

BAKER ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

April 5, 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 April 5, 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, thus constituting a quorum.

Also present were: Richard Rankin of H2O Innovation Operation and Maintenance, LLC ("H2O"); Jessica Preston of Municipal Accounts & Consulting, LP ("MAC"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Todd Elston of R.G. Miller Engineers, Inc. ("RG Miller"); Juan Campo, a resident of the District; 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. Lai 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 February 1, 2022. After discussion of the minutes presented, Director Leftwich moved that such minutes be approved, as written. Director Zummo seconded said motion, which unanimously carried.

AUDIT REPORT FOR FISCAL YEAR ENDED JANUARY 31, 2021

The Board deferred the review and approval of the District's audit report for fiscal year ended January 31, 2022, until the next meeting.

CONTINUING DISCLOSURE REPORT

The Board deferred consideration of the status of the District's annual continuing disclosure report until the next meeting.

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 reminded the Board that the Windsor Park Lakes Homeowners Association recently determined an alternate location for the courts and that it authorized SPH to prepare and send correspondence to the appropriate representative of Kinder Morgan regarding same. Mr. Lai then presented to and reviewed a draft copy of said correspondence with the Board. After discussion, Director Wolfe moved that said correspondence be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Zummo seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated April 5, 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. Director Heck seconded said motion, which carried unanimously.

Ms. Preston presented and reviewed with the Board a Quarterly Investment Inventory Report prepared by MA&C for the reporting period ending January 31, 2022, a copy of which is included as part of **Exhibit A**. After discussion concerning the report presented, it was moved by Director Zummo that said report be approved and that the District's Investment Officer be authorized to execute said Quarterly Investment Inventory Report on behalf of the Board and District. Director Heck seconded said motion, which carried unanimously.

A discussion ensued regarding the status of the credit from GFL Environmental ("GFL") in connection with the trash pickup service that was not provided on January 1, 2022 (New Year's Day). Ms. Preston noted that said credit had not been received to date and that she would follow up with GFL accordingly.

Director Wolfe and Mr. Elston informed the Board that the operator for Green Trails Municipal Utility District recently noticed a wobble of the well no. 2 pump and noted that the pump is being inspected at this time. It was additionally noted that, worst case scenario, the repair cost could be approximately \$200,000.

Mr. Elston reminded the Board that Harris County Municipal Utility District No. 345 is moving forward with purchasing and installing a generator at the Joint Wastewater Treatment Plant and noted that the design of said generator is underway at this time.

SOLICITATION OF PROPOSALS FOR BOOKKEEPING SERVICES

The Board deferred discussion regarding solicitation of proposals for bookkeeping services until later in the meeting.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Burks presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of March 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.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Lai advised that the Board is authorized to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Zummo, seconded by Director Heck, and unanimously carried that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board.

UNCLAIMED PROPERTY REPORT

The Board considered authorizing the preparation of an Unclaimed Property Report as of March 1, 2022, which is to be filed with the State Comptroller prior to July 1, 2022. After discussion on the matter, Director Leftwich moved that the District's consultants be authorized to prepare an Unclaimed Property Report, if necessary, and that the District's Bookkeeper file same with the State Comptroller prior to July 1, 2022. Director Heck seconded said motion, which unanimously carried.

OPERATOR'S REPORT

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

Mr. Rankin requested authorization from the Board to designate four (4) accounts, reflected in his report, as uncollectible. After discussion, Director Leftwich moved that the Board authorize Hays to (i) only designate the account (Aisha Farooqui) in the report as uncollectible and (ii) turn over that account of Karam Abouelela to a collections agency. Director Heck seconded the motion, which carried unanimously. Mr. Rankin next informed the Board that the resident who resides at Windsor Lake Dr. has submitted an application for a water tap upgrade. Mr. Rankin informed the Board that the resident previously paid for the installation of 1" water tap but would like to upgrade to a 1-1/2" water tap and noted that resident is willing to pay the cost difference, which would be \$2,210.00. After discussion, the Board concurred that MOC be authorized to install the 1-1/2" water tap at the resident's expense.

