

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94
Minutes of Meeting of Board of Directors
May 7, 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 May 7, 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"); 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"); Sergeant Joshua Orr of the Montgomery County Constable's Office ("MCCO"); 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 March 14, 2024, April 2, 2024, and April 25, 2024. A revision was noted to page four (4) of the minutes of the meeting held on April 2, 2024. After discussion, it was moved by Director Olsen that the minutes of the Board meetings held on March 14, 2024, and April 25, 2024 be approved, as written, and that the minutes of the April 2, 2024, Board meeting be approved, as revised. Director Kessler seconded the motion, which unanimously carried.

ACCEPTANCE OF QUALIFICATION STATEMENTS, AFFIDAVITS OF CURRENT DIRECTOR, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, BONDS, AND OATHS OF OFFICE

The Board next considered the acceptance of Qualification Statements, Elections Not to Disclose Certain Information, Bonds, and Oaths of Office for John Kessler and Michael Pachulo, including the acceptance of Affidavits of Current Director. In that regard, Mr. Kessler and Mr. Pachulo presented their Statements of Elected Officer, Oaths of Office, Official Bonds, Elections Not to Disclose Certain Information, and Affidavits of Current Director. After discussion on the matter, it was moved by Director Rueschhoff, seconded by Director Kesler and unanimously carried that the Board approve said Bonds, accept said Statements of Elected Officers, Elections Not to Disclose Certain Information, Oaths, and Affidavits of Current Director and declare John Kessler and Michael Pachulo to be duly elected and qualified Directors of the District.

ELECTION OF OFFICERS

The Board next considered re-organization of the officers of the Board of Directors. The Board members concurred to have all officers remain in their current offices.

DISTRICT REGISTRATION FORM

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Creed explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TECQ within thirty (30) days after an election or appointment. He advised that, with the Board's approval, SPH will complete the District Registration Form to include newly elected directors' terms of office and will file the form with the TCEQ. After further discussion of the matter, Director Rueschhoff moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Kessler seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST

Mr. Creed next advised the Board that the District is required to maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers, in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Rueschhoff moved that SPH be authorized to update the District's list of local government officers as required by law. Director Kessler seconded said 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 April 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 purchase of

new patrol vehicles to be utilized within the District. In that regard, he advised that one of the vehicles is in service, and that remaining vehicle is expected to be in service within one to two weeks.

Director Rueschhoff inquired about scheduling of a safety course and inspection for golf carts and/or ATV's within the District to be held in June, and the coordination of same among the District, MCCO, and Montgomery County Municipal Utility District No. 119 ("No. 119"). Following discussion, Sergeant Orr advised he would communicate the idea to MCCO. Mr. Creed stated he would present the idea to No. 119's attorney for consideration as well as the ability of the two Board presidents to communication directly on the matter.

Sergeant Orr exited the meeting at this time.

REPORT BY REPUBLIC SERVICES, INC. ("REPUBLIC")

The Board deferred a report from Republic until later in the meeting.

Mr. Creed advised that the District is in receipt of correspondence from Republic regarding its annual Consumer Price Index ("CPI") increase effective as of June 1, 2024, a copy of which is attached hereto as **Exhibit B**. He noted that the Board will consider an amendment to the District's Rate Order in connection with same, later in the meeting.

STORMWATER MANAGEMENT PROGRAM AND DRAINAGE FACILITIES REPORT

It was noted that a representative of Storm Water Solutions, L.P. ("SWS") was not in attendance at the meeting, but that a copy of the Drainage Facilities Report had been provided, a copy of which is attached hereto as **Exhibit C**. Mr. VanderWilt advised that SWS has provided a proposal in the amount of \$3,000, a copy of which is included with **Exhibit C**, to dye test and televise four (4) sinkholes located within the District. Discussions ensued regarding safety concerns, the timeframe to complete this project, and the best procedures for addressing future sinkhole repairs. The Board then considered authorizing H2O to tape off and secure the area around the sinkholes, to televise the four (4) sinkholes, as needed, and to make any necessary repairs. Following discussion, Director Rueschhoff moved that H2O be authorized to tape off and secure the manholes as soon as possible, to televise the four (4) sinkholes, as needed, and to make any necessary repairs, subject to the costs for same not exceeding \$15,000 per sinkhole. Director Kessler seconded the motion, which unanimously carried. Mr. VanderWilt advised that he would notify SWS that H2O will be performing this work.

