

**BAKER ROAD MUNICIPAL UTILITY DISTRICT**  
Minutes of Meeting of Board of Directors

October 16, 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 October 16, 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 Zummo, 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"); Zach Stegent of R.G. Miller Engineers, Inc. ("RG Miller"); and Daniel Ringold 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 September 18, 2023. After discussion of the minutes presented, Director Leftwich moved that such minutes be approved, as written. Director Campo seconded said motion, which unanimously carried.

**PUBLIC HEARING REGARDING PROPOSED TAX RATE**

Mr. Ringold 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 2023 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 2023 TAX RATE**

The Board next discussed the levy of the District's 2023 tax rate. Ms. Burks confirmed that the notice regarding the Board's intention to adopt the District's 2023 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, Director Heck moved that (i) the Board adopt the tax rate as proposed at the District's September 18, 2023, meeting and as reflected in the notice; (ii) the Board levy a 2023 maintenance tax rate of \$0.29 per \$100 of valuation, resulting in a 2023 total tax rate of \$0.29 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 Assistant Secretary to attest same on behalf of the Board and the District. Director Campo seconded the motion, which carried unanimously.

## **AMENDMENT TO THE SECOND AMENDED AND RESTATED DISTRICT INFORMATION FORM**

Mr. Ringold next presented to and reviewed with the Board an Amendment to the Second Amended and Restated District Information Form relative to the District's 2023 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 Campo seconded said motion, which carried unanimously.

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

The Board discussed the status of preparation of the District's audit report .In connection therewith, Mr. Ringold informed the Board that Toldan of McCall Gibson Swedlund Barfoot PLLC ("McCall") has advised that McCall now has enough information to begin preparation of the District's audit report, and is hopeful that the audit report will be ready for presentation and approval at next month's meeting.

Mr. Ringold then informed the Board that, as authorized at the last meeting, SPH forwarded a demand letter to Inframark for reimbursement of SPHs expenses related to the District's audit report through August 31, 2023, but that no response has been received to date.

## **BOOKKEEPER'S REPORT**

The Board considered the Bookkeeper's Report dated September 30, 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, financials , and payment of invoices, it was moved by Director Heck that said report be approved and that the checks and invoices identified therein be approved for

payment from the general operating fund. Director Leftwich seconded said motion, which carried unanimously.

A discussion next ensued regarding the possibility of transferring some of the District's operating funds out of the current money market account into one or more Certificates of Deposit ("CD") in an effort to diversify investment of the District's operating funds. In connection therewith, Ms. LaCour presented to and reviewed with the Board a summary of current CD rates being offer various banks. After discussion, the Board concurred not to transfer any District funds into CDs 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. Ringold reviewed with the Board the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). Mr. Ringold then discussed the proposed changes contained in the new Order with the Board. After discussion on the matter, Director Wolfe 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 Campo 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 30, 2023, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit D**. 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.

### **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.

Ms. Burks exited the meeting at this time.

### **OPERATOR'S REPORT**

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

Ms. Landin informed the Board that a request was received from a District customer for an additional credit to their account in connection with higher than usual charges resulting from a

pool refill pipe leak, which was promptly repaired upon discovery of same. She noted that the leak extended into two billing cycles, and an adjustment had already been authorized and applied for the prior month's bill, but the customer is now requesting a credit for the excess water usage caused by the leak reflected in the current bill. After discussion on the matter, Director Heck moved that H2O be authorized to apply a credit to the customer's account for the sanitary sewer charges in excess of the customer's average monthly usage and to bill all excess water usage at the lowest tiered rate, consistent with the adjustment made to the prior month's bill. Director Campo seconded the motion, which carried unanimously.

Ms. Landin next informed the Board that H2O will be transitioning over to a new electronic payment program vendor next month, and requested authorization from the Board for H2O to (i) set up a robocall, (ii) include an additional insert in the next water bill, and (iii) include a reminder on the next water bill to inform District customers of the change and that they will need to setup new accounts. After discussion, the Board concurred with said request. The Board then discussed the possibility of suspending late fees during the transitioning period. After discussion, Director Wolfe moved that H2O be authorized to offer a one-time late fee waiver for any District customer who may incur late fees due to the transitioning of the electronic payment program to the new vendor. Director Heck seconded the motion, which carried unanimously.

### **ENGINEER'S REPORT**

The Board next considered the Engineer's Report. In connection therewith, Mr. Stegent 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 that the project recently went out for bids. He then informed the Board that the generator is not expected to be delivered until February of 2024.

### **DRAINAGE CHANNEL MAINTENANCE**

Mr. Stegent next reminded the Board that the RG Miller recently received a request from Harris County Flood Control District ("HCFCD") regarding cleanout and regrading of the outfall channel. Mr. Stegent then informed the Board that, as request at the last meeting, RG Miller notified HCFCD that the District cleaned out and regraded the first 1,500 of said outfall channel a few years ago, and that the District does not believe a further cleanout or regrading is justified at this time. In connection therewith, Mr. Stegent informed the Board that HCFCD noted that it would take the information into consideration when determining the scope of work for the area. After discussion, the Board requested that RG Miller send follow-up correspondence to HCFCD advising that the District will not be in a position to provide a response relative to a commitment to pay for the outfall channel maintenance until the scope of work and estimated pricing has been determined. Mr. Stegent advised that he would do so.

## **LAKE MAINTENANCE**

Mr. Stegent informed the Board that, as requested at the last meeting, RG Miller requested a third party proposal for the replacement of Water Well No. 1, that said proposal had not yet been received, and that he would follow-up accordingly. Director Wolfe then informed the Board that he recently met on-site with representatives of Lake Pro, Inc. and discussed the possibility of drilling a new water well.

A discussion next ensued regarding recent email communications received from a District resident regarding bulkhead damages. Director Campo informed the Board that a District resident has built a retaining wall adjacent to the bulkhead and discussed his concerns regarding same. A discussion then ensued whether the resident should be held liable for anything that may happen to the bulkhead in the future as a result of the retaining wall. After further discussion on the matter, the Board concurred that the retaining wall matter should be handled through the homeowners association, and requested that an item be added to the next agenda to discuss possible bulkhead repairs in general.

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

There was no update provided on this matter.

## **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 presented to and reviewed with the Board correspondence recently received from the City of Houston regarding Harris Galveston Subsidence District Regulatory 3 Groundwater Committee Voting Member Request, a copy of which correspondence is attached hereto as **Exhibit F**, and advised that Director Wolfe had completed the form to be able to submit a vote on behalf of the District.

Director Wolfe next updated that the Board of recent discussions with the President of the Board of Directors of Green Trails regarding the billing discrepancy for the administrative charge associated with GRP Fees on Green Trails invoices to the District and noted that said discussion are still on-going at this time.

A discussion next ensued regarding the possible rescheduling of the District's regular Board meetings. After discussion, Director Wolfe moved that the District's regular Board meetings be changed to the 4<sup>th</sup> Monday of each month at 12:00 p.m., commencing in January 2024. Director Leftwich seconded the motion, which carried unanimously.

**ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Leftwich, seconded by Director Heck, 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
- Exhibit F    Correspondence from City of Houston regarding HGSD Voting  
Member Request