

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 142

July 12, 2023

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 142 (the "District") met in regular session, open to the public, on the 12<sup>th</sup> day of July, 2023, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX, outside the boundaries of the District, and the roll was called of the duly appointed members of the Board:

|                  |                |
|------------------|----------------|
| Dillon Mills     | President      |
| Fritz Fowler     | Vice President |
| David J. Patrick | Secretary      |
| Connor Lynch     | Director       |
| Cameron Feehan   | Director       |

and all of the above were present except Director Mills and Lynch, thus constituting a quorum.

Also present at the meeting were: Cody Carden, resident of the District; Rick Van den Bosch of Davidson Homes; George Kawaja with A-1 Monument Enterprises, Inc.; Shane Stuckey of Stuckey's LLC; Rahi Patel of Municipal Accounts & Consulting LP; Debbie Arellano of Bob Leared Interests; Michael Sullivan of Bleyl & Associates Project Engineering and Management ("Bleyl"); and Angie Lutz and Arlene Catalan of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Ms. Lutz offered any members of the public attending the meeting the opportunity to make a public comment.

Mr. Carden introduced himself to the Board and expressed interest in joining the Board.

MINUTES

The Board considered approving the minutes of the May 10, 2023, meeting. After review and discussion, Director Fowler moved to approve the minutes of the meeting, as presented. Director Patrick seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

## PROPOSAL AND SERVICE AGREEMENTS FOR MAINTENANCE OF DISTRICT DETENTION FACILITIES

Mr. Stuckey presented a proposal for the maintenance of a 0.77-acre tract to the Board and responded to the Director's questions and comments. Discussion ensued.

Following review and discussion, Director Fowler moved to: (1) approve the proposal; and (2) approve a Service Agreement with Stuckey's, subject to Stuckey's submitting House Bill Form 1295 to the District. Director Patrick seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

Ms. Lutz stated that ABHR would notify the Woods of Conroe Homeowner's Association regarding the District's maintenance of the 0.77-acre tract.

## REPORT REGARDING LEGISLATIVE MATTERS

Ms. Lutz distributed and reviewed the 2023 ABHR Capitol Report of the 88th Regular Session of the Texas Legislature. She summarized significant legislation applicable to municipal utility districts and responded to Board member's questions.

## EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Lutz reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing the execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Lutz explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Montgomery County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Patrick moved to authorize execution of the Amendment to Information Form and to authorize filing with Montgomery County and the TCEQ. Director Feehan seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

## DIRECTOR PER DIEMS

Ms. Lutz stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be

indexed for inflation. After discussion, Director Patrick moved to approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of June 18, 2023. Director Feehan seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING MATTERS

Mr. Patel presented and reviewed a bookkeeper's report, a copy of which is attached, including a list of checks presented for payment.

Mr. Patel presented and reviewed a draft amended budget for fiscal year end December 31, 2023, to include the maintenance of District detention facilities.

Following review and discussion, Director Fowler moved to: (1) approve the bookkeeper's report and pay the bills; and (2) approve amended budget for fiscal year end December 31, 2023. Director Patrick seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

#### APPROVE DEPOSITORY PLEDGE AGREEMENT WITH CENTRAL BANK

Ms. Lutz discussed a Depository Pledge Agreement between the District and Central Bank. She noted that Central Bank is included in the District's list of authorized depository institutions and qualified broker dealers, which includes all banks where the District may maintain authorized depository accounts. After review and discussion, Director Patrick moved to approve the Depository Pledge Agreement with Central Bank and direct that such document be filed appropriately and retained in the District's official records. Director Feehan seconded the motion, which passed by unanimous vote.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano presented and reviewed the tax assessor/collector's report, a copy of which is attached. After review and discussion, Director Patrick moved to approve the tax assessor/collector's report and payment of the tax bills. Director Feehan seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

#### ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

The Board discussed the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2023 tax year.

