

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 94
Minutes of Meeting of Board of Directors
February 4, 2020

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 February 4, 2020, at 1300 Post Oak Boulevard, Suite 1400, Harris County, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Jim Spitzmiller, President
Jason Schultz, Vice President
Joseph Frost, Secretary
Merry Leonard, Assistant Secretary
Eric Lugger, Assistant Secretary

and all of said persons were present, with the exception of Directors Frost and Leonard, thus constituting a quorum.

Also present were Jon VanderWilt of Costello, Inc. ("Costello"); Michael Williams and Jamie Reib of Gulf Utility Services, Inc. ("Gulf Utility"); Jorge Diaz of McLennan & Associates, LP ("McLennan"); Brittany Bogard of Assessments of the Southwest, Inc. ("ASW"); Justin Klump of Storm Water Solutions, LP ("SWS"); Barbara Nussa of Republic Services, Inc. ("Republic"); Ronny Glaze of the Montgomery County Constable's Office ("MCCO"); Jerry Rueschhoff and John Rigsdell, residents of the District; and Spencer Creed and Kristin 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 it.

PUBLIC COMMENTS

Mr. Rigsdell made inquiries regarding election voting procedures and reimbursement of eligible director expenses, to which Mr. Creed responded. The Board deferred the adoption of a Resolution Adopting Public Comment Policies and Procedures.

MINUTES OF MEETING

The Board considered approval of the minutes of the Board meeting held on January 7, 2020. After discussion on the matter, it was moved by Director Schultz, seconded by Director Lugger and unanimously carried, that the minutes of the Board meeting held on January 7, 2020, be approved, as written.

REPORT FROM THE MONTGOMERY COUNTY CONSTABLE'S OFFICE REGARDING SECURITY

Mr. Glaze next presented and reviewed the security report for the month of January 2020, a copy of which report is attached hereto as **Exhibit A**, and discussed recent activities within the District. A discussion ensued regarding the proposed addition of a fourth deputy to the District's security contract. Mr. Creed reviewed the updated proposal for same, and noted that a copy of the proposal was provided to the Board prior to today's meeting. Following discussion on the matter, Director Lugger moved that the Board approve the addition of a fourth deputy to the District's security contract, subject to review by SPH of the updated Interlocal Agreement for Law Enforcement Services between the District and Montgomery County. Director Spitzmiller seconded the motion, which unanimously carried.

Mr. Glaze exited the meeting at this time.

ENHANCED ENERGY SERVICES OF AMERICA, LLC ("EES")

Mr. Creed next reminded the Board that, at the previous meeting, it engaged EES as the District's exclusive electricity broker for the period of February 1, 2020, through April 30, 2020, and authorized the President to execute EES's letter of authorization. He advised that the letter has been provided to EES, and that EES will obtain pricing information during the above period for the Board's consideration.

REPORT BY REPUBLIC SERVICES, INC.

Ms. Nussa next addressed the Board on behalf of Republic and presented a report, a copy of which is attached hereto as **Exhibit B**. She advised that the District's document shred event is scheduled to be held on April 4, 2020. The Board requested that notice regarding the event be included in customer water bills and in the homeowners association's newsletter.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Bogard next presented and reviewed with the Board the Tax Assessor/Collector's Report for the month of January 2020, including a delinquent listing as of January 31, 2020, copies of which are attached hereto as **Exhibit C**. After discussion, it was moved by Director Spitzmiller that the Tax Assessor/Collector's Report be approved and the disbursements identified therein be approved for payment. Director Lugger 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 February 4, 2020, a copy of which is attached hereto as **Exhibit D**. The Board noted no action was required on its part in connection with this item.

OPERATIONS REPORT

The Board next considered the Operations Report. Mr. Williams distributed a written report prepared by Gulf Utility, a copy of which is attached hereto as **Exhibit E**, and reviewed same with the Board.

Mr. Williams reported that Ms. Theresa Johnson of 28330 Hollow Springs Lane had contacted Gulf Utility to request that the Board grant her a payment plan on her balance of \$430.29. A copy of Ms. Johnson's appeal is attached to the Operations Report. After discussion on the matter, Director Schultz moved that Gulf Utility offer such payment arrangement to Ms. Johnson to satisfy her delinquent bill. Director Spitzmiller seconded the motion, which unanimously carried.

