

MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 205

MINUTES OF MEETING OF BOARD OF DIRECTORS

October 15, 2025

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 October 15, 2025, in accordance with the duly posted Notice of Public Meeting. Members of the public were also permitted to attend the meeting by telephone conference. The roll was called of the duly constituted officers and members of the Board, to-wit:

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 for Directors Frey and Neuneker, thus constituting a quorum.

Also present were Lorenzo Rivera and Zach Kunchardy of TPHTL HBL, LLC ("TPHTL"); Toto Ontowiryo of Municipal Accounts & Consulting, L.P. ("MAC"); Robin Goin of BLICO Inc. ("BLICO"); Cameron Miller of Quiddity Engineering, LLC ("Quiddity"); Robert Garcia of Champions Hydro-Lawn, Inc. ("Champions"); Rick Garza of TexaClean Services, LLC ("TexaClean"); Julie Peak of Masterson Advisors, LLC ("Masterson"); Greg McGrath of McGrath & Co., PLLC ("McGrath"); Bill Cole, resident of the District; and Diana Miller, and Jennifer Spears of Schwartz, Page & Harding, L.L.P. ("SPH"). Armand Bonola, and Kevin and Sue Jones, residents of the District, attended via telephone conference.

The meeting was called to order and declared opened for business as might properly come before the Board.

PUBLIC COMMENTS

The Board opened the meeting for public comments. Mr. Cole addressed the Board and reported that the clearing and grubbing occurring at the back of the District is causing lots of dust in the air, and residents are concerned about the amount of trees being cut down. He also reminded the Board that the residents of the District would appreciate the Board considering reducing the tax rate for District taxpayers.

APPROVAL OF MINUTES

The Board considered approval of the draft minutes of the meeting of the Board of Directors held on September 17, 2025. After review and discussion of the minutes presented, Director Sinner moved that such minutes be approved, as written. Director Balagia seconded said motion, which carried unanimously.

BOOKKEEPING REPORT AND QUARTERLY INVESTMENT REPORT

Mr. Ontowiryo presented to and reviewed with the Board the Bookkeeping Report dated October 15, 2025, a copy of which is attached hereto as **Exhibit A**. He also presented and reviewed with the Board the Quarterly Investment Report for the period ended August 31, 2025 ("Investment Report"), a copy of which is attached to the Bookkeeper's Report. Following review and discussion, Director Sinner moved that (i) the Bookkeeping Report be approved and that payment be authorized for the checks presented, being check nos. 1372 through 1382, with the exception of check nos. 1372 and 1374, which were voided, and (ii) the Investment Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Balagia seconded the motion, which unanimously carried.

Mr. Ontowiryo recommended that the District enroll in the Positive Pay Program, explaining that it further protects the District's checking accounts and adds an additional layer of security. After discussion, the Board concurred to participate in the Program.

Mr. Ontowiryo further noted that the Board may utilize direct deposit for the payment of per diems to directors. The Board concurred that it would like to utilize direct deposit. Ms. Miller recommended that the Board add an agenda item for next month's Board meeting to consider the approval of contracts with HR&P, MAC's direct deposit provider.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Goin presented the Tax Assessor/Collector Report dated September 30, 2025, 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 checks presented. Director Balagia seconded the motion, which unanimously carried.

DELINQUENT TAX ATTORNEY REPORT

Ms. Miller presented to and reviewed with the Board the Delinquent Tax Report, dated October 15, 2025, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys, a copy of the report is attached hereto as **Exhibit C**. Ms. Miller noted that no Board action was necessary in connection with any of the accounts reflected in the report.

AUTHORIZE PREPARATION AND FILING OF INITIAL LOCAL GOVERNMENT BOND, TAX, AND PROJECT REPORT

Ms. Miller advised the Board that, pursuant to Chapter 403, Texas Gov't Code, as amended by H. B. 103 in the 89th Regular Legislative Session, every taxing unit that currently levies a tax, including the District, must annually submit a tax rate and bond authorization and issuance report to the Comptroller of Public Accounts (the "Comptroller") for inclusion in the Comptroller's Local Government, Bond, Tax, and Project Database. She stated that the initial report will include historical tax rate and bond election and issuance information for the District for the previous ten year period and must be submitted by January 1, 2026. Following discussion, Director Sinner

moved that the District's consultants be authorized to prepare the report, and that SPH be authorized to submit same to the Comptroller on the District's behalf. Director Balagia seconded the motion which carried unanimously.