A discussion ensued concerning the establishment of procedures to ensure the timely identification and repair of future sinkholes. The Board requested that SPH prepare a memorandum to set forth such procedures and to be considered for approval at the next meeting.

Ms. Nussa entered the meeting during the discussion above.

REPUBLIC

Ms. Nussa next addressed the Board on behalf of Republic and presented a verbal report. She advised that certain residents have placed bricks in the trash, and noted that this material damages the trucks. The Board requested that a flyer regarding waste acceptance protocols be placed on the District's website and in customer water bills. No action was taken by the Board at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Saucedo then presented and reviewed the Tax Assessor/Collector's Report for the month of April 2024, including a delinquent account listing as of May 2, 2024, copies of which are attached hereto as **Exhibit D**. She also presented a tax exemption analysis, a copy of which is included with **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 Olsen seconded the motion, which carried unanimously.

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.

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 E**, and reviewed same with the Board.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 37992. He advised that the customer has requested an adjustment on their account due to high bills for the months of January and February 2024. After discussion on the matter and consideration of the relevant facts and circumstances, Director Kessler moved that the customer's request be denied. Director Rueschhoff seconded the motion, which unanimously carried.

CONSUMER CONFIDENCE REPORT

The Board considered the approval of a Consumer Confidence Report ("CCR") and authorizing the distribution of same to customers of the District. After discussion on the matter, Director Kessler moved that (i) the CCR be approved by the Board, subject to the final review and approval of same by SPH, and (ii) H2O be authorized to distribute same to the District's consumers prior to the July 1, 2024, deadline. Director Olsen seconded said motion, which carried unanimously.

Mr. Minter next advised that H2O is in the process of preparing the Annual Implementation Report regarding the District's Water Conservation Plan, as previously authorized by the Board.

A discussion ensued regarding selling the District's surplus self-contained breathing apparatus ("SCBA") equipment to Harris County Municipal Utility District No. 389 ("No. 389"). Following discussion, Director Kessler moved that H2O be authorized to coordinate selling of the equipment to No. 389, as discussed. Director Rueschhoff seconded the motion, which unanimously carried. The Board noted the equipment would be sold at its cost value and in "as is" condition.

WATER CONSERVATION PLAN

Mr. Creed next advised the Board that the District previously adopted a Water Conservation Plan ("WCP"), and that pursuant to Title 30, Section 288.2 of the Texas Administrative Code, is required to review and revise its Plan, as applicable, by May 1, 2024, and every five (5) years thereafter. Mr. Minter advised that H2O has updated the District's WCP. Following discussion, Director Kessler moved that the Board approve the updated WCP and adopt the Resolution Regarding Review of Water Conservation Plan, attached hereto as **Exhibit F**. Director Rueschhoff seconded the motion, which unanimously carried.

Mr. Minter next advised that H2O has obtained proposals to replace the fencing at Lift Station No. 2 and Water Plant Nos. 1-2, copies of which are attached hereto as **Exhibit G**. Following discussion, the Board concurred to defer taking action at this time and requested that H2O obtain additional bids and confirmation that Houston Fence Company is the sole source provider of Trex fencing.

Ms. Saucedo exited the meeting at this time.

RATE ORDER

The Board considered amendment of the District's Rate Order in connection with the CPI rate increase by Republic, as briefly discussed earlier in the meeting. Mr. Creed stated the rate increase of \$1.19 raises the cost of solid waste collection from \$17.92 to \$18.90 per home, per month, and the cost of recycling from \$4.02 to \$4.23 per home, per month. Following discussion, it was moved by Director Kessler, seconded by Director Rueschhoff, and unanimously carried, that the Rate Order be amended to increase the monthly rate for residential sanitary sewer services the District charges its customers from \$47.48 to \$48.67, with said amended Rate Order, attached hereto as **Exhibit H**, to be effective as of June 1, 2024, and that any and all rate orders theretofore adopted by the Board be revoked and that the attached Rate Order be passed and adopted as of this date. The Board requested that notice regarding the rate increase be included on customer water bills, and on the Spring Trails Community Association, Inc's (the "Association") website.

Ms. Nussa exited the meeting at this time.

