

## **BAKER ROAD MUNICIPAL UTILITY DISTRICT**

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

June 20, 2023

The Board of Directors ("Board") of Baker Road Municipal Utility District ("District") met in regular session at the Board's regular meeting place on June 20, 2023, 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 Director Campo, thus constituting a quorum.

Also present were: Brenda Landin of H2O Innovation Operation and Maintenance, LLC ("H2O"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); 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 May 2, 2023. After discussion of the minutes presented, Director Leftwich moved that such minutes be approved, as written. Director Heck seconded said motion, which unanimously carried.

#### **RECORDS DESTRUCTION REQUEST OF RECORDS MANAGEMENT OFFICER**

The Board next considered a request from the District's Records Management Officer to destroy SPH's notes of Board meetings from February 1, 2022 to February 3, 2023, a copy of the subject request being attached hereto as **Exhibit A**. After discussion on the matter, Director Wolfe moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program and applicable Records Retention Schedule. Director Leftwich seconded said motion, which unanimously carried.

## **AUDIT REPORT FOR FISCAL YEAR ENDED JANUARY 31, 2023**

The Board noted that the District's auditor, McCall Gibson Swedlund Barfoot PLLC, had not yet received all of the financial records from the District's bookkeeper, Inframark, required in connection with preparation of the annual audit report. Without such records, the District's auditor was unable to complete the annual audit report for the Board's review at the June 20, 2023 Board meeting. The District's bookkeeper noted that it was experiencing significant technical difficulties with its operations and software and stated that the records would be transferred as soon as possible to the District's auditor. As a result, the Board deferred the review and approval of the District's audit report for fiscal year ended January 31, 2023, 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.

## **BOOKKEEPER'S REPORT**

The Board considered the Bookkeeper's Reports dated April 30, 2023 and May 31, 2023. Ms. LaCour reviewed with the Board a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balances, General Ledger Detailed Report and Supporting Schedules, all as prepared by Inframark and copies of which are attached hereto as **Exhibit B**, including the checks presented for payment from the District's general operating fund. After a lengthy discussion regarding the Bookkeeper's Reports and financials and payment of invoices, it was moved by Director Zummo that said report be approved and that the checks and invoices identified therein be approved for payment from the general operating fund. Director Wolfe seconded said 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 May 31, 2023, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit C**. After discussion on the matter, Director Leftwich 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.

## **UNCLAIMED PROPERTY**

The Board next considered the approval of an Unclaimed Property Report as of March 1, 2023. Ms. LaCour informed the Board that there is unclaimed property in the amount of \$187.05 in operating funds to be reported and transferred to the State Comptroller's office at this time. Ms. Burks informed the Board that there is \$151.44 in unclaimed property in tax funds to be reported and transferred to the State Comptroller's office at this time. After discussion on the matter,

Director Leftwich moved that the Unclaimed Property Reports as of March 1, 2023, be approved, and that the Board authorize Inframark and Wheeler to file same with and transfer applicable funds to the State Comptroller prior to July 1, 2023. Director Heck seconded the motion, which carried unanimously.

Ms. Burks exited the meeting at this time.

### **DIRECT DEPOSIT OF FEES OF OFFICE FOR BOARD OF DIRECTORS**

The Board next considered the approval of (i) ACH Origination Agreement and (ii) ACH Application with Central Bank relative to director deposit services for fees of office for the Board. After discussion, Director Zummo moved that said documents be approved and that the President be authorized to execute same on behalf of the Board and the District. Director Wolfe seconded the motion, which carried unanimously.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Lai presented and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit D**. Mr. Lai noted that three (3) banks were added to same. Mr. Lai further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Zummo moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District and (ii) that the President and Secretary be authorized to execute same. Director Heck seconded said 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.

### **CONSTRUCTION OF POSSIBLE IMPROVEMENTS WITHIN THE DISTRICT**

Relative to the proposed construction of pickleball courts within the District, Director Wolfe informed the Board that the Windsor Park Lakes Homeowners Association ("HOA") has approved plans for the installation of a wrought iron fence east of the pool to create a dog park that would potentially encroach on the existing pipeline easement but noted that nothing has been constructed to date.

## **OPERATOR'S REPORT**

The Board considered the operator's report. Ms. Landin presented a written Operations Report for the month of May 2023, prepared by H2O, a copy of which is attached hereto as **Exhibit E**.

