

## **BAKER ROAD MUNICIPAL UTILITY DISTRICT**

### **Minutes of Meeting of Board of Directors**

February 1, 2022

The Board of Directors ("Board") of Baker Road Municipal Utility District ("District") met in regular session at the Board's regular meeting place on February 1, 2022, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Frederick Wolfe, President  
Johnny Zummo, Secretary  
Ronald Leftwich, Assistant Secretary  
George Heck, Director

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

Also present were: Richard Rankin of H2O Innovation Operation and Maintenance, LLC ("H2O"); Jessica Preston, Cory Burton and Mark Burton of Municipal Accounts & Consulting, LP ("MAC"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Tony Emilio and David Selesky of GFL Environmental ("GFL"); Todd Elston of R.G. Miller Engineers, Inc. ("RG Miller"); and Daniel Ringold, Eric Lai and Maranda Lawson of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order, and declared it open for such business as might regularly come before the Board.

#### **PUBLIC COMMENTS**

Mr. Ringold noted that the first item of business was to open the meeting for public comments. There being no comments received from the public, the Board continued to the next item of business.

#### **APPROVAL OF MINUTES**

The Board reviewed the minutes of its meeting held on January 4, 2022. After discussion of the minutes presented, Director Zummo moved that such minutes be approved, as written. Director Heck seconded said motion, which unanimously carried.

#### **ATTORNEY'S REPORT**

Mr. Ringold informed the Board that, as requested at the last meeting, SPH requested a GFL Environmental ("GFL") (f/k/a WCA Waste Corporation) to attend today's meeting to address some of the Board's concerns. Messrs. Emilio and Selesky then introduced themselves to the Board. The Board noted that the GFL workers who service the Windsor Park Lakes Subdivision are being aggressive with the trash receptacles and not placing them back properly. A discussion also ensued regarding the proper placement of the trash receptacles. Mr. Emilio

informed the Board that GFL can provide an information brochure regarding the placement of trash receptacles for distribution to the residents. Director Wolfe then informed Mr. Emilio that the District previously amended its contract with WCA Waste Corporation to include trash pick-up on certain holidays, with the exception of Thanksgiving Day and Christmas Day and that GFL did not provide trash pick-up service within the District on January 1, 2022 (New Year's Day). After discussion, Mr. Emilio noted that GFL would be amenable to crediting the District for said holiday trash pick-up. Mr. Emilio then advised the Board that Mr. Selesky is the District's new contact for GFL and will be handling the District's matters on a going forward basis.

Messrs. Emilio and Selesky exited the meeting at this time.

### **BOOKKEEPER'S REPORT**

The Board considered the Bookkeeper's Report dated February 1, 2022. Ms. Preston reviewed with the Board a cash flow report, account balances report, summary of pledged securities, and actual vs. budget comparison, all as prepared by MAC and copies of which are attached hereto as **Exhibit A**, including the checks presented for payment from the District's general operating fund. It was then moved by Director Zummo that said report be approved and that the checks identified therein be approved for payment from the general operating fund, except for check no. 5047 issued to Director Leftwich, which was voided. Director Heck seconded said motion, which carried unanimously.

Director Wolfe informed the Board that Green Trails Municipal Utility District is planning to recoat the ground storage tank this fall and that water will be supplied by Mason Creek Municipal Utility District during that time. He then informed the Board that a pressure test was recently performed to ensure that Mason Creek Municipal Utility District could supply the necessary water and noted that the test results were satisfactory.

Director Wolfe next informed the Board that the installation of the refurbished diesel generator to serve the District's Joint Water Plant Facilities is complete and that he recently went to look at said generator. Director Wolfe then presented various photographs with the Board. A discussion then ensued regarding same.

### **AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES**

Mr. Burton next presented and reviewed with the Board an Amended and Restated Agreement for Bookkeeping Services (the "Amended Agreement") between the District and MAC, which provides, among other things, a different rate structure for services performed. The Board asked various questions, to which Mr. Burton responded. Following discussion, it was moved by Director Zummo that (i) the Amended Agreement be approved, (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) SPH be authorized to acknowledge the TEC Form 1295 submitted by MAC in connection with same. The motion was seconded by Director Heck and carried by unanimous vote.

The Board next requested that an item be added to the next agenda to discuss solicitation of proposals for bookkeeping services.

### **PROPOSED PICKLEBALL COURTS**

Relative to the proposed construction of pickleball courts on the pipeline easement to the north of the lift station site, Director Wolfe informed the Board that, as discussed at the last meeting, he requested that the Windsor Park Lakes Homeowners Association's ("HOA") investigate potential alternate locations for the courts. Director Wolfe then informed the Board that HOA has determined an alternate location for the courts located next to the neighborhood pool and reviewed a photograph of the alternate location with the Board. Director Wolfe noted that said location is still on the pipeline easement. After a lengthy discussion on the matter, the Board concurred that it is amenable to the alternate location and concurred that SPH be authorized to prepare and send correspondence to the appropriate representative of Kinder Morgan regarding same.

Mr. Burton exited the meeting during the above discussion.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Burks presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of January 2022, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit B**. After discussion on the matter, Director Zummo moved that the Tax Assessor-Collector's Report be approved, and that payment of the checks listed in the report be authorized from the District's tax account. Director Heck seconded the motion, which unanimously carried.

### **DELINQUENT TAX COLLECTION ATTORNEY'S REPORT**

The Board deferred consideration of a Delinquent Tax Collection Attorney's Report at this time after noting that no report was received this month.

