

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94
Minutes of Meeting of Board of Directors
March 5, 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 March 5, 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"); Michelle Kincer of Storm Water Solutions LP ("SWS"); Creston Minter of H2O Innovation Operation and Maintenance, LLC ("H2O"); Jorge Diaz of McLennan & Associates, LP ("McLennan"); Barbara Nussa of Republic Services, Inc. ("Republic"); Suzanne Villarreal of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Delia Yanez and Monica Saucedo of Assessments of the Southwest, Inc. ("ASW"); Lieutenant Ken Washington of the Montgomery County Constable's Office ("MCCO"); Chris Arredondo and Mihai Moscalu, members of the public; 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.

Director Rueschhoff requested the District's consultants provide more detailed analysis on the data presented in their respective reports going forward, along with any associated recommendations, so the Board can make informed decisions.

It was noted that the Board would be entering into two separate executive sessions near the end of the meeting under Texas Government Code Sections 551.076 (deliberation regarding security devices or security audits) and 551.071 (consultation with attorney), respectively.

MINUTES OF MEETING(S)

The Board next considered approval of the minutes of the Board meetings held February 6, 2024, February 23, 2024, and February 29, 2024. After discussion, it was moved by Director

Rueschhoff that the minutes of the Board meeting held on February 6, 2024, be approved, as written. Director Kessler seconded the motion, which unanimously carried. The Board deferred approval of the minutes of the meetings held on February 23, 2024, and February 29, 2024.

REPORT FROM THE MONTGOMERY COUNTY CONSTABLE'S OFFICE REGARDING SECURITY

Lieutenant Washington next presented and reviewed a security report provided by the MCCO's office for the month of February 2024, a copy of which report is attached hereto as **Exhibit A**. 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. Mr. Creed advised that SPH is in the process of communicating with the Montgomery County Attorney's Office concerning the treatment of vehicles purchased by the District once they are no longer being actively used under the contract by the MCCO.

The Board advised Lieutenant Washington of the document shred event scheduled to be held within the District on April 20, 2024, and noted that it would be a good opportunity for his officers to meet residents.

FLOCK SAFETY

The Board deferred a proposal from Flock Safety ("Flock") in connection with the installation of motion-activated license plate readers within the District. Ms. Arredondo and Mr. Moscalu addressed the Board at this time regarding their concerns with the cameras provided by Flock. No action was taken by the Board at this time.

Lieutenant Washington exited the meeting at this time.

ENGAGEMENT OF AUDITOR

The Board next considered the engagement of an auditor to prepare the District's audit reports for the fiscal years ending March 31, 2024, and March 31, 2025. Ms. Villarreal advised that the fees for the preparation of each audit report are estimated to be between \$11,750 and \$13,750, and presented and reviewed with the Board an engagement letter, a copy of which is attached as **Exhibit B**. After discussion on the matter, Director Olsen moved that McCall be engaged to prepare the District's annual audit reports for the fiscal years ending March 31, 2024, and March 31, 2025, and that SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 form on behalf of the District. Director Kessler seconded the motion, which unanimously carried.

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

Ms. Villarreal exited 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 D**. She advised that the cost to repair the sinkholes located on Andrew Creek Lane and Chelsea Creek are approximately \$11,945 and \$7,450, respectively. Following discussion, Director Kessler moved that SWS be authorized to repair both of the sinkholes, at a total cost not to exceed \$21,000. Director Rueschhoff seconded the motion, which unanimously carried.

Ms. Kincer next advised that the "no trespassing" sign located along the drainage channel has been replaced, and that the gate to secure alternative access to the drainage channel is being fabricated.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Yanez introduced Ms. Saucedo and presented and reviewed the Tax Assessor/Collector's Report for the month of February 2024, including a delinquent account listing as of February 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 Rueschhoff seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

In connection with the District's delinquent tax collections, Mr. Creed presented to and reviewed with the Board a Delinquent Tax Report provided by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. dated March 5, 2024, a copy of which is attached hereto as **Exhibit F**. No action was taken by the Board at this time.

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.

Mr. Minter reminded the Board that H2O filed an insurance claim for the well motor repair located at water plant no. 1. He advised that the claim was denied by the insurer due to the cost of the repair being less than the applicable deductible.

