

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94
Minutes of Meeting of Board of Directors
July 2, 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 July 2, 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"); Delia Yanez of Assessments of the Southwest, Inc. ("ASW"); Michelle Kincer and Travis Benes of Storm Water Solutions LP ("SWS"); Brian Toldan and Ara Zepeda of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Grady Turner of Quiddity Engineering, LLC ("Quiddity"); Sergeant Joshua Orr of the Montgomery County Constable's Office ("MCCO"); and Gordon Cranmer 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 May 23, 2024, and June 4, 2024. After discussion, it was moved by Director Kessler that the minutes of the Board meetings held on May 23, 2024, and June 4, 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 June 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 both of the new vehicles are in service. He further advised that he will follow up with regard to the status of auction of the vehicles that are going out of service.

Sergeant Orr exited the meeting at this time.

Director Kessler provided the Board with an update concerning the safety course/inspection for golf carts and ATV's in the community held on June 23, 2024, that was coordinated with Montgomery County Municipal Utility District No. 119 ("No. 119").

AUDIT REPORT

Mr. Toldan introduced Ms. Zepeda to the Board and presented a draft audit report prepared by McCall for the District's fiscal year ended March 31, 2024, a copy of which is attached hereto as **Exhibit B**. In connection with the District's audit, Mr. Toldan also presented the Board with a Management Letter prepared by McCall, concerning the Board's internal controls over financial reporting (the "Management Letter"), a copy of which is included with **Exhibit B**, which is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. Mr. Cranner further discussed the Management Letter with the Board as well as a draft response to same prepared by SPH ("Management's Response"). After discussion, it was moved by Director Kessler, seconded by Director Rueschhoff and unanimously carried, that (i) the audit report for the fiscal year ended March 31, 2024, be approved, subject to incorporation of any final comments from the Board or the District's consultants, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, (iii) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality, and (iv) the draft Management's Response be approved for inclusion in the final Management Letter.

Mr. Toldan and Ms. Zepeda exited the meeting at this time.

REPORT BY REPUBLIC SERVICES, INC.

Ms. Nussa next addressed the Board on behalf of Republic and presented a verbal report. No action was taken by the Board at this time.

BOOKKEEPER'S REPORT

Mr. Diaz next presented and reviewed a written Bookkeeper's Report dated July 2, 2024, including the District's Investment Report for the month of June 2024, copies of which are attached hereto as **Exhibit C**. 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.

The Board requested that the Bookkeeper's Report be moved up on future meeting agendas

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 pipe gate and boulders have been installed at the drainage channel, the void repair has been completed at the concrete structure near the outfall channel, and that the rip rap has been removed from the box culverts located at Spring Trails Bend and Emilee Point Lane, all as previously authorized by the Board.

A discussion ensued regarding page twelve (12) of the report depicting erosion on District-owned property that appears to be the result of a resident's faulty irrigation system. It was noted that the irrigation system is leaking water and causing damage to the District's drainage facilities. Following discussion, the Board directed SPH to prepare and send a letter to the resident advising they have fourteen (14) days to repair their irrigation system in order to prevent further damage to District property. It was noted that the District may back-charge the resident for costs associated with erosion repair to District property.

A discussion ensued regarding erosion at backslope interceptors. The Board requested that SWS investigate the areas of concern and provide recommendation for repair(s) at the next meeting.

RESOLUTION ADOPTING POLICY FOR SECURING AND REPAIRING SINKHOLES ASSOCIATED WITH DISTRICT PROPERTY AND/OR FACILITIES

The Board next considered adoption of a Resolution Adopting Policy for Securing and Repairing Sinkholes Associated with District Property and/or Facilities (the "Resolution"), attached hereto as **Exhibit E**. A discussion ensued regarding same. Following discussion, Director Kessler moved that the Board adopt the Resolution and that the President be authorized to execute same on behalf of the Board and the District. Director Olsen seconded the motion which unanimously carried.

Mr. Benes and Ms. Kincer exited the meeting at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Yanez then presented and reviewed the Tax Assessor/Collector's Report for the month of June 2024, including a delinquent account listing as of May 30, 2024, copies of which are attached hereto as **Exhibit F**. 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

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.

Ms. Yanez exited the meeting 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. He advised that H2O has obtained three proposals to replace the fencing with wood fencing at Lift Station Nos. 1-2 and Water Plant No. 2, copies of which are included with **Exhibit G**. Following discussion, Director Kessler moved that the Board approve the proposal provided by Turnbuckle Fencing, LLC. Director Olsen seconded the motion, which unanimously carried.

STATUS OF CONSTRUCTION OF NEW CONCRETE WASTEWATER TREATMENT PLANT

Mr. Turner next addressed the Board on behalf of Quiddity and provided an update concerning the status of construction of the new concrete wastewater treatment plant by No. 119 on behalf of itself and the District. In that regard, he presented and reviewed a Project Status Memo, a copy of which is attached hereto as **Exhibit H**. The Board asked several questions, to which Mr. Turner responded. Following discussion, the Board thanked Mr. Turner for his presentation. No action was taken by the Board at this time.

ENGINEER'S REPORT

Mr. VanderWilt next presented to the Board a written Engineer's Report, dated July 2, 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 ("C3"), and advised that the contractor completed the tank yesterday and that it will be online today or tomorrow. Mr. VanderWilt further advised that the District is in receipt of Pay Estimate No. 8 in the amount of \$126,900, a copy of which is attached to the Engineer's Report, and that Pape-Dawson recommends authorizing a change order to the contract in the amount of \$18,100 as discussed in the report. Following discussion, Director Kessler moved that the Board approve payment of Pay Estimate No. 8 and authorize Change Order No. 1 to C3. Director Rueschhoff seconded the motion, which unanimously carried.

