

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94
Minutes of Meeting of Board of Directors
October 1, 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 October 1, 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 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; Austin Ficken of Masters Advisors LLC ("Masterson"); Monica Saucedo of Assessments of the Southwest, Inc. ("ASW"); Marie Newsom of Storm Water Solutions LP ("SWS"); Danae Dehoyos of Touchstone District Services, LLC ("Touchstone"); Sergeant Joshua Orr of the Montgomery County Constable's Office ("MCCO"); Ted Cox of Ted A. Cox, P.C. ("Ted Cox"), who entered later in the meeting as noted herein; and Spencer Creed 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

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 September 3, 2024 and September 12, 2024. After discussion, it was moved by Director Rueschhoff that the minutes of the Board meetings held on September 3, 2024, and September 12, 2024, be approved, as written. Director Olsen 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 September 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.

A discussion ensued regarding a missing crosswalk sign located near the intersection of Emilee Point and Spring Trails Bend due to the impact of Hurricane Beryl. The Board requested that MCCO contact the Montgomery County Commissioner's office to request that the sign be replaced.

Sergeant Orr exited the meeting at this time.

BOOKKEEPER'S REPORT

Mr. Diaz next presented and reviewed a written Bookkeeper's Report dated October 1, 2024, including the District's Investment Report for the month of September 2024, copies of which are attached hereto as **Exhibit B**. A discussion ensued regarding the Annual Energy Billings on page eight (8) of the report with regard to the decrease in billing by Reliant Energy for the period July 25, 2024 through August 25, 2024 in connection with ESID #100890108100210HE6204. Mr. Diaz advised he would look into this matter and report back to the Board at the next meeting. Mr. Diaz then presented and reviewed an amended operating budget, a copy of which is included with **Exhibit B**. Following further discussion, it was moved by Director Rueschhoff that the Board (i) approve the Bookkeeper's Report and Investment Report, (ii) authorize the District's Investment Officer to execute the Investment Report on behalf of the Board and the District, and (iii) approve the amended operating budget, as revised per the discussion. Director Kessler seconded the motion, which carried unanimously.

EMERGENCY WATER SUPPLY CONTRACT WITH MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 119 ("NO. 119")

The Board next discussed the status of the Emergency Water Supply Contract (the "Contract") between the District and No. 119, and payment by No. 119 to the District for the approximately 16.3 million gallons of water supplied to No. 119 while on interconnect with the District. Following discussion, Director Kessler moved that payment to the District from No. 119 be billed at the rate of one dollar (\$1.00) per thousand gallons of "average daily usage" for the number of days water was received pursuant to the terms of the Contract plus associated SJRA and Lone Star Groundwater Conservation District fees, as opposed to payment "in-kind" for the water utilized as previously considered. Director Rueschhoff seconded the motion, which unanimously carried.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Mr. Creed advised that pursuant to the energy efficiency and reporting requirements set forth in said Code, the District must report its annual electricity usage and cost and make said report accessible to the public. It was noted that a copy of such information is included as part of **Exhibit B**, and that no further action is required at this time.

RESOLUTION REGARDING REVIEW OF INVESTMENT POLICY

As the next order of business, the Board considered approval of a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer. Mr. Creed advised the Board that SPH is not recommending any changes to the Investment Policy at this time. After discussion, Director Kessler moved that the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, attached hereto as **Exhibit C**, be adopted to reflect that the Order Establishing Policy for Investment of District Funds and Appointing Investment Officer adopted on October 3, 2023, was thereby affirmed and shall remain in effect until amended. Director Rueschhoff seconded the motion, which carried unanimously.

STORMWATER MANAGEMENT PROGRAM AND DRAINAGE FACILITIES REPORT

Ms. Newsom then presented and reviewed a Drainage Facilities Report provided by SWS, a copy of which is attached hereto as **Exhibit D**. A discussion ensued regarding the unauthorized placement of materials along the District's drainage channel adjacent to 28506 Misty Cliff Lane. Following discussion, Director Kessler moved that SPH be authorized to prepare and send a letter to the resident demanding the materials be removed within ten (10) days of the date of letter, or the District will do so and invoice the resident for any costs incurred with same. Director Waymel seconded the motion, which unanimously carried.

The Board next discussed the fallen trees as depicted on pages 13 and 14 of SWS' report. Following discussion, the Board concurred that Trees by Frank be authorized to remove the fallen trees.

Ms. Newsome presented SWS' proposal to provide stormwater management program services in connection with the new Texas Pollutant Discharge Elimination System General Permit, a copy of which proposal is attached as part of **Exhibit D**. Following discussion, the Board deferred action on the proposal for Stormwater Management services for the new permit term, until the next meeting.

