

BAKER ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
February 24, 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 February 24, 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, except Directors Zummo and Viator, 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 Gordon Cranner 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. Cranner 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 January 27, 2025. After discussion of the minutes presented, Director Heck moved that the minutes be approved, as written. Director Campo seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated February 24, 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 Wolfe 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.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Clark presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of January 2025, including the checks presented for payment. Copies of the reports are attached hereto as **Exhibit B**. 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

Mr. Cranner presented to and reviewed with the Board a Delinquent Tax Report, dated February 17, 2025, 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 C**. Mr. Cranner noted that no action is required from the Board at this time relative to the account(s) listed on the Report.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Cranner next advised the Board that the procedures involved in setting a tax rate each year applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Cranner then reviewed with the Board a worksheet completed by R.G. Miller Engineers, Inc. to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for 2025 Tax Year, a copy of which is attached hereto as **Exhibit D**. He advised the Board that pursuant to said worksheet the District is a "Developed District." Following discussion, upon motion made by Director Heck, seconded by Director Campo and unanimously carried, the Board determined that the District shall be considered a Developed District for the 2025 Tax Year and adopted the attached Resolution.

OPERATOR'S REPORT

The Board considered the operator's report. Ms. Landin presented a written Operations Report dated February 24, 2025, prepared by H2O, a copy of which is attached hereto as **Exhibit E**. The report included the recommendation that four (4) accounts in the total amount of \$2,649.94 be deemed uncollectible. After discussion, Director Wolfe moved that the recommendation of H2O to deem such accounts uncollectible be approved. 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. Cranner then 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 is March 5, 2025. A discussion then ensued regarding the possibility of filing a complaint with the Better Business Bureau, the Public Utility Commission and the Federal Trade Commission regarding Ezee Fiber. After discussion, the Board concurred that Ms. Landin and/or Director Heck each be authorized to file the complaints discussed on the District's behalf, as necessary.

Ms. Landin next informed the Board that the control board and the auto-dialer for the lift station generator are both in need of replacement and noted that that a replacement control board had been ordered and that the cost for same had not yet been received. She then informed the Board that the estimated cost to replace of the auto-dialer \$4,250.00. After discussion, the Board concurred that H2O be authorized to make the necessary replacements for the control board and the auto-dialer.

Ms. Clark exited the meeting at this time.

Ms. Landin next reminded the Board that H2O had recently received numerous calls regarding water quality issues and noted that H2O has been performing additional flushing in the areas where the complaints were received. She then informed the Board that the additional flushing appears to be working.

Ms. Landin next informed the Board that H2O will be performing the annual flushing in the District during the first week of March 2025.

CONSUMER CONFIDENCE REPORTS

The Board next considered authorizing H2O to provide required information relative to Consumer Confidence Reports to any districts receiving water through interconnects with the District. Mr. Cranner advised that, pursuant to rules promulgated by the United States Environmental Protection Agency, the District is required to provide a report containing various information regarding the District's water supply to applicable districts by April 1, 2025. After discussion, Director Heck moved that the Board authorize H2O to provide the required information to any districts receiving water from the District during 2024. Director Campo seconded said motion, which unanimously carried.

ENGINEER'S REPORT

The Board next considered the Engineer's report. Mr. Elston informed the Board that the total estimated cost for the Green Trails Municipal Utility District Water Well Project has decreased from \$7,200,000 to \$6,900,000.

REVIEW OF ANNUAL WAGE RATE SCALES AND CONSIDER ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALES FOR CONSTRUCTION

Mr. Cranner presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit F**. He reviewed various provisions of the Resolution with the Board. Mr. Cranner advised

the Board that the District previously adopted the wage rates for Harris County, and noted that Mr. Elston is recommending that the District adopt the Department of Labor's updated wage rates for Harris County effective January 1, 2025, and discussed same in detail with the Board. After discussion Director Heck moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the wage rates for the Department of Labor for Harris County, and that the President and the Assistant Secretary be authorized to execute and attest same on behalf of the Board and the District. Director Campo seconded said motion, which unanimously carried.

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.

OPERATIONS ADVISORY COMMITTEE

Director Campo next updated the Board regarding the Operations Advisory Committee (the "Committee") meetings and noted that the next Committee meeting is scheduled for March 21, 2025.

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 fountain pumps recently failed and was replaced by Lake Pro, Inc. He also noted that two (2) lake fountain pumps located at the duck pond have recently stopped working and are in need of replacement.

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

Mr. Cranner 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.

REVIEW AND APPROVAL OF PROPOSALS RELATIVE TO RENEWAL OF DISTRICT'S GENERAL LIABILITY, UMBRELLA, LIABILITY, AND POLLUTION LIABILITY INSURANCE COVERAGE FOR POLICIES EXPIRING MARCH 31, 2025

The Board considered the renewal of the District's various insurance coverages that expire on March 31, 2025. In that regard, the Board discussed the proposal received from the District's current insurance broker, Arthur J. Gallagher ("Gallagher"), a copy of which is attached hereto as

Exhibit G. After discussion, Director Heck moved that the proposal from Gallagher be accepted as presented without the proposed optional coverages, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District. Director Campo seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

Mr. Cranner reminded the Board that it typically does not meet during the month of March. After discussion, the Board concurred not to meet during the month of March and that the next meeting would be scheduled for April 28, 2025.

ADJOURNMENT

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


Asst. Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Delinquent Tax Report
- Exhibit D Resolution Concerning Developed District Status for 2025 Tax Year
- Exhibit E Operator's Report
- Exhibit F Resolution Adopting Prevailing Wage Rate Scales for Construction
- Exhibit G Insurance Proposal from AJG for 2025 - 2026 Term