Mr. Williams next reported that Mr. James Julian of 2307 Marblecrest Lane had contacted Gulf Utility to request that the Board waive a late fee charged to his account in the amount of \$17.79. A copy of Mr. Julian's appeal is attached to the Operations Report. After discussion on the matter and consideration of the circumstances of the appeal, Director Luger moved that Gulf Utility be authorized to waive the late fee charged to Mr. Julian's account, in the total amount of \$17.79. Director Spitzmiller seconded the motion, which unanimously carried.

Mr. Williams next reported that Mr. and Mrs. McEldowney of 28335 Hollow Springs Lane had contacted Gulf Utility to request that the Board waive a late fee charged to their account in the amount of \$21.62. A copy of the McEldowney's appeal is attached to the Operations Report. After discussion on the matter and consideration of the circumstances of the appeal, Director Spitzmiller moved that Gulf Utility be authorized to waive the late fee charged to the McEldowney's account, in the total amount of \$21.62. Director Luger seconded the motion, which unanimously carried.

Mr. Williams next reported that Mr. and Mrs. LaSalle of 28323 Ryans Ridge Lane had contacted Gulf Utility to request that the Board waive all delinquent fees charged to their account in the amount of \$140.42. A copy of the LaSalle's appeal is attached to the Operations Report. After discussion on the matter and consideration of the circumstances of the appeal, Director Spitzmiller moved that Gulf Utility be authorized to waive the delinquent fees charged to the LaSalle's account, with the exception of the disconnect fee charged to the customer pursuant to the terms of the District's Rate Order. Director Luger seconded the motion, which unanimously carried.

The Board next requested that the total arrears amounts and operating expenses for the previous month be included on future Operations Reports on the financial report page.

The Board next discussed potential referral of delinquent accounts to a collection agency. Mr. Williams advised that Gulf Utility does not currently refer delinquent accounts to a collection agency, but that he can obtain a proposal for same if the Board is interested. He then presented and reviewed a list of accounts deemed as uncollectible by Gulf Utility, a copy of which is included with the Operations Report. Following discussion, Director Spitzmiller moved that the Board (i) defer review of a proposal to engage a collection agency and (ii) authorize Gulf

Utility to write off the subject delinquent accounts as uncollectible. Director Schultz seconded the motion, which unanimously carried.

ENGINEER'S REPORT

Mr. VanderWilt presented to the Board a written Engineer's Report, dated February 4, 2020, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Mr. VanderWilt provided the Board with an update concerning the status of improvements to the wastewater treatment plant by Montgomery County Municipal Utility District No. 119 ("No. 119"). He advised that No. 119's engineer provided correspondence to the District regarding Pay Estimate No. 1 in the total amount of \$212,357.70. A copy of said correspondence is attached to the Engineer's Report. Mr. VanderWilt noted that the District's share of the estimate is \$4,719.60.

Mr. VanderWilt addressed the Board regarding the status of the repair of the unauthorized drainage swale within the District by the homebuilder(s) working within No. 119. He advised that No. 119 has repaired the area of the unauthorized swale and constructed the new drainage swale, and that he has inspected the area and found it to be in satisfactory condition.

Mr. VanderWilt next advised that he inspected a reported drainage issue located within Section 3 and found no District related issues impeding drainage in the area. He further advised that he inspected the drainage outfall channel discussed at the previous meeting and found that there was some erosion and the rip rap is not properly placed. Mr. VanderWilt stated that he will attempt to get a proposal from the original contractor to make the necessary repairs to the outfall channel for review by the Board.

ANNUAL REVIEW OF WAGE RATE SCALE

Mr. Creed presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, attached hereto as **Exhibit G**. He reviewed various provisions of the Resolution with the Board. He informed the Board that the District previously adopted the Department of Labor's wage rates for Montgomery County, and noted that Costello is recommending that the District adopt the Department of Labor's updated wage rates. After discussion and consideration of the proposed Resolution, Director Schultz moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the updated wage rates for the Department of Labor and that the President and Assistant Secretary be authorized to execute same on behalf of the Board and the District. Director Spitzmiller seconded said motion, which unanimously carried.

