

BAKER ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

September 6, 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 September 6, 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
George Heck, Vice President
Johnny Zummo, Secretary
Ronald Leftwich, Assistant Secretary
Juan Campo, Assistant Secretary

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

Also present were: Richard Rankin and Brenda Landin 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"); Debbie Shelton of Masterson Advisors ("Masterson"); Chris Tarase of Inframark ("Inframark"); and 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 August 2, 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.

FINANCIAL ADVISOR'S RECOMMENDATION FOR DISTRICT'S 2022 TAX RATE

A discussion ensued concerning the requirements for notice of the District's intention to adopt a 2022 tax rate. Mr. Lai 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. Mr. Lai

further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the 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 10 days before the date of the meeting.

Ms. Shelton presented the Board with a cash flow showing various options and including Masterson's recommendation regarding the proposed 2022 maintenance tax rate, a copy of which is attached hereto as **Exhibit A**. After a lengthy discussion on the matter, Director Heck moved that (i) the Board publish notice of its intent to levy a maintenance tax rate of \$0.28218, (ii) the District's tax assessor-collector be authorized to publish such notice of the District's intention to adopt a 2022 maintenance tax rate at its next meeting in the form and at the time required by law, and (iii) the notice be published by the tax assessor-collector in the *Houston Chronicle* newspaper in accordance with statutory requirements. Director Campo seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated September 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 B**, 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. 5162 issued to Director Leftwich, which was voided. 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 July 31, 2022, a copy of which is included as part of **Exhibit B**. 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.

PROPOSAL FOR BOOKKEEPING SERVICES

Discussion ensued regarding the proposal presented by Inframark for bookkeeping services. In connection therewith, Mr. Lai informed the Board that, as authorized at the last meeting, SPH negotiated Inframark's form of contract for bookkeeping services based on the Board's recommendations for its review at today's meeting. Mr. Lai then presented and reviewed said Services Agreement with the Board. After discussion, Director Wolfe moved that (i) the Board engage Inframark as the District's bookkeeper, (ii) the Board approve said Services Agreement between the District and Inframark, (iii) the President be authorized to execute the Services Agreement on behalf of the Board and the District; and (iv) SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 ("TEC Form 1295") received from

Inframark in connection with same. Director Heck seconded said motion, which unanimously carried.

Mr. Lai next requested that the Board consider authorizing SPH to prepare and send a thirty (30) day Notice of Termination to MAC on the District's behalf to be effective as of October 6, 2022. After discussion, Director Wolfe moved that SPH be authorized to prepare and send a thirty (30) day Notice of Termination to MAC on the District's behalf to be effective as of October 6, 2022. Director Heck seconded the motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Burks presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of August 2022, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit C**. 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

Mr. Lai presented to and reviewed with the Board a Delinquent Tax Report, dated September 1, 2022, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collection attorneys, a copy of which is attached hereto as **Exhibit D**. Mr. Lai noted that no action is required from the Board at this time relative to the account(s) listed on the Report.

PROPOSED PICKLEBALL COURTS

Relative to the proposed construction of pickleball courts on the pipeline easement, Mr. Lai reminded the Board that, as previously authorized, SPH prepared and forwarded correspondence to Kinder Morgan regarding the alternate location for said pickleball courts and noted that no response had been received to date. Director Wolfe then informed the Board that before the Windsor Park Lakes Homeowners Association ("HOA") will be able to prepare the ground and install the pickleball courts, there is a small tree in the area that will need to be removed and there is currently a small leak in the area that needs to be located and repaired.

SURFACE USE AND INDEMNIFICATION AGREEMENT

Mr. Lai informed the Board that, as authorized at the last meeting, SPH is in the process of preparing a Surface Use and Indemnification Agreement between the District and the HOA in connection with the installation of the pickle ball courts. No action was taken by the Board at this time.

Ms. Burks exited the meeting during the above discussion.

