

MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 205

MINUTES OF MEETING OF BOARD OF DIRECTORS

January 17, 2024

The Board of Directors (the "Board") of Montgomery County Water Control and Improvement District No. 205 (the "District") met in regular session, open to the public, on Wednesday, January 17, 2024, at 11:00 a.m., in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Erica Sinner, President
Alene Frey, Vice President
Chad P. Collins, Secretary
Dana Neuneker, Assistant Secretary
Elaine Balagia, Assistant Secretary

and all of said persons were present, except Director Frey, thus constituting a quorum.

Also present were Lorenzo Rivera on behalf of TPHTL HBL, LLC ("TPHTL"); Ravi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Robin Goin of BLICO Inc. ("BLICO"); Martin Murdock and Cameron Miller of Quiddity Engineering, LLC ("Quiddity"); Robert Garcia of Champions Hydro-Lawn, Inc. ("Champions"); Greg Lentz of Masterson Advisors LLC ("Masterson"); Andres Marquina, a member of the public; and Howard Cohen and Julie Kime of Schwartz, Page & Harding, L.L.P. ("SPH").

The meeting was called to order and declared open for business as might properly come before it.

PUBLIC COMMENTS

The Board opened the meeting for public comments. No comments from the public were presented.

APPROVAL OF MINUTES

As the first order of business, the Board considered approval of the draft minutes of the meeting of the Board of Directors held on December 20, 2023. After review and discussion of the minutes presented, Director Sinner moved that such minutes be approved, as written. Director Neuneker seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Mr. Patel then presented to and reviewed with the Board the bookkeeping report, a copy of which is attached hereto as **Exhibit A**. Following review and discussion, Director Sinner moved that the bookkeeping report be approved and that payment be authorized on the checks

presented, except check no. 1171, which was voided. Director Neuneker seconded the motion, which unanimously carried.

AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Cohen advised the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, certain water districts are required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Cohen advised that at the request of the Board, SPH will prepare and submit the required information to the Comptroller for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Sinner moved to authorize SPH to prepare the required information and submit same to the Comptroller. Director Neuneker seconded the motion which unanimously carried.

ADOPT LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE DISTRICT

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Cohen presented and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted to the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Mr. Cohen further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Sinner moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, as discussed, and (ii) that the President and Secretary be authorized to execute same. Director Neuneker seconded said motion, which unanimously carried.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Goin presented Tax Assessor/Collector Reports dated November 30, 2023, and December 31, 2023, copies of which are attached hereto as **Exhibit C**. Following review and discussion, Director Sinner moved that the Tax Assessor/Collector Report be approved and that payment be authorized on the checks presented. Director Neuneker seconded the motion, which unanimously carried.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION FOR 2023

Mr. Cohen outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution and

Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After discussion of the matter, Director Sinner moved that the District (i) not grant the residential homestead exemption and (ii) not grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and that the Board adopt the Resolution Concerning Exemptions from Taxation, a copy of which is attached hereto as **Exhibit D**. Director Neuneker seconded said motion, which carried unanimously.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Cohen advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent sixty (60) days after February 1, 2024, as more fully described in said Resolution. After discussion, it was moved by Director Sinner, seconded by Director Neuneker and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit E**, be adopted by the Board, and that the District's delinquent tax attorneys be authorized to collect delinquent personal property taxes beginning April 1, 2024, including the filing of lawsuits, as necessary.

FINANCIAL ADVISOR'S REPORT

Mr. Lentz provided a preview of anticipated bond issuance activity for the District. He advised that the current plans are to file a bond application with the TCEQ on an expedited basis in April, with a sale of such bonds planned for some time prior to October 31, 2024. He advised that a cost summary will be presented for the Board's consideration at the February meeting.

ENGINEER'S REPORT

Mr. Murdock presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as **Exhibit F**. Following review and discussion, Director Sinner moved to concur in the payment of the pay estimate identified in the Engineer's Report. Director Neuneker seconded the motion, which unanimously carried.

CHAMPIONS HYDRO-LAWN REPORT

Mr. Garcia presented a Detention and Drainage Facilities Report dated January 2024, a copy of which is attached hereto as **Exhibit G**, and advised that no action is requested in connection with the same.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board considered the renewal of the District's insurance policies, including those for General Liability and Directors and Officers Liability, as well as the Director Schedule Bond and the Public Employee Blanket Bond, which expire March 31, 2024. In that regard, the Board discussed the renewal proposal received from the District's current insurance broker, McDonald & Wessendorff Insurance ("M&W"). Mr. Cohen reported to the Board that M&W has filed a TEC Form 1295 with the TEC and has provided the District with a copy of said form. Following discussion, Director Sinner moved that (i) the proposal of M&W be accepted and that the President be authorized to execute same on behalf of the Board and the District, and (ii) the District accept M&W's TEC Form 1295 and authorize SPH to acknowledge the District's receipt of same with the TEC. Director Neuneker seconded said motion, which unanimously carried. A copy of the accepted proposal from M&W is attached hereto as **Exhibit H**.

ATTORNEY'S REPORT

Mr. Cohen advised that he had nothing of a legal nature to report that was not covered under another agenda item.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Mr. Cohen reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Cohen presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit I**, regarding participation in the joint election with Montgomery County (the "County"). Mr. Cohen advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Sinner, seconded by Director Neuneker and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint Election.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Cohen presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit J** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Sinner, Frey and Neuneker expire in May of this year. Mr. Cohen advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. He advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to

designate an agent to perform certain duties in connection with the Election, and that the Order named Julie Kime as such agent (the "Election Agent"). Mr. Cohen further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Cohen advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District. Mr. Cohen also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Sinner moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Neuneker seconded said motion, which unanimously carried. Mr. Cohen advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

DEVELOPER'S REPORT

Mr. Rivera discussed the status of the development in the District.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Sinner, seconded by Director Neuneker, and unanimously carried, the meeting was adjourned.



Secretary, Board of Directors



List of Attachments to
Montgomery County Water Control and Improvement District No. 205
Minutes of Meeting of January 17, 2024

- Exhibit A Bookkeeping Report dated January 17, 2024
- Exhibit B Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District and List of Financial Institutions, Brokers and Dealers
- Exhibit C Tax Assessor/Collector's Report
- Exhibit D Resolution Concerning Tax Exemptions
- Exhibit E Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F Engineer's Report
- Exhibit G Detention and Drainage Facilities Report
- Exhibit H Accepted Proposals for Renewal of Insurance
- Exhibit I Memorandum regarding Joint Elections with Montgomery County
- Exhibit J Order Calling Directors Election