Mr. VanderWilt next discussed the electrical evaluation and repair schedule for the Joint Wastewater Treatment Plant received from Harris County Water Control and Improvement District No. 92 ("No. 92"), that was previously provided to the Board. He reminded the Board that, at the previous meeting, it was requested that he review the previous six (6) months of invoices received from No. 92 for wastewater treatment services to determine if costs related to this matter have been previously billed to the District. Mr. VanderWilt advised that it appears there were capital expenses that were itemized on one of No. 92's invoices to the District. He noted that a summary of the billings is included as part of the Engineer's Report. Mr. Cranney advised that an item related to the reimbursement of the District's Operating Account for any related costs previously expended will be included on the next agenda.

In connection with construction of the new concrete wastewater treatment plant by No. 119 Mr. VanderWilt advised that the District is in receipt of Pay Estimate No. 2 from No. 119, in the total amount of \$674,978.43, 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. 2, as presented and as recommended by Mr. VanderWilt. Director Rueschhoff seconded the motion, which unanimously carried.

**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 criteria for tree removal from District maintained property, including entering into a contract with a vendor for tree removal services. Following discussion, the Board concurred to defer taking action on this matter at this time.

A discussion ensued regarding the status of the request from a resident for the District to maintain a tree located in the greenbelt area near Ryansbrook Lane. It was noted that the tree is located on property owned and maintained by the Association. Mr. Craner advised he would review the Amended and Restated Operation and Maintenance Agreement (the "Agreement") between the District and the Association to determine the party responsible for maintaining the trees in this area, and that SPH will respond to the resident accordingly. The Board concurred that, if the District is the party responsible for maintenance or removal of the trees, SPH be authorized to contact Trees by Frank to obtain a proposal for same.

A discussion ensued regarding a request from a resident for the District to maintain a damaged tree located behind his home located on 2307 Keegan Hollow Lane. It was noted that the tree is located on property owned by the Association, and that the resident has contacted the Association regarding this matter and has not received a response. Following discussion, the Board requested that SPH notify the Association of its obligation to maintain recreational areas located within the District pursuant to the terms and conditions of the Agreement between the District and the Association.

Mr. Craner next advised that the District is in receipt of a request from a resident who resides at 1938 Katlyn Lane, to remove poison ivy behind her home. Following discussion, the Board concurred that removal of the poison ivy is not the responsibility of the District, and that the resident has the authority to remediate the matter.

A discussion ensued regarding the status of the request from a resident for the District to remove a tree located in the greenbelt near 1311 Eden Meadows. It was noted that part of the tree fell onto the house and damaged the roof, and that Trees by Frank investigated the area and recommends the tree be removed due to safety concerns. Following discussion, Director Kessler moved that Trees by Frank be authorized to remove the tree at a cost not to exceed \$500. Director Pachuillo 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.

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 workshops scheduled to be held on August 1, 2023, by SPH, and on September 12, 2024, by H2O. The Board discussed scheduling a workshop in October 2024 to exercise the District's Emergency Response Plan.

FUTURE DISTRICT PROJECTS AND INITIATIVES

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

ELECTRONIC STORAGE OF DISTRICT RECORDS; REQUEST FROM RECORDS MANAGEMENT OFFICER

Mr. Cranner presented to and reviewed with the Board a memorandum from SPH, which is attached hereto as **Exhibit J**, regarding the legal requirements to electronically store District records and destroy the paper copies of such records. Following discussion, the Board deferred adoption of a Resolution Adopting Records Retention Schedules and Policies and Procedures for Electronic Storage of District Records, as well as a request from the Records Management Officer to destroy certain records of the District, until the next meeting.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Cranner advised the Board that he had nothing additional to discuss with the Board of a legal nature which was not covered under specific agenda items.

EXECUTIVE SESSION

The President announced that the Board was entering into executive session pursuant to Texas Government Code Section 551.171 at 2:44 p.m., concerning item 22(c) on the agenda. At this time all those present, with the exception of the Board, Mr. Cranner, Ms. Eddlemon, and Mr. VanderWilt exited the meeting.

At 3:14 p.m., the President announced that the Board would reconvene in Open Session. A discussion ensued regarding unauthorized construction on District owned property. Following

discussion, Director Kessler moved that SPH be authorized to prepare and send correspondence to the Association's attorney to address this matter. Director Olsen seconded the motion, which unanimously carried.

POSSIBLE FUTURE AGENDA ITEMS

The Board next considered additional items for placement on future agendas. The Board requested that an item be included on the next agenda for the Board to discuss contracting with an alternative website provider.

Mr. VanderWilt exited the meeting at this time.

A discussion ensued regarding proposed changes to be made to the District's Emergency Response Plan. No action was taken by the Board at this time.

ADJOURN

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


Roger W. Olsen, Secretary
Board of Directors

LIST OF EXHIBITS

EXHIBIT A	Security Report
EXHIBIT B	Draft Audit Report
EXHIBIT C	Bookkeeper's Report
EXHIBIT D	Drainage Facilities Report
EXHIBIT E	Resolution Adopting Policy for Securing and Repairing Sinkholes Associated with District Property and/or Facilities
EXHIBIT F	Tax Assessor/Collector's Report
EXHIBIT G	Operations Report
EXHIBIT H	Project Status Memo provided by Quiddity
EXHIBIT I	Engineer's Report
EXHIBIT J	Memorandum provided by Schwartz, Page & Harding, L.L.P.