OPERATOR'S REPORT

The Board considered the operator's report. Mr. Rankin presented a written Operations Report for the month of August 2022, prepared by H2O, a copy of which is attached hereto as **Exhibit E**.

Director Wolfe next informed the Board that approximately 14,000,000 gallons of water has been pumped into the District's lakes to keep the water levels up. A discussion then ensued regarding same. A discussion also ensued regarding the integrity of the bulkheads in the District's lakes. No action was taken by the Board.

Director Wolfe next informed the Board that the irrigation near the north gate entrance is currently set for 15 minute intervals but appears to be running for 45 minute intervals and noted that said issue is currently being researched at this time. A discussion then ensued regarding same.

Mr. Rankin next presented to and reviewed with the Board e-mail correspondence received from a District resident who resides on Windsor Lakes Dr., a copy of which is included in **Exhibit E**, requesting an adjustment to the sewer portion of their water bill for such address. Mr. Rankin informed the Board that the resident had an irrigation leak while away on vacation, and the customer is requesting a credit to said water bill for the excess usage caused by the irrigation leak. Mr. Rankin advised that a credit for the sanitary sewer portion of the bill attributable to the excess water from the leak would be approximately \$182.50. After discussion on the matter, Director Wolfe moved that the Board grant the appeal and that H2O be authorized to credit \$182.50 back to the customer's account. Director Zummo seconded the motion, which carried unanimously.

Mr. Rankin next presented to and reviewed with the Board correspondence received from a District resident who resides on Villa Bergamo Lane, a copy of which is included in **Exhibit E**, requesting an adjustment to the sewer portion of their water bill for such address. Mr. Rankin informed the Board that the resident had broken sprinkler head, which has subsequently been repaired, and the customer is requesting a credit to said water bill for the excess usage caused by the broken sprinkler head. Mr. Rankin advised that a credit for the sanitary sewer portion of the bill attributable to the excess water from the leak would be approximately \$89.50. After discussion on the matter, Director Wolfe moved that the Board grant the appeal and that H2O be authorized to credit \$89.50 back to the customer's account. Director Zummo seconded the motion, which carried unanimously.

ENGINEER'S REPORT

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 project recently went out for bids. He then informed the Board that the bids came in approximately \$100,000 less than expected and noted that the District's estimated pro-rata share for the project is \$87,000.

A discussion next ensued regarding the well no. 2 pump. In connection therewith, Mr. Elston reminded the Board that the operator for Green Trails Municipal Utility District ("GTMUD") recently noticed a wobble of the well no. 2 pump and noted that the pump has been pulled and inspected. Mr. Elston then reminded the Board that the inspection indicated that the pump will need to be replaced and that a replacement pump has been ordered, and is expected to be delivered within the next couple of weeks.

DRAINAGE CHANNEL MAINTENANCE

Mr. Lai reminded the Board that, at the last meeting, it approved a revised "Exhibit A" fee schedule to the District's Channel Service Agreement with Stuckey's, LLC ("Stuckey's"). In connection therewith, Mr. Lai presented to and reviewed with the Board a Second Amendment to Channel Services Agreement ("Second Amendment") between the District and Stuckey's. After discussion, Director Heck moved that (i) the Board approve said Second Amendment, (ii) the President be authorized to execute the Second Amendment on behalf of the Board and the District; and (iii) SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 ("TEC Form 1295") received from Stuckey's in connection with same. Director Zummo seconded said motion, which unanimously carried.

LAKE MAINTENANCE

A discussion next ensued regarding maintenance of the District's lakes. No action was taken by the Board.

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

Mr. Lai updated the Board regarding the status of the lawsuit against the U.S. Army Corps of Engineers and noted that a judgment was still pending.

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 informed the Board that he had nothing more of a legal nature to report at this time.

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

DRAFT

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – 2022 Tax Rate Recommendation
- Exhibit B – Bookkeeper's Report
- Exhibit C – Tax Assessor-Collector's Report
- Exhibit D – Delinquent Tax Report
- Exhibit E – Operator's Report

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