time.

### **AMENDMENT OF RATE ORDER**

The Board next discussed amendment of the District's Rate Order, including adjustment based on a reduction in the groundwater pumpage fee charged by the San Jacinto River Authority ("SJRA"). Mr. Creed advised that the District is in receipt of correspondence from the SJRA, a copy of which is attached hereto as **Exhibit G**, advising that the pumpage fee will decrease from \$2.99 to \$2.67 per 1,000 gallons pumped, effective as of September 1, 2024. Following discussion, the Board concurred to defer taking action at this time, and to further discuss this matter at the special meeting scheduled to be held on September 12, 2024.

### **SJRA GROUNDWATER REDUCTION PLAN CONTRACT REVIEW COMMITTEE**

Mr. Creed next advised that the District received correspondence from the SJRA advising of its ability to cast a ballot to select a candidate for appointment to the SJRA's Groundwater Reduction Plan ("GRP") Contract Review Committee. Following discussion, Director Kessler moved to adopt the Resolution Casting Vote for Candidate for Appointment to GRP Contract Review Committee (the "Resolution") casting the District's vote for Benjamin Slotnick. The motion was seconded by Director Olsen and carried by unanimous vote. A copy of the Resolution thus adopted is attached hereto as **Exhibit H**.

### **ENGINEER'S REPORT**

Mr. VanderWilt next presented to the Board a written Engineer's Report, dated August 6, 2024, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District. He presented and reviewed a proposal for engineering services in the amount of \$58,550 in connection with rehabilitation of Ground Storage Tank No. 1, a copy of

which is included with the Engineer's Report. Following discussion, Director Kessler moved to approve the proposal, as presented. Director Olsen seconded the motion, which carried with Directors Kessler, Waymel, and Olsen voting in favor of the motion, and Director Pachuillo voting nay.

Mr. VanderWilt next provided the Board with an update concerning the Water Plant Ground Storage Tank Replacement and Hydro-pneumatic Tank Recoating by C3 Constructors, LLC ("C3"), and advised that the contractor has completed the project with the exception of recoating of the yard piping. Mr. VanderWilt further advised that the District is in receipt of Pay Estimate No. 9 in the amount of \$43,110, a copy of which is attached to the Engineer's Report. Following discussion, Director Kessler moved that the Board approve payment of Pay Estimate No. 9 as recommended. Director Olsen seconded the motion, which unanimously carried.

Mr. VanderWilt next presented and reviewed two versions of updated Summary of Costs related to projects contained in the District's Series 2023 Bonds, copies of which are attached to the Engineer's Report. A discussion ensued regarding deferring replacement of the District's Water Plant electrical system until 2028-2029. Following discussion, Director Kessler moved that replacement of the Water Plant electrical system be deferred until 2028-2029, as recommended by Mr. VanderWilt. Director Olsen seconded the motion, which unanimously carried.

In connection with construction of the new concrete wastewater treatment plant by Montgomery County Municipal Utility District No. 119 ("No. 119"). Mr. VanderWilt advised that the District is in receipt of Pay Estimate No. 3 from No. 119, in the total amount of \$691,124.15, a copy of which is included as part of the Engineer's Report. Following discussion, Director Kessler moved that the Board concur in No. 119's payment of Pay Estimate No. 3, as presented and as recommended by Mr. VanderWilt. Director Olsen seconded the motion, which unanimously carried.

Director Kessler advised that No. 119's contractor vehicles are driving through the District. Mr. VanderWilt advised that he will address this matter with No. 119.

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

It was noted that this matter was discussed earlier in the meeting, under the Engineer's Report.

#### **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. No action was taken by the Board at this time.

## **ISSUANCE OF UTILITY COMMITMENTS**

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

## **STATUS OF WEBSITE**

The Board next discussed the status of the District's website. No action was taken by the Board at this time. However, the Board requested that this item be added to the agenda for its scheduled September 9, 2024, special meeting.

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

A discussion ensued regarding the workshop held on August 1, 2024 by SPH, and workshops scheduled to be held on September 12, 2024, by H2O, and in October related to exercise of the District's Emergency Response Plan ("ERP"). Following discussion, the Board concurred to hold the ERP workshop on October 9, 2024, at 8:00 a.m.

## **FUTURE DISTRICT PROJECTS AND INITIATIVES**

The Board next considered periodic review of consultant contracts and evaluation forms. Director Olsen distributed an updated version of the evaluation form to be utilized by members of the Board. No action was taken by the Board at this time.