Director Wolfe next informed the Board that the lake levels are currently down approximately 2.5 inches and queried the Board as to when the well should be turned on to raise the water level. After discussion, the Board concurred that Director Wolfe be authorized to turn on the well when the water levels drop at least 12 inches.

Ms. Landin next informed the Board that Director Wolfe had questioned several recent invoices from H2O and that she had conducted research regarding said invoices. In connection therewith, she informed the Board that the District appears to have been over billed on two separate invoices and noted that H2O would be crediting back a total of \$375.08 to the District on the next invoice. A discussion then ensued regarding same and various other invoices.

The Board next considered authorizing submission of updated contact and/or descriptive information to all applicable governmental agencies regarding District facilities that qualify for critical load status. After discussion, Director Wolfe moved that H2O be authorized to submit said information on the District's behalf. Director Heck seconded the motion, which carried unanimously.

## **OPERATOR'S CHANGE IN ELECTRONIC PAYMENT PROGRAM VENDORS**

Ms. Landin advised the Board that H2O will be changing the vendors for its electronic payment program (currently T-Tech, Inc. for electronic check payments and Global Payments Direct, Inc. et. al. (collectively, "GPD") for credit card payments) to JP Morgan Chase Bank, N.A. through its subsidiary Paymentech, LLC (collectively, "Paymentech"). She noted that as part of this process the District's current agreements with T-Tech Inc. and GPD will be terminated, a new Merchant Services Processing Agreement will be entered into with Paymentech and an Addendum to Service Contract (the "Addendum") will be entered into between H2O and the District, whereby H2O will assume certain District obligations under the program and responsibility for the program's compliance with applicable rules and regulations. Mr. Lai stated that SPH has reviewed the form of the Merchant Services Processing Agreement, which includes amended terms for the District, and the Addendum and has no objection to the forms of same. Following discussion, it was moved by Director Zummo, seconded by Director Heck and unanimously carried that the following actions be taken: (i) H2O be authorized to terminate the existing Service Agreement with T-Tech Inc. and Card Services Agreement and related Addendum with GPD on behalf of District; (ii) the Merchant Services Processing Agreement and related Attestation and Amendment of Agreement and ECP Addendum Terms with Paymentech be approved; (iii) the Addendum with H2O be approved; (iv) SPH be authorized to acknowledge the TEC Form 1295 related to the Addendum; and (v) the President or Vice-President, and the Secretary or Assistant Secretary, be authorized to execute the required program documentation on behalf of the District.

## **ENGINEER'S REPORT**

The Board deferred consideration of the Engineer's Report after noting that no representative was present at the meeting.

Director Wolfe next informed the Board that he was recently contacted by the President of Green Trails Municipal Utility District ("Green Trails"), Mr. Doug Diehl, and was advised that the efficiency of well no. 1 at the Joint Water Plant has dropped significantly and that Green Trails is planning to pull the pump for inspection to determine if same needs to be replaced.

## **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. Director Wolfe informed the Board that several of the lake fountains within the District are having issues and noted that three (3) fountains are currently in the process of being replaced. A discussion ensued regarding same.

## **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 reminded the Board that the trial court's ruling had been appealed and that a decision from the appellate court was still pending. Director Wolfe then updated the Board regarding same.

## **AUTHORIZATION OF COMPLETION, EXECUTION AND FILING OF VOTING SYSTEM ANNUAL FILING FORM**

Mr. Lai next discussed for the Board's information and approval a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. He advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's Office. After discussion on the Form, Director Heck moved that same be approved and that SPH be authorized to file same with the Secretary of State's Office, as required by law. Director Wolfe seconded said motion, which unanimously carried.

## **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.

## **RESCHEDULING OF REGULAR BOARD MEETINGS**

A discussion ensued regarding the possible rescheduling of the District's regular Board meetings. After discussion, the Board concurred that the District's regular Board meetings be moved to the third (3<sup>rd</sup>) Monday at 10:30 a.m. of each month, subject to confirmation that a conference room would be available at SPH's office to hold meetings on said day and time.

**ATTORNEY'S REPORT**

Mr. Lai presented to and reviewed with the Board a Customer Service Report received from Green For Life Environmental, the District's waste collection and disposal provider for May 2023, a copy of which report is attached hereto as **Exhibit F**.

Ms. Landin and Ms. LaCour exited the meeting 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.



*John Zummo*  
Secretary

## LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Records Destruction Request
- Exhibit B Bookkeeper's Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, with list of qualified brokers
- Exhibit E Operator's Report
- Exhibit F GFL Customer Service Report