Ms. Newsom addressed the Board regarding the status of the pipe gate located at the drainage channel, and advised it appears to be functioning properly. She noted that she will add three combination locks to the gate. She further advised that the boulders that were installed by SWS at the drainage channel have been reset. No action was taken by the Board at this time.

Ms. Nussa entered the meeting at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Saucedo then presented and reviewed the Tax Assessor/Collector's Report for the month of September 2024, including a delinquent account listing as of August 29, 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.

Director Kessler queried Ms. Saucedo if there was an explanation for why the number of properties listed on the delinquent payment list increased so significantly between the 2022 and 2023 tax years. Ms. Saucedo advised that she would research the matter and report back to the Board.

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.

REPUBLIC SERVICES, INC.

Ms. Nussa addressed the Board on behalf of Republic and presented a verbal report. She advised that contaminated items have been found in the District's recyclable materials, and that she would like to put a video on the District's website to educate residents on this matter. The Board directed Ms. Nussa to provide the video to Touchstone so that it can be uploaded to the website.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2024 TAX RATE AND LEVY OF THE DISTRICT'S 2024 TAX RATE AND ADOPTION OF AN ORDER

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2024. There being no comments presented from the public, such hearing was closed.

The Board discussed the setting of the 2024 tax rate. Ms. Saucedo confirmed that that the notice of the Board's intention to adopt a rate had been published in accordance with all legal requirements and as directed at the previous meeting. After discussion on the matter, Director Rueschhoff moved that: (i) the Board levy a 2024 debt service tax rate of \$0.435 per \$100 of valuation and a 2024 maintenance tax rate of \$0.24 per \$100 of valuation, resulting in a total 2024 tax rate of \$0.675 per \$100 of valuation, and (ii) the Order Levying Taxes attached hereto as **Exhibit F** be adopted in connection therewith and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Olsen seconded said motion, which carried unanimously.

AMENDMENT TO DISTRICT INFORMATION FORM

Mr. Creed presented and discussed with the Board an Amendment to the First Amended and Restated District Information Form relative to the District's tax rate. After discussion regarding said form, Director Rueschhoff moved that the Amendment to the First Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Olsen seconded said motion, which carried unanimously.

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

RATE ORDER

The Board next considered amendment of the District's Rate Order, including but not limited to an adjustment based on the reduction in groundwater pumpage fee charged by the San Jacinto River Authority. Following discussion and consideration of various budgetary and operational issues for the District, Director Rueschhoff moved that the Board not make any changes to its Rate Order at this time. Director Kessler seconded the motion, which unanimously carried.

ENGINEER'S REPORT

Mr. VanderWilt next presented to the Board a written Engineer's Report, dated October 1, 2024, a copy of which report is attached hereto as **Exhibit H**, relative to the status of various projects within the District.

Mr. VanderWilt addressed the Board with regard to the status of recoating of Ground Storage Tank No. 1 (the "Project"). He advised that ten (10) bids were received for the Project, and that Pape-Dawson recommends the contract for the Project be awarded to CFG Industries, LLC ("CFG") in the amount of \$210,250.00 (base bid plus alternates). Following discussion, Director Olsen moved that the Board award the contract for the Project to CFG, as discussed and recommended by Pape-Dawson, and that the associated Texas Ethics Commission Form 1295 provided by CFG be accepted and acknowledged by the District. Director Kessler seconded the motion, which unanimously carried.

Mr. VanderWilt next provided the Board with an update concerning the Water Plant Ground Storage Tank Replacement and Hydropneumatic Tank Recoating by C3 Constructors, LLC ("C3"), and advised that the contractor has completed the project. Mr. VanderWilt further advised that the District is in receipt of Pay Estimate No. 11 and Pay Estimate No. 12 and Final in the amounts of \$1,080 and \$70,340, respectively, as well as Change Order No. 2 in the reduction amount of \$34,700, copies of which are attached to the Engineer's Report. Following discussion, Director Olsen moved that the Board approve payment of Pay Estimate No. 11, Pay Estimate No.

12 and Final, and Change Order No. 2 as recommended. Director Kessler seconded the motion, which unanimously carried.

Mr. VanderWilt next advised that Harris County Water Control and Improvement District No. 92 ("No. 92") recently received a Notice of Enforcement for Compliance Investigation from the Texas Commission on Environmental Quality ("TCEQ") related to operation of the joint wastewater treatment plant, a copy of which is attached to the Engineer's Report. He further advised that No. 92 is addressing this matter with the TCEQ.

Mr. VanderWilt next reminded the Board that, at the previous meeting, it approved a proposal provided by Better Deal Lawns, LLC to repair erosion in and around the backslope interceptor structures located along the drainage channel and to refresh the rip rap located at the end of the drainage channel. He advised that Better Deal Lawns, LLC has provided an additional proposal to install 100' of cable, a guard rail post, and a sign in the amount of \$2,550. Following discussion, Director Olsen moved that the Board approve the additional proposal. Director Kessler seconded the motion, which unanimously carried.