## **ELECTRONIC STORAGE OF DISTRICT RECORDS; REQUEST FROM RECORDS MANAGEMENT OFFICER**

Mr. Creed presented to and reviewed with the Board a memorandum from SPH regarding the legal requirements to electronically store District records and destroy the paper copies of such records. He noted that a copy of the memorandum was distributed to the Board at the August meeting. Mr. Creed next addressed the Board regarding the legal requirements to electronically store District records and destroy the paper copies of such records. In this regard, he recommended that the Board approve the Resolution Adopting Records Retention Schedules and Policies and Procedures for Electronic Storage of District Records attached hereto as **Exhibit J** (the "Records Resolution"). After discussion, Director Olsen moved to approve the Records Resolution, and authorize the Records Management Officer to execute the related certifications, and that same be submitted to the Texas State Library and Archives Commission for review and approval. Director Kessler seconded the motion, which unanimously carried.

Mr. Creed reported that the District's Records Retention Schedules adopted in connection with its Records Management Program require that records of the District be retained only for specific periods of time based on the type of record. As an example, he explained that notes taken during meetings and which are used to prepare the official minutes of Board meetings are to be retained for ninety days after approval of such minutes by the Board. He next presented a request from the Records Management Officer for approval to destroy certain records (which will not be scanned in and stored electronically) in accordance with the District's Records Retention

Schedules, a copy of which request is attached hereto as **Exhibit K** (the "Request"). After discussion, Director Olsen moved that SPH be authorized to destroy the records described in the Request. Director Kessler seconded said motion, which carried unanimously.

### **ORDER ESTABLISHING MEETING PLACE OF BOARD OF DIRECTORS OUTSIDE THE DISTRICT**

The Board next considered the adoption of an Order Establishing Meeting Place of Board of Directors Outside the District (the "Order"), located at 27335 West Hardy Road, Suite 101, Spring, Texas 77373, attached hereto as **Exhibit L**, such location being H2O's offices. After consideration of the matter, it was moved by Director Kessler, seconded by Director Olsen, and unanimously carried that (i) said order be passed and adopted, and (ii) the Secretary be directed to execute and SPH be directed to publish notice of designation of such office and meeting place outside the boundaries of the District, and to file a copy of the Order with the Texas Commission on Environmental Quality.

### **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. In connection therewith, Mr. Creed addressed the Board regarding the status of correspondence sent to the attorney for the Association regarding unauthorized construction on District owned property. A discussion ensued regarding the Association's proposed scheduling of a meeting among members of the District and the Association to address this matter. No action was taken by the Board at this time, pending receipt of the responsive correspondence from the Association's attorney that he indicated would be sent soon.

Mr. Creed next advised the Board that the District is in receipt of an open records request from Mr. James Ridgway, Jr. requesting copies of certain documents related to the District's water wells. He further advised that SPH has provided the requested documents to Mr. Ridgway on behalf of the District. It was noted that no action was required of the Board at this time in connection with said request.

### **EXECUTIVE SESSION**

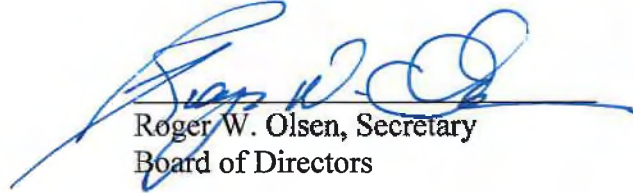
The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Sections 551.071 and 551.076.

### **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.



Roger W. Olsen, Secretary  
Board of Directors

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## LIST OF EXHIBITS

|           |  |
|-----------|--|
| EXHIBIT A | Security Report  |
| EXHIBIT B | Bookkeeper's Report  |
| EXHIBIT C | Drainage Facilities Report   |
| EXHIBIT D | Tax Assessor/Collector's Report  |
| EXHIBIT E | Proposals provided by Touchstone District Services, LLC  |
| EXHIBIT F | Operations Report  |
| EXHIBIT G | Correspondence from the San Jacinto River Authority  |
| EXHIBIT H | Resolution Casting Vote for Candidate for Appointment to Groundwater Reduction Plan Contract Review Committee          |
| EXHIBIT I | Engineer's Report  |
| EXHIBIT J | Resolution Adopting Records Retention Schedules and Policies and Procedures for Electronic Storage of District Records |
| EXHIBIT K | Records Destruction Request  |
| EXHIBIT L | Order Establishing Meeting Place of Board of Directors Outside the District  |