

BAKER ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Special Meeting of Board of Directors
May 19, 2025

The Board of Directors ("Board") of Baker Road Municipal Utility District ("District") met in special session at the Board's regular meeting place on May 19, 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"); Debbie Shelton of Master Advisors, LLC ("Masterson"); Marco Montes of R. G. Miller Engineers, Inc. ("R.G. Miller"); Hunter Farrell of McCall Gibson Swedlund Barfoot 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 meeting held on April 28, 2025. After discussion of the minutes presented, Director Campo moved that the minutes be approved, as written. Director Heck seconded said motion, which unanimously carried.

REVIEW AND APPROVAL OF AUDIT REPORT FOR FISCAL YEAR ENDED JANUARY 31, 2025

Mr. Farrell reviewed with the Board a draft audit report for the District's fiscal year ended January 31, 2025, prepared by McCall, a copy of which is attached hereto as **Exhibit A**. Mr. Farrell discussed the Statement on Auditing Standards No. 115 ("SAS 115"), as it relates to the auditor's obligation to disclose control deficiencies or material weaknesses of the District in the audit. He presented a draft letter from McCall disclosing the District's deficiencies ("Management

Letter"), including a response previously adopted by the Board ("Management's Response"), copies of which are included with **Exhibit A**. The Board then asked various questions and provided comments regarding the draft audit report. After discussion concerning the audit presented, Director Zummo moved that (i) the audit report for the fiscal year ended January 31, 2025, be approved, subject to incorporation of any comments from the District's consultants and the Board, (ii) such audit report be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality, and (iii) the Management's Response previously adopted by the Board be included by McCall as part of the final Management Letter once updated as discussed. Director Campo seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated May 19, 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 B**. Ms. Loggins also presented additional check no. 6102 issued to Arthur J. Gallagher for the District's insurance renewal premium, which is not reflected in the Report. 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, including check no. 6102, as discussed. Director Heck seconded said motion, which carried unanimously.

Mr. Farrell exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Clark presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of April 2025, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit C**. After discussion, Director Heck 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.

UNCLAIMED PROPERTY REPORT

The Board next considered the approval of an Unclaimed Property Report as of March 1, 2025. Mr. Lai informed the Board that the District's bookkeeper has indicated that there is \$301.15 in unclaimed property in the District's operating fund to be reported and turned over to the State Comptroller's office at this time. Ms. Clark reported that there is no unclaimed property in the District's tax account to be escheated to the State of Texas and presented a letter regarding same, a copy of which is included with **Exhibit C**. After discussion on the matter, Director Campo moved that the Unclaimed Property Report as of March 1, 2025, be approved, and that the Board authorize L&S to file same with the State Comptroller prior to July 1, 2025. Director Wolfe seconded the motion, which carried unanimously.

OPERATOR'S REPORT

The Board considered the operator's report. Ms. Landin presented a written Operations Report dated May 19, 2025, prepared by H2O, a copy of which is attached hereto as **Exhibit D**. It was noted that no action was being requested of the Board at this time.

A discussion then ensued regarding various delinquent accounts reflected in the Operations Report. After discussion, Director Zummo moved that H2O be authorized to deem four (4) accounts in the total amount of \$2,630.47 uncollectible. Director Heck seconded the motion, which carried unanimously.

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. Mr. Lai reminded the Board that it previously authorized SPH to send a demand letter to Ezee Fiber for the costs associated with said damages and noted that said demand letter had been sent and that the deadline for Ezee Fiber to respond was March 5, 2025, but no response had been received. A lengthy discussion then ensued regarding same. After further discussion, Director Zummo moved that Director Wolfe be authorized to complete and submit on behalf of the District an application to small claims court related to Ezee Fiber's non-payment of said damages. Director Heck seconded the motion, which carried unanimously.

Ms. Clark exited the meeting at this time.

REVIEW AND APPROVAL OF CONSUMER CONFIDENCE REPORT

Ms. Landin next informed the Board that H2O has prepared the District's 2024 Consumer Confidence Report ("CCR") and presented and reviewed same with the Board, a copy of which is included with **Exhibit D**. In connection therewith, Mr. Lai advised the Board that, pursuant to CCR requirements promulgated by the EPA and the Texas Commission on Environmental Quality ("TCEQ"), the District is required to provide a report to all customers of the District by July 1 of each year, containing various information regarding the District's water supply. Ms. Landin noted that SPH has reviewed and approved said CCR and requested that the Board consider authorizing H2O to distribute said CCR to all customers electronically and she reviewed the requirements for same. After further discussion, Director Zummo moved that the 2024 CCR be approved, and that H2O be authorized to distribute same to the District's customers electronically prior to July 1, 2025. Director Heck seconded said motion, which carried unanimously.

ENGINEER'S REPORT

The Board considered the engineer's report. Mr. Montes presented to and reviewed with the Board a monthly status report dated May 19, 2025, a copy of which is attached hereto as **Exhibit E**. It was noted that no action was being requested of the Board at this time.

PROPOSED SERIES 2025 UNLIMITED TAX BONDS

A discussion ensued regarding the District's proposed Series 2025 Unlimited Tax Bonds. No action was taken by the Board at this time.

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE OPERATING ACCOUNT WITH FUTURE BOND PROCEEDS

The Board deferred the approval and execution of a Resolution Expressing Official Intent to Reimburse Operating Account with future bond proceeds at this time.

OPERATIONS ADVISORY COMMITTEE

Director Campo next updated the Board regarding the Operations Advisory Committee (the "Committee") meetings and noted that the next meeting is in the process of being scheduled for June.

DRAINAGE CHANNEL MAINTENANCE

Director Wolfe noted that there are no updates relative to maintenance of the drainage channel.

LAKE MAINTENANCE

Director Wolfe updated the Board regarding lake maintenance in the District. A discussion then ensued regarding same.

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.

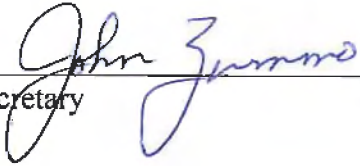
All those present at the meeting, with the exception of the Board, Mr. Lai and Ms. Lawson, exited at this time.

ATTORNEY'S REPORT

A discussion ensued regarding the solicitation of proposals for engineering services. The Board deferred taking any action at this time.

ADJOURNMENT

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


Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A– Draft Audit Report
- Exhibit B – Bookkeeper's Report
- Exhibit C – Tax Assessor-Collector's Report
- Exhibit D – Operator's Report
- Exhibit E – Engineer's Report