

BAKER ROAD MUNICIPAL UTILITY DISTRICT  
Minutes of Meeting of Board of Directors  
January 27, 2025

The Board of Directors ("Board") of Baker Road Municipal Utility District ("District") met in regular session at the Board's regular meeting place on January 27, 2025, 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"); Michael Bailey of McCall Gibson Swedlund Barfoot Ellis PLLC ("McCall"); 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 meetings held on November 25, 2024 and December 13, 2024. Director Campo noted a revision to the minutes of the November 25, 2024 meeting. After discussion of the minutes presented, Director Heck moved that the November 25, 2024 minutes be approved, as revised, and the December 13, 2024 minutes be approved, as written. Director Wolfe seconded said motion, which unanimously carried.

**ENGAGEMENT OF AUDITOR**

The Board considered the engagement of an auditor to audit the District's financial statements and prepare the District's audit report for the fiscal year ending January 31, 2025. Mr. Bailey advised that McCall's proposed fee for the preparation of said audit report is between \$14,000 and \$15,000. After discussion, Director Heck moved that (i) McCall be engaged to prepare the District's audit report for the fiscal year ending January 31, 2025; (ii) the President be

authorized to execute the engagement letter 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 McCall in connection with same. Director Campo seconded said motion, which unanimously carried.

**AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE**

Mr. Lai advised the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, certain water districts are required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, it was moved by Director Zummo, seconded by Director Heck, and unanimously carried, that the District's auditor, McCall, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

Mr. Bailey exited the meeting at this time.

**BOOKKEEPER'S REPORT**

The Board considered the Bookkeeper's Report dated January 27, 2025. 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 Viator seconded said motion, which carried unanimously.

**ADOPTION OF OPERATING BUDGET FOR FISCAL YEAR ENDING JANUARY 31, 2025**

Ms. Loggins next presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending January 31, 2026, a copy of which is included with the Bookkeeper's Report, as prepared by L&S. Several revisions to said budget were noted by the Board. After discussion on the matter, Director Zummo moved that the operating budget be adopted by the Board and District, as revised. Director Viator seconded said motion, which unanimously carried.

**AMENDED ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER**

The Board considered the adoption of an Amended Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Amended Investment Policy"), a copy of which is attached hereto as **Exhibit B**. Mr. Lai informed the Board that the District needs to amend the District's currently Investment Policy to appoint Tiffany Carden and Debra

Loggins as the District's Investment Officer. After discussion on the matter, Director Wolfe moved that the Amended Investment Policy be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Heck seconded said motion, which unanimously carried.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Clark presented the Tax Assessor-Collector's Report prepared by Wheeler for the months of November and December 2024, including the checks presented for payment. Copies of the reports are attached hereto as **Exhibit C**. After discussion, Director Heck moved that the Tax Assessor-Collector's Reports be approved, and that payment of the checks listed in the reports be authorized from the District's tax account. Director Campo seconded the 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.

### **TAX EXEMPTIONS FOR 2025**

Mr. Lai outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Heck moved that the District: (a) grant a general residential homestead exemption, as authorized by Article 8, Section 1-b(e), Texas Constitution, as amended, of five percent (5%) of the market value of residence homesteads, provided, however, that no such exemption shall be less than Five Thousand Dollars (\$5,000) of the appraised value of the residence homestead; (b) grant an exemption from ad valorem taxation by the District of (i) Ten Thousand Dollars (\$10,000) of the appraised value of residence homesteads of individuals who are under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance and (ii) Twenty Thousand Dollars (\$20,000) of the appraised value of residence homesteads of individuals who are sixty-five (65) years of age or older; and (c) that the Resolution relative to same, attached hereto as **Exhibit D**, be approved and adopted by the Board and District. Director Wolfe seconded said motion, which carried unanimously.

## **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit E**. Mr. Lai advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Zummo, seconded by Director Campo and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board.

Ms. Clark exited the meeting at this time.

## **OPERATOR'S REPORT**

The Board considered the operator's report. Ms. Landin presented a written Operations Report dated January 27, 2025, prepared by H2O, a copy of which is attached hereto as **Exhibit F**.

Ms. Landin next presented to and reviewed with the Board a map depicting the areas within the District that H2O had recently received calls regarding water quality issues, a copy of which map is included with **Exhibit F**. A discussion then ensued regarding same and the Board asked various questions to which Ms. Landin responded.

