

BAKER ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

October 4, 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 October 4, 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, 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"); Michele LaCour 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 September 6, 2022. After discussion of the minutes presented, Director Heck moved that such minutes be approved, as written. Director Zummo seconded said motion, which unanimously carried.

PUBLIC HEARING REGARDING PROPOSED TAX RATE

Mr. Lai advised the Board that the Water Code requires that the District publish or mail notice of each meeting of the Board at which the adoption of a tax rate will be considered. Ms. Burks confirmed that the applicable notice had been published in the *Houston Chronicle* in accordance with legal requirements. The Board next conducted a public hearing regarding the

adoption of the District's proposed 2022 tax rate. After noting that no members of the general public were present at the meeting, the public hearing was closed.

LEVY OF THE DISTRICT'S 2022 TAX RATE

The Board next discussed the levy of the District's 2022 tax rate. Ms. Burks confirmed that the notice regarding the Board's intention to adopt the District's 2022 tax rate had been published in *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its previous meeting. After discussion on the matter, Director Zummo moved that the Board (i) adopt a lower tax rate than the tax rate proposed at the District's September 6, 2022, meeting; (ii) the Board levy a 2022 maintenance tax rate of \$0.28 per \$100 of valuation, resulting in a 2022 total tax rate of \$0.28 per \$100 of valuation; and (iii) an Order Levying Taxes be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Leftwich seconded the motion, which failed by a vote of two in favor and three opposed with Directors Zummo and Leftwich being in favor and Directors Wolfe, Campo and Heck being opposed. The Board then continued discussing the levy of the 2022 tax rate. After further discussion, Director Campo moved that (i) the Board adopt the tax rate as proposed at the District's September 6, 2022, meeting and as reflected in the notice; (ii) the Board levy a 2022 maintenance tax rate of \$0.28218 per \$100 of valuation, resulting in a 2022 total tax rate of \$0.28218 per \$100 of valuation; and (iii) the Order Levying Taxes attached hereto as **Exhibit A** be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Heck seconded the motion, which carried by a vote of three in favor and two opposed with Directors Wolfe, Heck and Campo, being in favor and Directors Zummo and Leftwich being opposed.

AMENDMENT TO THE SECOND AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Lai next presented to and reviewed with the Board an Amendment to the Second Amended and Restated District Information Form relative to the District's 2022 tax rate. After discussion regarding said form, Director Leftwich moved that the Amendment to the Second Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Heck seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated October 4, 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. Director Campo seconded said motion, which carried unanimously.

A discussion then ensued regarding the transfer of the District's records from MAC to Inframark.

Ms. Preston exited the meeting at this time.

INVESTMENT POLICY

The Board considered the annual review of an Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order"), and the adoption of a Resolution in connection therewith, copies of which are attached hereto as **Exhibit C**. Mr. Lai reviewed with the Board the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). Mr. Lai then discussed the proposed changes with the Board. After discussion on the matter, Director Leftwich moved that the revised Order be adopted to reflect the proposed changes, that the Board adopt the Resolution and that the President and Secretary be authorized to execute same. Director Heck seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Burks presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of September 2022, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit D**. 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 report and any legal action taken by the District's delinquent tax collections attorneys after noting that no report had been received this month.

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.

Ms. Burks and Ms. LaCour exited the meeting at this time.

SURFACE USE AND INDEMNIFICATION AGREEMENT

Mr. Lai next informed the Board that, as authorized at the last meeting, SPH has prepared a Surface Use and Indemnification Agreement between the District and the Windsor Park Lakes Homeowners Association ("HOA") in connection with the installation of the pickle ball courts and presented and reviewed same with the Board. After discussion on the matter, Director

Leftwich moved that (i) SPH be authorized to negotiate the final terms of said Agreement with the HOA, (ii) the Board approve said Agreement and authorize the President to execute same on behalf of the Board and the District, subject to no substantive changes being made to the indemnifications, representations and warranties of the Agreement. Director Heck seconded the motion, which carried by a vote of four in favor and one being opposed, with Directors Wolfe, Heck, Leftwich and Campo being in favor and Director Zummo being opposed.