Following review and discussion, Director Feehan moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developing district for the 2023 tax year, pursuant to Section 49.23603 of the Texas Water Code and direct that the Resolution be filed appropriately and retained in the

District's official records. Director Patrick seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

### ENGINEERING MATTERS

The Board reviewed the engineer's report, a copy of which is attached, and updated the Board on ongoing District projects.

Mr. Sullivan reviewed and recommended approval of Change Order No. 1 to the contract with Bay Utilities, LLC ("Bay Utilities") for Caney Creek Place to increase the contract in the amount of \$67,000.00. The Board determined that Change Order No. 1 is beneficial to the District. Additionally, he reviewed and recommended approval of Change Order No. 2 to the contract to change the date on the TPDES General Permit to reflect the updated National Permit of February 27, 2023. The Board determined that Change Order No. 2 is beneficial to the District.

Mr. Sullivan stated the District has contracted Jones-Heroy & Associates, Inc. ("Jones-Heroy") to prepare the District's bond applications. He requested the Board consider having Bleyl prepare the District's bond applications moving forward. Discussion ensued. Ms. Lutz recommended that the Board continue to with Jones-Heroy due to Bleyl's performance on the District's first bond application. Discussion ensued. After review and discussion, the Board deferred a decision until the District is closer to authorizing the preparation of the next bond application and the entirety of the Board is in attendance.

Mr. Sullivan presented and reviewed a Conflict Waiver from Bleyl for the Courtyards at Barton Park Development to the Board.

After review and discussion, and based on the engineer's recommendation, Director Patrick moved to: (1) approve the engineer's report; (2) approve Change Order No. 1 in the amount of \$67,000.00 as an increase to the contract with Bay Utilities, based upon the Board's finding that the Change Order is beneficial to the District; and (3) approve Change Order No. 2 the date on the TPDES General Permit to reflect the updated National Permit of February 27, 2023. Director Fowler seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

### ANNEXATION MATTERS

Mr. Sullivan reported that the District's annexation of Mackenzie Creek Section 4 is still pending approval from City of Conroe (the "City").

Ms. Lutz discussed the proposed annexation of the approximately 15-acre tract for the Courtyards at Barton Park into the District. The Board reviewed a feasibility report for the annexation, a copy of which is attached to the engineer's report.

The Board considered accepting the Petition for Addition of Certain Land into the District. The Board next considered authorizing the execution of the Petition for Consent to Annex Land. Ms. Lutz reviewed the Petition for Consent. She stated that the Petition will be submitted to the City to request approval of the annexation.

Following review and discussion, Director Fowler moved to: (1) approve the feasibility study; (2) accept the Petition for Addition of Certain Land into the District; and (3) authorize execution and filing of the Petition for Consent to Annex Land into the District. Director Patrick seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

APPROVE ASSIGNMENT OF DEVELOPER REIMBURSABLES AND APPROVES DEVELOPER FINANCING AGREEMENT

Mr. Van den Bosch reported that Dry Creek Capital Investments, LLC (“Dry Creek”) was acquired by BC Conroe, LLC (“BC Conroe”). The Board discussed assigning the Development Financing Agreement (the “DFA”) dated April 5, 2022, between Dry Creek and the District to BC Conroe. Additionally, the Board reviewed an Acknowledgement of Assignment, assigning Dry Creek’s reimbursables to BC Conroe. Following review and discussion, Director Fowler moved to: (1) assigning the DFA to BC Conroe; and (2) approve Acknowledgement of Assignment. Director Feehan seconded the motion. Upon hearing no objections or abstentions from directors, the motion passed unanimously.

DEVELOPMENT IN THE DISTRICT

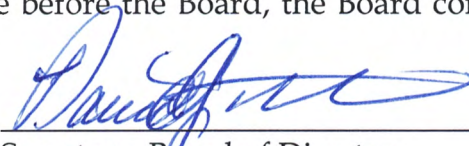
Mr. Van den Bosch updated the Board regarding development in Caney Creek Place.

Mr. Kawaja updated the Board regarding the development of the Courtyards at Barton Park.

NEXT MEETING DATE

The Board concurred to meeting as needed.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

  
Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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