

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 90

August 10, 2023

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 90 (the "District") met in regular session, open to the public, on the 10th day of August, 2023, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas outside the boundaries of the District, and the roll was called of the members of the Board:

Tim Kurtin	President
Richard Fisher	Vice President
Perri D'Armond	Secretary
Wayne McLane	Assistant Vice President
Danny Golden	Assistant Secretary

and all of the above were present except Directors D'Armond and McLane, thus constituting a quorum.

Also attending the meeting were Mitchell Neupert of Robert W. Baird & Co. Inc.; Garrett Robertson of Storm Water Solutions LLC ("SWS"); Lawrence Kupstas of Aurous Development Services, Ltd.; Ron Dechert of Costello, Inc. ("Costello"); Tracey Scott of Myrtle Cruz, Inc. ("Myrtle Cruz"); Robin Goin of Bob Leared Interests ("BLI"); and Greer Pagan and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 11, 2023, regular meeting. After review and discussion, Director Fisher moved to approve the minutes of the May 11, 2023, regular meeting, as presented. Director Golden seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Goin reviewed the tax assessor/collector's report, including the delinquent tax roll and checks presented for payment from the tax account. A copy of the tax assessor/collector's report is attached. She stated 99.7% of the District's 2022 taxes were collected as of July 31, 2023. Following review and discussion, Director Golden moved to approve the tax assessor/collector's report and payment of the tax bills. Director Fisher seconded the motion, which passed unanimously.

DISCUSS 2023 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Mr. Pagan discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding 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.

Mr. Neupert distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.32 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$194,594,093.00, plus \$14,577,672.00 representing 80% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Pagan discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Golden moved to (1) 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, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) set the public hearing date for September 14, 2023; and (3) authorize the tax assessor/collector to publish notice in the Conroe Courier of the District's meeting on September 14, 2023, to set the proposed 2023 total tax rate of \$0.57 per \$100 of assessed valuation, with \$0.32 allocated for debt service on water, sewer, and drainage bonds, and \$0.25 allocated for operations and maintenance. Director Fisher seconded the motion, which passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

The Board reviewed a facility report of the north, middle, and south detention ponds, a copy of which is attached.

ENGINEERING MATTERS

Mr. Dechert reviewed the engineer's report, a copy of which is attached, and updated the Board on pending construction projects in the District.

Mr. Dechert updated the Board regarding construction of the following projects, none of which had any items for the Board's approval: (1) the water, sewer, and drainage facilities to serve Stewarts Ranch, Section 2; and the water, sewer, and drainage improvements to serve Stewarts Forest, Section 1A.

Mr. Dechert updated the Board regarding the water, sewer, and drainage facilities to serve Stewarts Ranch, Section 1 and reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$749,922.30, Pay Estimate No. 6 in the amount of \$879,081.22, and Pay Estimate No. 7 in the amount of \$15,100.39 payable to R Construction Civil, LLC ("R Construction").

Mr. Dechert then reviewed and recommended approval of Change Order No. 3 to the contract with R Construction for the water, sewer, and drainage improvements to serve Stewarts Forest, Section 1 to decrease the contract in the amount of \$15,898.85. The Board determined that Change Order No. 3 is beneficial to the District.

Following review and discussion, Director Golden moved (1) to approve the engineer's report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 5 in the amount of \$749,922.30, Pay Estimate No. 6 in the amount of \$879,081.22, and Pay Estimate No. 7 in the amount of \$15,100.39 for the water, sewer, and drainage facilities to serve Stewarts Ranch, Section 1; and (3) to approve Change Order No. 3 in the amount of \$15,898.85 as a decrease to the contract with R Construction for the water, sewer, and drainage facilities to serve Stewarts Ranch, Section 1 based upon the Board's finding that the Change Order is beneficial to the District. Director Fisher seconded the motion, which passed unanimously.

BOND APPLICATION NO. 5

The Board considered authorizing Costello to begin preparing bond application no. 5. After review and discussion, Director Golden moved to authorize Costello to begin preparing bond application no. 5. Director Fisher seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

Mr. Kupstas generally reported on development matters in the District.

ADOPT ORDER ADDING LAND

There was no discussion on this item.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott reviewed the bookkeeper's report, budget comparison, and schedule of investments and presented the District's bills for payment. A copy of the bookkeeper's report is attached.

Ms. Scott reviewed a draft of the budget for fiscal year ending September 30, 2024, a copy of which is attached to the bookkeeper's report.

Following review and discussion, Director Fisher moved to approve the bookkeeper's report and authorize payment of the bills. Director Golden seconded the motion, which passed unanimously.

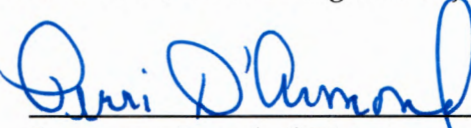
EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Pagan 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. He 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 execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Mr. Pagan 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 Golden moved to authorize execution of the Amendment to Information Form and to authorize filing with Montgomery County and the TCEQ. Director Fisher seconded the motion, which passed unanimously.

DIRECTOR PER DIEMS

Mr. Pagan 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. He 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 Golden moved to approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of June 18, 2023. Director Fisher seconded the motion, which passed unanimously.

There being no further business to consider, the meeting was adjourned.


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax assessor/collector's report	1
Tax rate analysis	2
SWS report	2
Engineer's report.....	2
Bookkeeper's report.....	3