Mr. Rankin next presented to and reviewed with the Board correspondence received from District resident Judy Ammann, a copy of which is included in **Exhibit D**, requesting an adjustment to a previous water bill. Mr. Rankin informed the Board that the resident had a broken water pipe that the resident subsequently had repaired. Mr. Rankin then noted that the customer is requesting a credit to said water bill for the excess water usage caused by the leak. After discussion on the matter, Director Zummo moved that H2O be authorized to apply a credit to the customer's account for \$30.00. Director Leftwich seconded the motion, which carried unanimously.

Mr. Ringold next discussed with the Board correspondence that was received from the City of Houston ("City") advising that the City will be increasing its Groundwater Reduction Plan by 60% effective April 1, 2023. A discussion then ensued regarding same.

AUTHORIZE PREPARATION OF CONSUMER CONFIDENCE REPORT

The Board considered authorizing H2O to prepare the District's annual Consumer Confidence Report ("CCR"), the format of which is dictated by the Texas Commission on Environmental Quality ("TCEQ"). After discussion on the matter, Director Wolfe moved that Hays be authorized to prepare said CCR for the Board's and SPH's review. Director Heck seconded the motion, which unanimously carried.

IDENTITY THEFT PREVENTION PROGRAM

The Board considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Rankin presented H2O's annual report and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft prevention methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Mr. Rankin stated that H2O recommends that no changes be made to the Program. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

ENGINEER'S REPORT

Mr. Elston informed the Board that he had nothing more to report in addition to what was discussed earlier in the meeting under the bookkeeper's report.

ANNUAL SUBMISSION TO ELECTRIC UTILITY PROVIDERS

The Board next considered authorizing submission to each electric utility that provides transmission and distribution service to the District and each retail provider for determination of District facilities that qualify for critical load status. After discussion, Director Wolfe moved that RG Miller be authorized to submit said information on the District's behalf. Director Zummo seconded the motion, which carried unanimously.

LAKE MAINTENANCE

A discussion next ensued regarding maintenance of the District's lakes. In connection therewith, Director Zummo requested authorization from the Board to supplement the bass population in the District's lakes. In connection there with, Director Zummo presented to and reviewed with the Board a cost summary of the various vendors that he reached out to regarding the purchase of 1,000 bass vs. 1,500 bass. Director Zummo noted that he would be ok with only purchasing 1,000 fish vs. 1,500. After discussion on the matter, Director Leftwich moved that the Board authorize the purchase of 1,000 bass from the low bidder, Dunn's Fish Farm at a cost of \$3.20 per fish for a total cost of \$3,200.00 Director Heck seconded the motion, which carried unanimously.

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

Mr. Lai update the Board regarding the status of the lawsuit against the U.S. Army Corps of Engineers. In connection therewith, he informed the Board that a damages trial date has been set for May 31, 2022.

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. Lai presented to and reviewed with the Board an application received from the District resident who resides at Windsor Lakes Dr. for approval to install Tesla solar panels on his roof, a copy of which application is attached hereto as Exhibit E. Director Wolfe informed the Board that the resident recently received approval from the HOA and therefore, it is no longer necessary for the District to approve the application as an adjacent landowner. No action was taken by the Board.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 7, 2022. Mr. Lai advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 22, 2022. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Lai then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit F**. After discussion, Director Wolfe moved that the Order be adopted by the Board declaring Frederick Wolfe and Juan Campo elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 7, 2022, be cancelled. Director Gibson seconded said motion, which unanimously carried.

Ms. Preston and Mr. Ringold exited the meeting at this time.

SOLICITATION OF PROPOSALS FOR BOOKKEEPING SERVICES

A discussion ensued regarding solicitation of proposals for bookkeeping services. In connection therewith, Director Wolfe informed the Board that he contacted four (4) different bookkeeping firms and noted that only one of them have the on-line capabilities that the Board is looking for. After a lengthy discussion on the matter, Director Zummo moved that SPH be authorized to solicit a proposal for bookkeeping services from Inframark for the Board's consideration at the next meeting. Director Heck seconded the meeting, which carried unanimously.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Zummo, seconded by Director Wolfe, 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 Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit D Operator's Report
- Exhibit E Application for installation of solar panels
- Exhibit F Order Declaring Candidates Elected

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