Ms. Saucedo exited the meeting at this time.

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.

Ms. Newsom exited the meeting at this time.

TOUCHSTONE DISTRICT SERVICES

The Board next discussed the status of the District's website. Ms. Dehoyos addressed the Board with regard to the status of the District's new website. Following discussion, Director Kessler moved that (i) termination of the District's Service Agreement with Off Cinco, and (ii) approval of a Consulting Agreement between the District and Touchstone, a copy of which is attached hereto as **Exhibit I**, be ratified and approved in all respects. Director Olsen seconded the motion, which unanimously carried.

Ms. Dehoyos advised the District's prior email addresses should be switching over soon. She noted that a link to the new website will be distributed for Board review and that after any comments are addressed it will become operational.

Ms. Dehoyos exited the meeting at this time.

**SPRING TRAILS COMMUNITY ASSOCIATION (THE "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. Mr. Creed advised that SPH is in the process of preparing a standard policy establishing criteria for tree removal from District maintained property, as well as a form of agreement in connection with same. No action was taken by the Board at this time.

A discussion ensued regarding a request from a resident for the District to maintain a damaged tree located behind her home located along Geneva Hills Lane. Following discussion of the relevant facts and circumstances, the Board declined the request.

A discussion ensued regarding a request from a resident for the District to remove trees located behind his home located at 2702 and 2706 Andrew Springs Lane. Following discussion of the relevant facts and circumstances, the Board declined the request.

Mr. Cox entered the meeting at this time.

Mr. Creed advised that the resident located at 28419 Ryans Ridge Lane recently requested that Board remove fallen branches located within the greenbelt. The Board noted this property is to be maintained by the Association, and requested that the resident be notified accordingly.

WORKSHOPS AND/OR PROFESSIONAL DEVELOPMENT PROGRAM

A discussion ensued regarding the workshop recently held on September 12, 2024, by H2O, the upcoming workshop scheduled to be held on October 9, 2024, related to exercise of the District's Emergency Response Plan, and other potential programs for the Board. No action was taken by the Board at this time.

FUTURE DISTRICT PROJECTS AND INITIATIVES

The Board next considered future District projects and initiatives. No action was taken by the Board at this time.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Creed presented correspondence from McCall, Parkhurst & Horton, L.L.P., the District's continuing disclosure counsel, relative to the annual filing report pursuant to SEC Rule 15c2-12 and Annual Financial and Operating Report (the "Report") regarding same, attached hereto as **Exhibit J**. Upon motion made by Director Kessler and seconded by Director Olsen, the Board unanimously approved the Report and the filing of same.

EXECUTIVE SESSION

The President announced that the Board was entering into executive session pursuant to Texas Government Code Section 551.171 at 2:40 p.m., concerning item 23(b) on the agenda. At this time all those present, with the exception of the Board, Mr. Creed, Ms. Eddlemon, and Mr. Cox exited the meeting.

At 3:30 p.m., the President announced that the Board would reconvene in Open Session. Upon motion by Director Kessler, seconded by Director Rueschhoff and unanimously carried, the Board directed Mr. Cox to move forward with his legal representation of the District in this matter as discussed in Executive Session, including but not limited to contacting the Association's legal counsel and the filing of a lawsuit if necessary.

Ms. Eddlemon exited the meeting at this time.

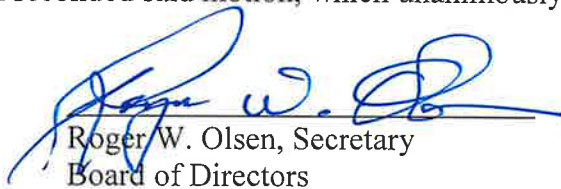
FUTURE AGENDA ITEMS

A discussion ensued regarding authorizing a request for a proposal for engineering services for the District. Following discussion, Director Kessler moved that SPH be authorized to request a proposal for engineering services from Quiddity Engineering, LLC, for consideration at the next regularly scheduled meeting. Director Rueschhoff seconded the motion, which unanimously carried. The Board requested that an item concerning presentation and consideration of the proposal be added to the next agenda.

ADJOURN

There being no further business to come before the Board, Director Pachulio 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	Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
EXHIBIT D	Drainage Facilities Report
EXHIBIT E	Tax Assessor/Collector's Report
EXHIBIT F	Order Levying Taxes
EXHIBIT G	Operations Report
EXHIBIT H	Engineer's Report
EXHIBIT I	Consulting Agreement between the District and Touchstone
EXHIBIT J	Annual Financial and Operating Report