Mr. Minter advised that painting of the fire hydrants is complete, and that they are in the process of being inspected.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 43315. He advised that the customer has requested that a late fee totaling \$20.00 be

waived on their account. After discussion on the matter and consideration of the relevant facts and circumstances, Director Waymel moved that the customer's request be approved. Director Kessler seconded the motion, which unanimously carried.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 44324. He advised that the customer has requested that a late fee totaling \$21.36 be waived on their account. After discussion on the matter and consideration of the relevant facts and circumstances, Director Olsen moved that the customer's request be approved. Director Kessler seconded the motion, which carried with Directors Rueschhoff, Kessler, Pachuillo, and Olsen voting in favor and Director Waymel voting nay.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 43398. He advised that the customer has requested that a late fee totaling \$228.15 be waived on their account. 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.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 43493. He advised that the customer has requested that a late fee totaling \$23.82 be waived on their account. After discussion on the matter and consideration of the relevant facts and circumstances, Director Olsen moved that the customer's request be approved. Director Kessler seconded the motion, which unanimously carried.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 43621. He advised that the customer has requested that a late fee totaling \$54.88 be waived on their account. After discussion on the matter and consideration of the relevant facts and circumstances, Director Kessler moved that the customer's request be approved. Director Rueschhoff seconded the motion, which unanimously carried.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 42703. He advised that the customer has requested that a late fee totaling \$151.87 be waived on their account. After discussion on the matter and consideration of the relevant facts and circumstances, Director Rueschhoff moved that the customer's request be denied. Director Kessler seconded the motion, which unanimously carried.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 61636. He advised that the customer has requested that he be billed based upon his average consumption rather than actual consumption for recent high bills due to a leak in their home. After discussion on the matter and consideration of the relevant facts and circumstances, Director Waymel moved that the customer's request be denied. Director Pachuillo seconded the motion, which unanimously carried.

Mr. Minter reported with regard to an appeal of District charges received from customer account no. 42802. He advised that the customer has requested that a late fee totaling \$23.53 be waived on their account. After discussion on the matter and consideration of the relevant facts and

circumstances, Director Pachuillo moved that the customer's request be approved. Director Kessler seconded the motion, which unanimously carried.

Mr. Minter requested that an item be included on the agenda for the April meeting for the Board to consider amending the District's Rate Order.

Mr. Minter next advised that the two (2) security cameras at lift station no. 2 have been installed, as previously authorized by the Board.

Mr. Creed next advised the Board that, due to requirements of the San Jacinto River Authority ("SJRA"), the District will need to prepare and file with the Texas Water Development Board ("TWDB") an Annual Implementation Report regarding the District's Water Conservation Plan. Following discussion, Director Kessler moved that H2O be authorized to prepare and file the report with the TWDB prior to the applicable deadline. Director Rueschhoff seconded the motion, which unanimously carried.

CRITICAL LOAD STATUS

As the next order of business, Mr. Creed reported that Section 13.1396 of the Water Code requires that public water suppliers, such as the District, annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, a list of its facilities which qualify for critical load status and various emergency contact information. After discussion on the matter, Director Rueschhoff moved that H2O and/or Costello be authorized to make such annual filing on behalf of the District. Director Olsen seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. VanderWilt next presented to the Board a written Engineer's Report, dated March 5, 2024, a copy of which report is attached hereto as **Exhibit H**, relative to the status of various projects within the District.

Ms. Nussa exited the meeting at this time.

Mr. VanderWilt provided an update regarding conversion of the Water Plant Disinfection System by JCS Industries, Inc. ("JCS"), and advised that the District is in receipt of Pay Estimate No. 1 and Final in the amount of \$58,288.00, a copy of which is attached to the Engineer's Report. Following discussion, Director Rueschhoff moved that the Board approve payment of Pay Estimate No. 1 and Final to JCS. Director Kessler seconded the motion, which unanimously carried.

Ms. Yanez, Ms. Saucedo, and Ms. Kincer exited the meeting at this time.

Mr. VanderWilt reviewed a Memorandum, a copy of which is attached to the Engineer's Report, concerning concrete box culvert video findings and recommendations. Following discussion, Director Rueschhoff moved that SWS be authorized to move forward with removal of

rip rap in the box culvert along Spring Trails Bend, subject to receipt of the cost for same from SWS. Director Kessler 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.

SPRING TRAILS COMMUNITY ASSOCIATION, INC. ("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 revised proposal received from the Association to install a temporary maintenance shed on District-owned property, as discussed last month. Director Olsen advised that he further discussed this matter on-site with the Association President, Mr. Troy Hill, and suggested two (2) alternative locations to install the shed on Association property, which were declined by the Association. No action was taken by the Board at this time.

The Board next considered the status of the Association's approval of the Quitclaim Conveyance of Facilities and First Amendment to Operation, Maintenance and Use Agreement in connection with the community center. In that regard, Mr. Creed advised that these documents have been forwarded to the Association's attorney for review and execution by the Association.