FINANCIAL ADVISOR REPORT INCLUDING RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2025 TAX RATE

The Board then considered the tax rate to be adopted for the 2025 tax year. Ms. Peak presented a Proforma Cash Flow Analysis relative to Masterson's 2025 tax rate recommendation, a copy of which is attached hereto as **Exhibit D**, and advised the Board that Masterson is recommending a 2025 debt service tax rate of \$0.085 per \$100 of assessed valuation and a 2025 maintenance tax rate of \$0.265 per \$100 of assessed valuation. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2025 tax rate. Ms. Miller advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered, including the proposed tax rate to be adopted. She advised that the District must provide notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting. After further discussion on the matter, Director Sinner moved that the Board (1) accept the financial advisor's recommendation of a proposed 2025 debt service tax rate of \$0.085 per \$100 of assessed valuation, (2) a proposed 2025 maintenance tax rate of \$0.265 per \$100 of assessed valuation, and (3) the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2025 tax rate at its next meeting in the form and at the time required by law. Director Balagia seconded said motion, which unanimously carried.

APPROVAL OF AUDIT RELATIVE TO THE PAYMENT OF PROCEEDS OF THE DISTRICT'S \$1,850,000 UNLIMITED TAX ROAD BONDS, SERIES 2025 (THE "ROAD BONDS")

The Board considered the approval of an audit report prepared by McGrath in connection with the issuance of the Road 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 E**. After review and discussion of the draft audit report, it was moved by Director Balagia, seconded by Director Sinner 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 Road 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 Balagia 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 Sinner 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 F**. 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 Road Bonds. After discussion regarding the amendment to the DIF, Director Balagia 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 Sinner seconded said motion, which carried unanimously.

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, October 21, 2025, at 10:00 a.m. After discussion of the closing documents, it was moved by Director Balagia, seconded by Director Sinner 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.

REQUESTS FOR ANNEXATION AND EXCLUSION OF LAND

Ms. Miller advised the Board that SPH is expecting consent resolutions from the City of Conroe (the "City") regarding the District's annexation of 29.236 acres and 32.36 acres of land,

respectively, by the end of the month. Ms. Miller advised that the land substitution will be completed following receipt of the City's Consent Resolution to the annexation of additional land.

Ms. Miller reviewed with the Board the procedures for the proposed exclusion of land from the boundaries of the District, and presented the map included as **Exhibit G**, attached hereto depicting the area proposed to be excluded. The Board then considered the calling of a public hearing to be held Wednesday, November 19, 2025, at 11:00 a.m. at which hearing the Board will announce its conclusions relating to the land to be excluded from the District and may receive petitions for exclusion of land pursuant to Section 49.303 through 49.307 of the Texas Water Code, as amended. After discussion, Director Balagia moved that (i) the hearing be called, as discussed, (ii) the Order Calling Exclusion Hearing attached hereto as **Exhibit H** be approved, as presented, and (iii) SPH be authorized to publish the appropriate notice with *The Conroe Courier*. Director Sinner seconded said motion, which unanimously carried.

DEVELOPER'S REPORT

Mr. Rivera reported to the Board that all sections within Phase One and Phase Two have been completed, the development of Phase Three has begun, and Phase Four is expected to begin development in February 2026.

ENGINEER'S REPORT

Mr. Miller presented an Engineer's Report prepared by Quiddity dated October 15, 2025, a copy of which is attached hereto as **Exhibit I**. He recommended that the Board defer acceptance of the Quitclaim Conveyance of Utility Facilities listed in the Engineer's Report until next month. The Board took no action regarding same.

TEXACLEAN REPORT

Mr. Garza next presented a maintenance report for the Outfall Channel, Phase Two dated October 15, 2025 ("TexaClean Report"), a copy of which is attached hereto as **Exhibit J**. Mr. Garza also presented a movie clip of the drone fly over of the channel in connection with his report. The Board took no action regarding same.

CHAMPIONS HYDRO-LAWN REPORT

Mr. Garcia presented a Detention and Drainage Facilities Report dated October 2025, a copy of which is attached hereto as **Exhibit K**. The Board took no action regarding same.

BERG OLIVER MAINTENANCE REPORT

Ms. Miller noted that no representative of Berg Oliver was present, and no report was provided.

ATTORNEY'S REPORT

Ms. Miller noted that she 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 Sinner and unanimously carried, the meeting was adjourned.



A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.

Secretary, Board of Directors

List of Attachments to
Montgomery County Water Control and Improvement District No. 205
Minutes of Meeting of October 15, 2025

- Exhibit A Bookkeeping Report dated October 15, 2025
- Exhibit B Tax Assessor/Collector's Report
- Exhibit C Delinquent Tax Attorney's Report
- Exhibit D 2025 Tax Rate Recommendation
- Exhibit E Developer Reimbursement Audit
- Exhibit F Correspondence from Bond Counsel
- Exhibit G Exclusion Map
- Exhibit H Order Calling Exclusion Hearing
- Exhibit I Engineer's Report
- Exhibit J TexaClean Report
- Exhibit K Champions Hydro-Lawn Detention and Drainage Facilities Report