

BAKER ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
November 25, 2024

The Board of Directors ("Board") of Baker Road Municipal Utility District ("District") met in regular session at the Board's regular meeting place on November 25, 2024, 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
Juan Campo, Assistant Secretary
Ray Viator, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were: Brenda Landin of H2O Innovation Operation and Maintenance, LLC ("H2O"); Autumn Clark of Wheeler & Associates, Inc. ("Wheeler"); Debra Loggins of L&S District Services, LLC ("L&S"); Todd Elston of R. G. Miller Engineers, Inc. ("R.G. Miller"); and Eric Lai and Maranda Lawson of Schwartz, Page & Harding, L.L.P. ("SPH"), some of whom entered the meeting after the call to order, as noted below.

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 October 28, 2024. After discussion of the minutes presented, Director Heck moved that such minutes be approved, as written. Director Campo seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated November 25, 2024. Ms. Loggins 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 L&S, copies of which are attached hereto as **Exhibit A**. After discussion regarding the Bookkeeper's Report, 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 Heck seconded said motion, which carried unanimously.

Ms. Loggins next presented to and reviewed with the Board the draft budget for the District's fiscal year ending January 31, 2025, a copy of which draft budget is included with Exhibit A. She requested that the Board and consultants review the draft budget and, provide any comments they may have. She noted that L&S will prepare the final budget for the Board's review and approval at its January 2025 meeting.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Lai presented and reviewed with the Board a Historical Cost & Usage report prepared by Acclaim Strategic Power Specialists, a copy of which is attached hereto as Exhibit B, and noted that the District's annual electricity expense is under the \$200,000, and, therefore, no further action is required by the District.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Clark presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of October 2024, including the checks presented for payment. A copy of the report is attached hereto as Exhibit C. After discussion, 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 Campo seconded the motion, which unanimously carried.

Ms. Clark next presented to and reviewed with the Board various documentation regarding the calculation of accounts relative to the District's tax rolls. The Board then asked various questions, to which Ms. Clark responded.

Ms. Clark and Ms. Loggins each exited the meeting at this time.

DELINQUENT TAX COLLECTION ATTORNEY'S REPORT

Mr. Lai presented to and reviewed with the Board a Delinquent Tax Report, dated November 25, 2024, 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. After discussion, Mr. Lai noted that no action from the Board was required at this time.

OPERATOR'S REPORT

The Board considered the operator's report. Ms. Landin presented a written Operations Report dated November 25, 2024, prepared by H2O, a copy of which is attached hereto as Exhibit E. After discussion, Ms. Landin noted that no action from the Board was required at this time.

Ms. Landin next informed the Board that a subcontractor for Ezee Fiber previously put up a deposit for the temporary water meter they have been using during the installation of fiber optic lines in the District and advised that the temporary water meter has been returned and that the amount of water that was used has been deducted from said deposit. Ms. Landin then informed the Board that there is a remaining balance of \$407.50 that needs to be refunded, but inquired if said check should be held for certain damages caused during the installation until said damages, if any, are paid. She then presented to and reviewed with the Board a summary of the damages, a copy of which is included with **Exhibit E**. After further discussion, it was determined that said check should be released at this time.

Mr. Elston entered the meeting at this time.

Ms. Landin next requested authorization from the Board for H2O to defer utility service disconnections until January 2025, due to the fact that the District's regular termination date is around the holidays. After discussion on the matter, the Board concurred that H2O be authorized to defer disconnections until January 2025.

ENGINEER'S REPORT

The Board next considered the Engineer's report. Mr. Elston informed the Board that he had nothing new to report at this time.

OPERATIONS ADVISORY COMMITTEE

Director Campo next updated the Board regarding the recent Operations Advisory Committee (the "Committee") meeting held November 21, 2024, pursuant to the Waste Disposal Agreement with No. 345 and Longhorn Town Utility District. In connection therewith, Director Campo informed the Board that the Committee recently had its first official in-person meeting on November 21, 2024, and discussed various details of said meeting with the Board. Director Campo informed the Board that a Joint Wastewater Treatment Plant Facility Tour has been scheduled for Friday, December 13, 2024. After discussion, the Board requested that an agenda be prepared and posted for said tour so that any Directors interested in attending said tour may do so. Mr. Lai noted that SPH would prepare and post said agenda accordingly.

DRAINAGE CHANNEL MAINTENANCE

The Board deferred discussion of maintenance of the drainage channel at this time.

LAKE MAINTENANCE

Director Wolfe informed the Board that the water level of the lakes is back to normal.

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

Mr. Lai updated the Board on the appellate court's status conference and reminded the Board that there are several issues to be resolved before the trial court can proceed, including the appellate court's decision on both liability and damages.

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.

EMINENT DOMAIN REPORT

Mr. Lai reminded the Board that, pursuant to Section 2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report contains the District's contact information, as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Heck, seconded by Director Zummo, and unanimously carried that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

ATTORNEY'S REPORT

The Board next discussed holding a potential townhall meeting in 2025 to inform residents of the need for a prospective 2025 Bond Issue. No action was taken by the Board at this time.

Director Wolfe next informed the Board that he recently attended a meeting held by the West Harris County Regional Water Authority ("WHCRWA") and briefly discussed same with the Board. He additionally presented various literature concerning the WHCRWA for the Board's information and use.

Mr. Lai next reminded the Board that it typically does not meet during the month of December. After discussion, the Board concurred not to meet in December.

Mr. Lai next reviewed with the Board a memorandum prepared by SPH concerning the Environmental Protection Agency's final National Primary Drinking Water Regulation ("NPDWR") for per and polyfluoroalkyl substances ("PFAS"), a copy of which is attached hereto as **Exhibit F**. Mr. Lai advised that the NPDWR establishes maximum contaminant levels ("MCLs") for six categories of the twenty-nine PFAS chemicals that may be found in public water systems, as well as an initial testing schedule for those categories that must be followed by certain districts. Mr. Lai further advised that the applicability of the NPDWR to the District will depend, in part, on a review of the sources and disinfection treatments for the District's water supply. For example, districts which receive treated water from another water system through an interconnect for distribution without further treatment, except any treatment necessary to maintain water quality within the receiving district's distribution system, are not required to monitor that water under the NPDWR. Mr. Lai noted that, for applicable districts, initial water supply monitoring is required to be completed by April 26, 2027. He stated that, depending on initial monitoring results, further monitoring will be established and a solution must be implemented to reduce PFAS levels for these six categories below the MCLs by April 26, 2029.

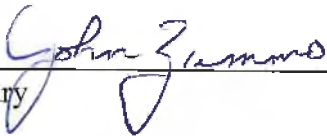
Following discussion, Director Heck moved that H2O and RG Miller be authorized to (i) determine whether the District is subject to the testing requirements of the NPDWR and, if so, (ii) develop an initial monitoring schedule which complies with the deadlines set forth in the attached memorandum. Director Zummo seconded the motion, which unanimously carried.

Mr. Lai next presented to the Board a disclosure provided by Masterson Advisors LLC, relative to MSRB Rule G-10, a copy of which is attached hereto as **Exhibit G**.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Campo, seconded by Director Heck, and unanimously carried, the meeting was adjourned.




Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Bookkeeper's Report
- Exhibit B – Historical Cost & Usage report
- Exhibit C – Tax Assessor-Collector's Report
- Exhibit D – Delinquent Tax Report
- Exhibit E – Operator's Report
- Exhibit F – Memorandum regarding Environmental Protection Agency's Final
National Primary Drinking Water Regulation
- Exhibit G – Disclosure regarding MSRB Rule G-10