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 March 5, 2024, including the District's Investment Report for the month of February 2024, copies of which are attached hereto as **Exhibit I**. After discussion, it was moved by Director Olsen that the Board (i) approve the Bookkeeper's Report and Investment Report, including check no. 2013 payable to the SJRA, and (ii) authorize the District's Investment Officer to execute the Investment Report on behalf of the Board and the District. Director Pachulo seconded the motion, which carried unanimously.

Mr. Diaz next presented for the Board's review a draft Operating Budget for the District's fiscal year ending March 31, 2025, a copy of which is attached to the Bookkeeper's Report.

Following discussion, Director Olsen moved that the Operating Budget for the District's fiscal year ending March 31, 2025 be adopted, as discussed. The motion was seconded by Director Pachulo and passed unanimously.

The Board requested that, going forward, the District's 5-Year Capital Improvement Plan be attached as a regular part of the monthly Engineer's Report.

Ms. Eddlemon exited the meeting at this time.

UNCLAIMED PROPERTY REPORT

The Board considered authorizing the District's consultants to research unclaimed property and to authorize McLennan to prepare an Unclaimed Property Report as of March 1, 2024. After discussion, Director Kessler moved that the District's Operator, Tax Assessor-Collector and Bookkeeper be authorized to research their records to determine whether or not there is any unclaimed property for the applicable period and that the District's bookkeeper be authorized to prepare an unclaimed property report, if necessary, for the Board's consideration, approval and filing 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 currently scheduled to be held in April 2024 in connection with the Stormwater Management Program, as well as the proposed scheduling of a workshop in May 2024 to be conducted by the fire marshal. It was noted that the Association of Water Board Directors summer conference will be held in June 2024.

EMERGENCY RESPONSE PLAN ("ERP")

The Board next discussed the status of recommended changes to the District's ERP. No action was taken by the Board at this time. It was noted that this item will be discussed in Executive Session.

FUTURE DISTRICT PROJECTS AND INITIATIVES

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

The Board next discussed the proposed conversion of street lights being maintained by the District to LED lights. Director Rueschhoff addressed the Board regarding a proposed LED Street

Light Installation Agreement between the District and CenterPoint Energy Houston Electric, LLC. Mr. Creed advised that he will review the form of agreement and report back to the Board.

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.

EXECUTIVE SESSION

The President announced that the Board was entering into executive session pursuant to Texas Government Code Section 551.076 at 2:40 p.m., to consider the status of any recommended changes to the District's Emergency Response Plan. At this time all those present, with the exception of the Board, Mr. Creed, Mr. VanderWilt, and Mr. Minter exited the meeting.

At 3:09 p.m., the President announced that the Board would reconvene in Open Session. No action was taken with respect to the matters conducted in closed session.

The President announced that the Board was entering into executive session pursuant to Texas Government Code Section 551.071 at 3:09 p.m., to consider consultation with the attorney in connection with the May 2024 Directors Election. At this time all those present, with the exception of the Board and Mr. Creed, exited the meeting.

At 3:33 p.m., the President announced that the Board would reconvene in Open Session.

Ms. Arredondo and Mr. Moscalu re-entered the meeting at this time.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In that regard, Mr. Creed provided the Board with an update concerning the status of the May 2024 Directors Election, as well as the status of the application to be on ballot that had been received from Ms. Arredondo. Mr. Creed summarized the grounds for the District's rejection of the application, as well as communications with the Secretary of State and Ms. Arredondo concerning same. Ms. Arredondo addressed the Board and Mr. Creed concerning same.

SUPPLEMENTAL AGENDA

The Board next considered cancellation of the Directors Election called for May 4, 2024. Mr. Creed advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. In such case, the Board may declare the unopposed candidates to be elected. Mr. Creed then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit J**. After discussion, Director Olsen moved that the Order be adopted by the Board declaring John Kessler and Michael Pachulo elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and

the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled. Director Rueschhoff seconded said motion, which unanimously carried.

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	Engagement Letter – McCall Gibson Swedlund Barfoot PLLC
EXHIBIT C	Customer Service Report (Republic Services, Inc.)
EXHIBIT D	Drainage Facilities Report
EXHIBIT E	Tax Assessor/Collector's Report
EXHIBIT F	Delinquent Tax Report
EXHIBIT G	Operations Report
EXHIBIT H	Engineer's Report
EXHIBIT I	Bookkeeper's Report
EXHIBIT J	Order Declaring Candidates Elected