### **EXEMPTIONS FROM TAXATION**

Mr. Ringold 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 2022, 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 2022, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Mr. Ringold then informed the Board that, as requested at the last meeting, SPH and Wheeler obtained additional information

related thereto for its consideration at today's meeting and presented and reviewed same with the Board, a copy of which is included with **Exhibit C**. After further discussion of the matter, Director Zummo moved that the District: (a) grant a general residential homestead exemption, as authorized by Article 8, Section 1-b(e), Texas Constitution, as amended, of five percent (5%) of the market value of residence homesteads, provided, however, that no such exemption shall be less than Five Thousand Dollars (\$5,000) of the appraised value of the residence homestead; and (b) grant an exemption from ad valorem taxation by the District of (i) Ten Thousand Dollars (\$10,000) of the appraised value of residence homesteads of individuals who are under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance and (ii) Twenty Thousand Dollars (\$20,000) of the appraised value of residence homesteads of individuals who are sixty-five (65) years of age or older, and (c) that the Resolution relative to same, attached hereto as **Exhibit C**, be approved and adopted by the Board and District. Director Heck seconded said motion, which carried unanimously.

### **OPERATOR'S REPORT**

The Board considered the operator's report. Mr. Rankin presented a written Operations Report for the months of January 2022, prepared by H2O, copies of which are attached hereto as **Exhibit D**.

Ms. Burks exited the meeting during the operator's report.

Director Wolfe informed the Board that he attended a seminar at the recent Association of Water Board Directors Winter Conference regarding new lead and copper regulations and noted that additional testing will be required. Mr. Rankin then informed the Board that H2O is currently in the process of working on a plan and estimate of cost associated with the new rules and regulation and noted that Phase 1 of the plan is currently underway.

### **ENGINEER'S REPORT**

Mr. Elston reminded the Board that No. 345 is moving forward with purchasing and installing at the Joint Wastewater Treatment Plant either a natural gas generator at an estimated cost of \$510,000 or a diesel generator at an estimated cost of \$335,000. No action was taken by the Board.

Mr. Elson next informed the Board that Green Trails Municipal Utility District has completed the installation of the diesel generator at the Joint Water Plant and will be conducting a final test in the near future.

### **ANNUAL REVIEW OF WAGE RATE SCALE**

Mr. Ringold next presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit E**. He reviewed various provisions of the Resolution with the Board. Mr. Ringold informed the Board that the District previously adopted the Department of Labor's wage rates, and noted that SPH is recommending that the District adopt the Department of Labor's updated

wage rates and discussed same in detail with the Board. After discussion and consideration of the proposed Resolution, Director Zummo moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the updated wage rates for the Department of Labor and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Heck seconded said motion, which unanimously carried.

### **RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR**

Mr. Ringold reminded the Board that the tax rate adoption procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" pursuant to Texas Water Code Section 49.23602. Mr. Ringold then reviewed with the Board a worksheet completed by R.G. Miller to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2022 Tax Year. A copy of the Resolution is attached hereto as **Exhibit F**. Following discussion, upon motion made by Director Wolfe, seconded by Director Heck, and unanimously carried, the attached Resolution was adopted by the Board.

### **INSURANCE RENEWAL**

The Board considered the renewal of the District's insurance coverages which expire March 31, 2022. In that regard, the Board discussed the proposals received from the District's current insurance provider, McDonald & Wessendorff Insurance ("M&W"). After discussion on the matter, Director Zummo moved that the proposal of M&W be accepted, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District. Director Heck seconded said motion, which unanimously carried. Copies of the insurance proposals are attached hereto as **Exhibit G**.

### **LAKE MAINTENANCE**

A discussion next ensued regarding maintenance of the District's lakes. In connection therewith, the Board considered ratification of its prior action relative to the approval of repairs for various lake fountains. After discussion, Director Wolfe moved that the Board's prior action be ratified in all respects. Director Zummo seconded the motion, which carried unanimously.

### **STATUS OF LAWSUIT AGAINST U.S. ARMY CORPS OF ENGINEER**

Mr. Ringold advised that there was no update this month regarding the status of the lawsuit against the U.S. Army Corps of Engineers.

### **MAINTENANCE OF DRAINAGE CHANNEL**

A discussion ensued regarding maintenance of the drainage channel. No action was taken by the Board.

**ISSUANCE OF UTILITY COMMITMENTS**

The Board next deferred action regarding the issuance of utility commitments, as no requests for same had been received by the District.

**ATTORNEY'S REPORT**

Mr. Ringold Introduced Mr. Lai to the Board and noted that Mr. Lai is a new SPH associate who assists him with the District's matters.

A brief discussion ensued regarding approval for installation of solar panels by neighboring landowner(s). No action was taken by the Board.

Mr. Ringold reminded the Board that it typically does not meet during the month of March. After discussion, the Board concurred to cancel the regularly scheduled March 2022 Board meeting.

**ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Zummo, seconded by Director Heck, and unanimously carried, the meeting was adjourned.

\_\_\_\_\_  
Secretary

**LIST OF ATTACHMENTS TO MINUTES**

Exhibit A – Bookkeeper's Report

Exhibit B – Tax Assessor-Collector's Report

Exhibit C – Resolution Concerning Exemptions from Taxation

Exhibit D – Operator's Report

Exhibit E – Resolution Adopting Prevailing Wage Rate Scale

Exhibit F – Resolution Concerning Developed District Status

Exhibit G– Insurance Proposal

DRAFT