ASSOCIATION CONSTRUCTION PROJECTS WITHIN DISTRICT PROPERTY AND RELATED COMMUNICATIONS

The Board next considered review of proposals to remove gravel and re-establish the topsoil within the area adjacent to the former wastewater treatment plant access road, as well as

to install a barrier to prevent vehicular traffic through the area. The Board reviewed and discussed proposals provided by Silversand Services and Gulf Utility, copies of which are attached hereto as **Exhibit H**. Following discussion and review of the proposals, Director Schultz moved that Gulf Utility be authorized to request additional proposals for this project and coordinate execution of a proposal by the President prior to the next meeting. Director Lugger seconded the motion, which unanimously carried.

STORMWATER MANAGEMENT PROGRAM

Mr. Klump next presented to and reviewed with the Board the Year 1 Annual Report and Training Summary (the "Summary"), and Phase II (Small) MS4 Annual Report (the "Annual Report"). Copies of the Summary and Annual Report are attached hereto as **Exhibit I**. After discussion, Director Lugger moved that the Annual Report be approved as presented, and that the President be authorized to execute the Annual Report on behalf of the Board and the District. Director Schultz seconded said motion, which carried unanimously.

Mr. Klump noted that a utility bill insert is being provided for inclusion in the April bills. He further noted that once the District's Storm Water Management Plan has been approved by the Texas Commission on Environmental Quality, it will be posted to the District's website and cleanbayous.org.

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 February 4, 2020, including the District's Investment Report for the month of January 2020, copies of which are attached hereto as **Exhibit J**. After discussion, it was moved by Director Spitzmiller that the Board approve the Bookkeeper's Report and Investment Report, and authorize the District's Investment Officer to execute the Investment Report on behalf of the Board and the District. Director Lugger seconded the motion, which carried unanimously. The Board concurred that it is not necessary to amend the District's budget at this time.

Mr. Rigsdell exited the meeting at this time.

STATUS OF WEBSITE

The Board considered the status of the District's website. It was noted that Apollo IT Consulting, LLC did not provide a report this month.

RENEWAL OF INSURANCE COVERAGES

The Board considered renewal of the District's insurance coverages. Mr. Creed advised the Board that, as requested at a previous meeting, SPH requested a renewal proposal from Arthur J. Gallagher & Co. for the Board's consideration. He advised the Board that the District's current insurance policies are due to expire on March 31, 2020. Mr. Creed noted that the current proposal includes the leased generator equipment located at the District's water plant, and that such equipment will be removed from the proposal as the generator is not required to be insured by the District. Following discussion, Director Schultz moved that the Board accept the revised proposal from Arthur J. Gallagher & Co., a copy of which is attached hereto as **Exhibit K**. Director Spitzmiller seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In that regard, Mr. Creed presented to and reviewed with the Board a memorandum prepared by SPH regarding Cybersecurity Training for Certain Local Government Employees and Elected Officials, as contemplated in House Bill No. 3834, a copy of which memorandum is attached hereto as **Exhibit L**.

STATUS OF IMPROVEMENTS AT CARDINAL SPORTS PARK

Mr. Rueschhoff reported on the status of this project.

POSSIBLE FUTURE AGENDA ITEMS

The Board considered 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 Spitzmiller moved that the meeting be adjourned. Director Lugger seconded said motion, which unanimously carried.

/s/ Eric Lugger
Assistant Secretary
Board of Directors

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LIST OF EXHIBITS

EXHIBIT A	Security report for the month of January 2020
EXHIBIT B	Report provided by Republic Services, Inc.
EXHIBIT C	Tax Assessor/Collector's Report
EXHIBIT D	Delinquent Tax Report
EXHIBIT E	Operations Report
EXHIBIT F	Engineer's Report
EXHIBIT G	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
EXHIBIT H	Proposals provided by Silversand Services and Gulf Utility Services, Inc.
EXHIBIT I	Year 1 Annual Report and Training Summary and Phase II (Small) MS4 Annual Report provided by Storm Water Solutions, LP
EXHIBIT J	Bookkeeper's Report
EXHIBIT K	Proposal provided by Arthur J. Gallagher & Co.
EXHIBIT L	Memorandum prepared by Schwartz, Page & Harding, L.L.P. regarding Cybersecurity Training for Certain Local Government Employees and Elected Officials