OPERATOR'S REPORT

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

Director Wolfe next informed the Board that the District currently has land lines with AT&T at both lift stations for alert notification purposes and noted that the estimated monthly cost for said land lines is \$130.00. Director Wolfe then informed the Board that MOC could convert said lines to a cellular line that would cost approximately \$30.00 each per month, for a total monthly cost of approximately \$60.00 per month. After discussion, the Board concurred that MOC be authorized to move forward with converting said land lines at the District's lift stations to cellular lines.

Director Wolfe informed the Board that Green Trails Municipal Utility District ("GTMUD") is planning to move forward with the recoating of the ground storage tank later this month and noted that the project is expected to commence on October 22, 2022. Director Wolfe reminded the Board that water will be supplied by Mason Creek Municipal Utility District during that time. In connection therewith, Director Wolfe informed the Board that Mr. Doug Diehl, the President of GTMUD, advised him that GTMUD is (i) notifying the residents that GTMUD will be doubling its water rates for any usage over the base rate while the recoating project is taking place to discourage excessive water usage and (ii) requesting their respective homeowners associations to cut back on irrigation and to only irrigate flowers once a week until the recoating project is complete. He then informed the Board that the District's homeowners association will also be requested to cut back on their irrigation usage as well. A discussion then ensued whether the District should consider changing its water rates for any usage over the base rate while the recoating project is taking place. After further discussion, the Board concurred that no changes be made to the District's water rates during the recoating project at this time.

Director Wolfe next informed the Board that Mr. Diehl recently informed him that the mosque located south on Baker Road, which is located outside the boundaries of the District, has submitted an application to the Texas Commission on Environmental Quality for a wastewater discharge permit. Director Wolfe then informed the Board that Mr. Diehl has concern regarding the construction of a wastewater treatment plant and the impact same may have on the community and will assist the Windsor Park Estates Homeowners Association in submitting a protest to the TCEQ regarding the construction of said wastewater treatment plant. Director Wolfe then discussed various alternatives that Mr. Diehl suggested, which included the possibility of the mosque connecting to the District's lift station. After discussion, the Board declined to move forward with Mr. Diehl's suggestion.

ENGINEER'S REPORT

A discussion ensued regarding the well no. 2 pump. In connection therewith, Mr. Elston reminded the Board that the operator for GTMUD recently noticed a wobble of the well no. 2 pump and 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 and installed within the next couple of weeks.

Mr. Elson then reminded the Board that, as discussed earlier in the meeting, GTMUD is expected to commence the recoating of the ground storage tank later this month.

Mr. Elston next 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 reminded the Board that the bids came in approximately \$100,000 less than expected and noted that the generator is not expected to be delivered until sometime in 2023.

DRAINAGE CHANNEL MAINTENANCE

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

LAKE MAINTENANCE

A discussion next ensued regarding maintenance of the District's lakes. In connection therewith, Director Wolfe informed the Board that he recently had Lake Pro, Inc. add dye to the lakes. A discussion then ensued regarding same.

Director Wolfe next informed the Board that several of the fountains have light sets that are in need of replacement. Director Wolfe then requested that the Board consider authorizing Lake Pro, Inc. to purchase and install new light sets in an amount not to exceed \$5,000 and to relocate a couple of light sets to other fountains, as necessary. After discussion, Director Campo moved that Lake Pro, Inc. be authorized to purchase and install new light sets in an amount not to exceed \$5,000 and to relocate a couple of light sets to other fountains, as necessary. Director Heck seconded the motion, which carried unanimously.

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 Campo, and unanimously carried, the meeting was adjourned.



Juan Campo
Asst. Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Order Levying Taxes

Exhibit B – Bookkeeper's Report

Exhibit C – Resolution Regarding Review of Investment Policy

Exhibit D – Tax Assessor-Collector's Report

Exhibit E – Operator's Report