Ms. Landin next presented to and reviewed with the Board correspondence received from a District resident whose water line was damaged by a subcontractor for Ezee Fiber in October 2024, and subsequently repaired, but who incurred a significantly higher water bill due to the water line break. Ms. Landin informed the Board that the resident's water bill for the month of November 2024 was \$1,347.10 and that the resident's typical water bill is approximately \$120.00. She then informed the Board that the resident had already paid the significantly high water bill, but was requesting that the Board consider giving an adjustment to provide some financial relief from the significantly high water bill. After discussion, the Board deferred taking any action and requested that Ezee Fiber be notified that it is their responsibility to cover the costs for the resident's high water bill due to the damages it caused to the resident's water line.

Ms. Landin next reminded the Board that a subcontractor for Ezee Fiber previously caused certain damages to District facilities during the installation of fiber optic lines in the District and that said damages still need to be paid for by Ezee Fiber. She then presented to and reviewed with the Board a summary of the damages, a copy of which is included with **Exhibit F**. After further discussion, Director Heck moved that SPH be authorized to send a demand letter to Ezee Fiber for the costs associated with said damages. Director Zummo seconded the motion, which carried unanimously. Mr. Lai noted that SPH would include a request in the demand letter for Ezee Fiber to reimburse the District resident for the high water bill costs as discussed earlier.

## **AMENDMENT TO RATE ORDER**

The Board next considered amending the District's Rate Order. Mr. Lai presented to and reviewed with the Board correspondence received from Green For Life Environmental ("GFL") stating that, effective February 1, 2025, there will be a CPI rate adjustment for garbage collection, disposal and recycling services by GFL, increasing such rate from \$20.26 to \$20.67 per month for each District customer, a copy of which correspondence is attached hereto as **Exhibit G**. After discussion, it was moved by Director Heck, seconded by Director Zummo and unanimously carried, that the District's Rate Order be amended to: (i) increase the District's monthly residential sanitary sewer fee from \$20.85 to \$21.26 to account for the CPI rate increase for garbage collection, disposal and recycling services, with said amended Rate Order to be effective February 1, 2025, (ii) that any and all rate orders heretofore adopted by the Board be revoked, and (iii) that the amended Rate Order attached hereto as **Exhibit H** be passed and adopted as of that date.

## **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.

Director Wolfe then informed Mr. Elston that a District resident has voiced concerns regarding a cracked bulkhead and queried Mr. Elston regarding same. Mr. Elston noted that he had no concerns with the integrity of the bulkhead as long as the bulkhead is not leaning.

## **OPERATIONS ADVISORY COMMITTEE**

Director Campo next updated the Board regarding the Operations Advisory Committee (the "Committee") meetings and noted that he had nothing new to report at this time.

## **DRAINAGE CHANNEL MAINTENANCE**

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

## **LAKE MAINTENANCE**

Director Wolfe informed the Board that one of the lake pumps recently failed and noted that Lake Pro, Inc. has ordered a replacement pump in the amount of \$3,425.00.

## **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.

## **DISCUSSION OF RENEWAL OF DISTRICT INSURANCE COVERAGE AND AUTHORIZE SOLICITATION FOR PROPOSALS FOR SAME**

The Board next discussed the renewal of the District's insurance policies and authorizing the solicitation of proposals for same. Mr. Lai stated that the District's existing insurance policies were obtained through Arthur J. Gallagher & Co. ("Gallagher") and will expire on March 31, 2025. After discussion regarding the matter, Director Zummo moved to authorize SPH to solicit a proposal for the renewal of the District's insurance policies from Gallagher. Director Campo seconded said motion, which unanimously carried.

## **COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY**

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit I**. Mr. Lai advised that Senate Bill 1893, as passed during the 88<sup>th</sup> Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Lai noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Lai further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Zummo moved that the Technology Policy be adopted and that the President and Secretary be authorized to execute the same. Director Campo seconded said motion, which unanimously carried.

## **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 and Director Heck recently attended a homeowner's association meeting with Mr. Doug Diehl, the President of the Board of Directors of Green Trails Municipal Utility District regarding a proposed sidewalk project which Harris County Municipal Utility District No. 346 agreed to contribute funds towards. Director Wolfe then informed the Board of various proposed projects that were discussed.

## 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.



*Juan Camp*  
Asst. Secretary

## LIST OF ATTACHMENTS TO MINUTES

Exhibit A	Bookkeeper's Report
Exhibit B	Amended Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
Exhibit C	Tax Assessor-Collector's Report
Exhibit D	Resolution Granting Exemptions from Taxation for Tax Year 2025
Exhibit E	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
Exhibit F	Operator's Report
Exhibit G	Correspondence from GFL regarding consumer price index increase
Exhibit H	Amended Rate Order
Exhibit I	Order Establishing Policy for Covered Applications and Prohibited Technology