

MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 205

MINUTES OF MEETING OF BOARD OF DIRECTORS

September 18, 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, September 18, 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, thus constituting a quorum.

Also present were Robert Jones on behalf of TPHTL HBL, LLC ("TPHTL"); Ravi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Robin Goin of BLICO Inc. ("BLICO"); Martin Murdock of Quiddity Engineering, LLC ("Quiddity"); Bill Zollman of Pape-Dawson Engineers, LLC ("Pape-Dawson"); Robert Garcia of Champions Hydro-Lawn, Inc. ("Champions"); Greg McGrath of McGrath & Company, PLLC ("McGrath"); Greg Lentz of Masterson Advisors LLC ("Masterson"); and Diana Miller, Julie Kime and Jennifer Spears 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 August 21, 2024. 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, being check nos. 1246 through 1255, with the exception of check no. 1237 which was voided. Director Collins seconded the motion which unanimously carried.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Goin presented the Tax Assessor/Collector Report dated August 31, 2024, a copy of which is attached hereto as **Exhibit B**. Following review and discussion, Director Sinner moved that the Tax Assessor/Collector Report be approved and that payment be authorized on the check presented. Director Neuneker seconded the motion, which unanimously carried.

PUBLIC HEARING REGARDING THE DISTRICT'S 2024 TAX RATE AND LEVY OF THE DISTRICT'S 2024 TAX RATE

The Board conducted a hearing regarding the imposition of a proposed maintenance tax rate within the District for 2024. Ms. Goin confirmed that notice of the hearing had been published in the *Houston Chronicle*, in accordance with all legal requirements and as directed at the previous meeting, reflecting the District's intent to adopt a total 2024 tax rate of \$0.35 per \$100 of assessed valuation. There being no members of the public present, the public hearing was closed. Following discussion, Director Sinner moved that (i) the Board levy a 2024 maintenance tax rate of \$0.35 per \$100 of assessed valuation for all property within the District, (ii) the Order Levying Taxes attached hereto as **Exhibit C** be adopted in connection therewith, and (iii) the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. The motion was seconded by Director Collins, and carried by unanimous vote.

FINANCIAL ADVISOR REPORT

Mr. Lentz noted that he had nothing new to report at this time.

APPROVAL OF AUDIT RELATIVE TO THE PAYMENT OF PROCEEDS OF THE DISTRICT'S \$7,100,000 UNLIMITED TAX BONDS, SERIES 2024 (THE "BONDS")

The Board considered the approval of an audit report prepared by McGrath in connection with the issuance of the Bonds and the disbursement of the proceeds thereof. Mr. McGrath reviewed with the Board the draft audit report, a copy of which is attached hereto as **Exhibit D**. After review and discussion of the draft audit report, it was moved by Director Sinner, seconded by Director Neuneker and unanimously carried, that (i) the draft audit report prepared by McGrath be approved, and (ii) the Board authorize the disbursement of the proceeds of the Bonds in accordance with same, subject to the District's receipt of a Developer Receipt for said funds.

REVIEW, APPROVAL AND AUTHORIZATION OF THE FILING OF INTERNAL REVENUE SERVICE FORM 8038-G RELATIVE TO THE BONDS

The Board next considered the execution and filing of Internal Revenue Service Form 8038-G (the "Form") relative to the Bonds. After discussion, Director Sinner moved that (i) the Form be approved and that the President be authorized to execute same on behalf of the Board and the District, and (ii) SPH be authorized and directed to file the Form with the Internal Revenue

Service by the appropriate deadline. Director Neuneker seconded said motion, which carried unanimously.

REVIEW AND DISCUSSION OF CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS AND INTERNAL REVENUE SERVICE RESTRICTIONS ON SAME

Ms. Miller next presented to and reviewed with the Board correspondence from SPH, as Bond Counsel, regarding certain provisions of federal tax laws and regulations of the Internal Revenue Service pertaining to the expenditure and investment of proceeds of the Bonds, attached hereto as **Exhibit E**. She advised the Board that certain periodic reviews and reports are required to monitor compliance with the requirements set forth therein and that arbitrage rebate or yield reduction payments could be required based on said reviews and reports. Ms. Miller explained that the District's bookkeeper would monitor investment rates and that the District's financial advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. Ms. Miller advised the Board, however, that compliance with the requirements is ultimately the responsibility of the Board.

APPROVAL AND EXECUTION OF AMENDMENT TO THE DISTRICT INFORMATION FORM

Ms. Miller next presented to and discussed with the Board an Amendment to the District's District Information Form ("DIF") relative to the sale of the Bonds and the levy of the District's 2024 tax rate. After discussion regarding the amendment to the DIF, Director Sinner moved that the amended DIF be approved, and that all Board members present be authorized to execute same on behalf of the Board and the District. Director Neuneker seconded said motion, which carried unanimously.

RESOLUTION ADOPTING PROCEDURES FOR POST-ISSUANCE COMPLIANCE

The Board then considered a Resolution Adopting Procedures for Post-Issuance Compliance with Federal Tax Covenants, which is attached hereto as **Exhibit F**. Ms. Miller reviewed the procedures with the Board. After discussion, Director Sinner moved that the Resolution be approved as presented. Director Neuneker seconded said motion, which unanimously carried.