ENGINEER'S REPORT

Mr. VanderWilt next presented to the Board a written Engineer's Report, dated May 7, 2024, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District. He provided the Board with an update concerning the Water Plant Ground Storage Tank Replacement and Hydropneumatic Tank Recoating by C3 Constructors,

LLC, and advised that Costello has provided a proposal in the amount of \$15,000, a copy of which is included with **Exhibit I**, for a construction representative to continue overseeing the project on a daily basis. Following discussion, Director Kessler moved that the Board approve the proposal provided by Costello. Director Rueschhoff seconded the motion, which carried with Directors Rueschhoff, Kessler, Pachuillo, and Olsen voting in favor of the motion, and Director Waymel abstaining.

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 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. Mr. Creed advised that a request has been received from a resident for the District to maintain a dead tree located in the greenbelt near 23753 Tatum Bend Lane. Following discussion, Director Kessler moved that Arbor Tech be authorized to inspect the tree and provide a proposal to fell it, if deemed necessary. Director Olsen seconded the motion, which unanimously carried.

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. Diaz next presented and reviewed a written Bookkeeper's Report dated May 7, 2024, including the District's Investment Report for the month of April 2024, 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, 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.

UNCLAIMED PROPERTY REPORT(S)

The Board next considered the approval of Unclaimed Property Report(s) (the "Report(s)") as of March 1, 2024, and authorization for McLennan and/or ASW to file the Report(s) with the State Comptroller prior to July 1, 2024. After discussion on the matter, Director Kessler moved that McLennan and/or ASW be authorized to file their associated Report(s) with the State

Comptroller prior to July 1, 2024. Director Rueschhoff seconded said motion, which unanimously carried.

STATUS OF WEBSITE

The Board next discussed the status of the District's website. No action was taken by the Board at this time.

WORKSHOPS AND/OR PROFESSIONAL DEVELOPMENT PROGRAM

A discussion ensued regarding the workshop held on April 25, 2024, on the District's Stormwater Management Program. The Board then considered the workshops scheduled to be held on May 23, 2023, by the fire marshal, and on August 1, 2024, by SPH. The Board discussed scheduling of a workshop to be conducted by H2O on September 12, 2024.

FUTURE DISTRICT PROJECTS AND INITIATIVES

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

The Board next considered the status of installation of boulders to restrict access from wooded areas to drainage facilities, as discussed and authorized at a previous meeting. In that regard, Director Kessler advised that this project has been completed at a total cost of \$2,345.08.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In that regard, Mr. Creed presented and reviewed correspondence received from the San Jacinto River Authority (the "SJRA"), a copy of which is attached hereto as **Exhibit K**, advising that a credit will be applied to the District's account in the amount of \$105,479.27.

Mr. Creed next advised that the District is in receipt of two (2) additional pieces of correspondence from the SJRA regarding (i) proposed rate order amendments, and (ii) nomination of a review committee representative, copies of which are attached hereto as **Exhibit L**. A discussion ensued regarding the possibility of the District obtaining surface water from the SJRA. Following discussion, no action was taken by the Board at this time.

Mr. Creed presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit M**, regarding the use of social media by public officials. In connection therewith, Mr. Creed advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

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.

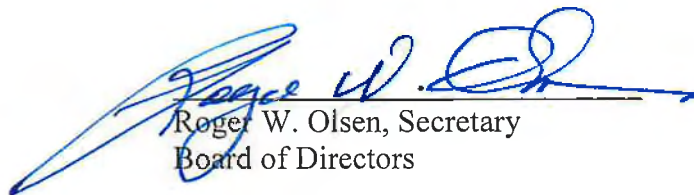
A discussion ensued regarding the status of the District's Emergency Response Plan. No action was taken by the Board at this time.

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.

ADJOURN

There being no further business to come before the Board, Director Kessler moved that the meeting be adjourned. Director Rueschhoff 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	Correspondence from Republic Services, Inc.
EXHIBIT C	Drainage Facilities Report; Proposal
EXHIBIT D	Tax Assessor/Collector's Report; Tax Exemption Analysis
EXHIBIT E	Operations Report
EXHIBIT F	Resolution Regarding Review of Water Conservation Plan
EXHIBIT G	Proposals for Fence Installation
EXHIBIT H	Rate Order
EXHIBIT I	Engineer's Report
EXHIBIT J	Bookkeeper's Report
EXHIBIT K	Correspondence from the San Jacinto River Authority regarding refund to Groundwater Reduction Plan participants
EXHIBIT L	Correspondence from the San Jacinto River Authority regarding (i) proposed rate order amendments, and (ii) nomination of a review committee representative
EXHIBIT M	Memorandum provided by Schwartz, Page & Harding, L.L.P.