ENGAGEMENT OF DISCLOSURE COUNSEL AND ADOPTION OF RESOLUTION APPROVING CONTINGENT FEE CONTRACT

The Board considered the engagement of McCall Parkhurst and Horton ("McCall") as the Disclosure Counsel for the District. Ms. Miller presented to and reviewed with the Board the Engagement Agreement prepared by McCall attached hereto as **Exhibit G**. Ms. Miller also presented to and reviewed with the Board the Resolution Approving Contingent Fee Contract for Legal Services, attached hereto as **Exhibit H**. After further discussion, it was moved by Director Sinner, seconded by Director Neuneker, and unanimously carried, that: (i) the District engage McCall to serve as the District's Disclosure Counsel; (ii) the Engagement Letter be approved and the President be authorized to execute same on behalf of the Board and the District; (iii) SPH be authorized to acknowledge receipt of McCall's Texas Ethics Commission ("TEC") Form 1295;

and (iv) the Resolution Approving Contingent Fee Contract for Legal Services be adopted by the Board, and the President be authorized to execute and the Secretary to attest to same on behalf of the Board and District.

CONSIDER AND ACT UPON ANY OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

As the next order of business, the Board considered the approval of various documents to be executed on behalf of the District in connection with the closing of the sale of the Bonds. In that regard, Ms. Miller presented to and reviewed various closing documents with the Board, including the No-Litigation Certificate and the Federal Tax Certificate. Furthermore, she advised that the bond closing is scheduled for Tuesday, September 24, 2024, at 12:00 p.m. After discussion of the closing documents, it was moved by Director Sinner, seconded by Director Neuneker and unanimously carried, that the above-referenced documents be approved by the Board, that the President and Secretary be authorized to execute same on behalf of the Board and the District, and that SPH be authorized to deliver same, as appropriate, upon the closing of the Bonds.

DEVELOPER'S REPORT

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

ACKNOWLEDGEMENT OF NOTICE AND INDEMNITY FROM TPHTL HBL, LLC

Ms. Miller then presented to the Board an Acknowledgement of Notice and Indemnity (the "Acknowledgment") from TPHHL HBL, LLC related to its collateral assignment of District receivables to be paid to TPHTL pursuant to its various Utility Development Agreements with the District. Director Sinner moved that the District approve the Acknowledgment and authorize the Board President to execute same. Director Collins seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Zollman next presented an Engineer's Report prepared by Pape-Dawson dated September 18, 2024 ("Pape-Dawson Report"), a copy of which is attached hereto as **Exhibit I**. He noted that there was no action needed in connection with the Pape-Dawson Engineer's Report.

Mr. Murdock presented an Engineer's Report prepared by Quiddity dated September 18, 2024 ("Quiddity Report"), a copy of which is attached hereto as **Exhibit J**. Following review and discussion, Director Sinner moved to authorize payment of the pay estimate and approve the change order identified in the Quiddity report. Director Collins seconded the motion, which unanimously carried.

APPROVAL OF ASSIGNMENT AND AMENDMENT OF AGREEMENT FOR DISTRICT SERVICES WITH COSTELLO, LLC, AND CONSENT TO ASSIGNMENT

Ms. Miller reminded the Board that Pape-Dawson acquired Costello, LLC ("Costello"), last year. She explained to the Board that Costello now operates as Pape-Dawson, and Costello desires to assign its engineering contract with the District to Pape-Dawson with the District's consent. In this regard, Ms. Miller presented to and reviewed with the Board a form of Assignment and Amendment of Engineering Services Agreement Between Owner and Engineer by and among the District, Costello, and Pape-Dawson (the "Assignment and Amendment"), a copy of which Assignment and Amendment is attached hereto as **Exhibit K**. Following discussion, Director Sinner moved to approve the Assignment and Amendment, authorize the Board President to execute same on behalf of the District, and acknowledge the related Texas Ethics Commission ("TEC") Form 1295s from Costello and Pape-Dawson, respectively. Director Neuneker seconded the motion, which carried unanimously.

CHAMPIONS HYDRO-LAWN REPORT

Mr. Garcia presented a Detention and Drainage Facilities Report dated September 2024, a copy of which is attached hereto as **Exhibit L**. Mr. Garcia presented a proposal for cleanup of the easement area located at Eastbrook Lane and Pleasant Ridge Drive from Champions for a total amount of \$2,500.00. Ms. Miller reported to the Board that Champions has filed a TEC Form 1295 with the TEC and has provided the District with a copy of said form. Following review and discussion, Director Sinner moved to (i) approve the proposal for cleanup of the easement area located at Eastbrook Lane and Pleasant Ridge Drive, and authorize the President to execute same, and (ii) authorize SPH to acknowledge receipt of the TEC Form 1295 with the TEC.

BERG OLIVER MAINTENANCE REPORT

Ms. Miller advised the Board that Berg Oliver has invoiced the District for work, and there is no action needed at this time from the Board.

ATTORNEY'S REPORT

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

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Balagia, seconded by Director Nuenecker, 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 September 18, 2024

- Exhibit A Bookkeeping Report dated September 18, 2024
- Exhibit B Tax Assessor/Collector's Report
- Exhibit C Order Levying Taxes
- Exhibit D Developer Reimbursement Audit
- Exhibit E Correspondence from Bond Counsel
- Exhibit F Resolution Adopting Procedures for Post-Issuance Compliance with Federal Tax Covenants
- Exhibit G McCall's Engagement Letter
- Exhibit H Resolution Approving Contingent Fee Contract for Legal Services
- Exhibit I Pape-Dawson Engineers Report
- Exhibit J Quiddity Engineering Report
- Exhibit K Assignment and Amendment of Engineering Services Agreement Between Owner and
Engineer by and among the District, Costello, and Pape-Dawson
- Exhibit L Champions Hydro-Lawn Detention and Drainage Facilities Report