

BAKER ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 23, 2026

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 23, 2026, 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"); Bob Devillier of R. G. Miller Engineers, Inc. ("R.G. Miller"); and Kendall Dicke 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. Dicke 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 January 28, 2026, and January 30, 2026, respectively. After discussion of the minutes presented, Director Heck moved that the minutes be approved, as presented. Director Campo seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

The Board deferred 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, 2026 after noting that said engagement was done at last month's meeting.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated February 23, 2026. 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.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2026 TAX YEAR

Mr. Dicke 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. Dicke then reviewed with the Board a worksheet completed by R.G. Miller to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for 2026 Tax Year, a copy of which is attached hereto as **Exhibit B**. 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 Zummo and unanimously carried, the Board determined that the District shall be considered a Developed District for the 2026 Tax Year and adopted the attached Resolution.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Clark presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of January 2026, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit C**. Ms. Clark then presented additional check no. 5227 in the amount of \$1,914 issued to Harris Central Appraisal District for the District's 2nd quarterly assessment, which is not reflected on the Report. 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, including check no. 5227, as discussed. Director Viator 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.

OPERATOR'S REPORT

The Board considered the operator's report. Ms. Landin presented a written Operations Report dated February 23, 2026, prepared by H2O, a copy of which is attached hereto as **Exhibit D**. Ms. Landin requested authorization to write off an uncollectible account in the total amount of

\$42.02. After discussion, Director Zummo moved that H2O be authorized to write off said account. Director Campo seconded the motion, which carried unanimously.

Ms. Landin next informed the Board that it has come to H2O's attention that generally, numerous H2O customers are not receiving their water bills through the United States Postal Service in a timely manner and presented to and reviewed with the Board a flyer prepared by H2O informing customers of the various options available to receive their water bills (ie: regular mail, e-mail or both). A copy of the flyer is included with **Exhibit F**. Ms. Landin noted that it does not appear that this particular issue is occurring within the District, but inquired if the Board would like for H2O to distribute the flyer to the District's residents as a courtesy. After discussion, the Board requested H2O provide an estimate of distribution costs and deferred taking any action on the matter at this time.

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. Dicke 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, 2026. After discussion, Director Zummo moved that the Board authorize H2O to provide the required information to any districts receiving water from the District during 2025. Director Campo seconded said motion, which unanimously carried.

ENGINEER'S REPORT

The Board considered the engineer's report. Mr. Devillier presented to and reviewed with the Board a monthly status report dated February 23, 2026, a copy of which is attached hereto as **Exhibit E**.

STATUS OF PREPARATION OF BOND APPLICATION REPORT FOR SERIES 2026 BOND ISSUE

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Mr. Devillier informed the Board that the bids and the engineering fees associated with the Wastewater Treatment Plant Phase I project ended up being higher than originally anticipated and noted that R.G. Miller has revised the Summary of Costs in accordance therewith. He noted that the size of the Bond Application Report ("BAR") increased by \$80,000 going from \$4,265,000 to \$4,345,000. After discussion, Director Campo moved that the revised Summary of Cost in the amount of \$4,345,000 be approved. Director Zummo seconded the motion, which carried unanimously. It was then noted that that the BAR is expected to be submitted to the Texas Commission on Environmental Quality in the near future.

OTHER MATTERS

Director Wolfe informed the Board that he was recently provided a copy of the revised draft flood plain maps recently issued by the Federal Emergency Management Association ("FEMA") and noted that said map reflects the District is being included within the highest level of the flood plain. A discussion then ensued regarding the impact that same would have on the District. Director Wolfe noted that the District can challenge FEMA on the matter. After further discussion, Director Campo moved that RG Miller be authorized to prepare a cost estimate for its consideration at the next meeting for RG Miller to provide services to the District to challenge FEMA on the matter. Director Heck seconded the motion, which carried unanimously.

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

The Board next considered the adoption of a Resolution Expressing Official Intent to Reimburse Operating Account in connection with the costs associated with the proposed wastewater treatment plant rehabilitation improvements, generator purchase and water meter installation (collectively, the "Project"). Mr. Dicke discussed the Resolution with the Board and advised that it is necessary to adopt said Resolution if the Board intends to reimburse the Operating Fund for the costs of the projects out of future bond proceeds. After discussion of the matter, and upon motion made by Director Zummo and seconded by Director Campo, the Board voted four (4) in favor and one (1) opposed with Directors Wolfe, Heck, Zummo and Campo being in favor and Director Viator being opposed to adopt the Resolution Expressing Official Intent to Reimburse Operating Account attached hereto as **Exhibit F**.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board considered the review of the prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Dicke reported that SPH is recommending that the District adopt the currently effective United States Department of Labor ("DOL") wage rate scales applicable for Harris County, Texas, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Wolfe moved that the DOL wage rate scales for Harris County and the Resolution attached hereto as **Exhibit G** be adopted as presented, and the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Zummo seconded said motion, which unanimously carried.

OPERATIONS ADVISORY COMMITTEE

Director Campo and Mr. Devillier next updated the Board regarding the Operations Advisory Committee (the "Committee") meetings and noted that the next meeting is scheduled to be held on March 19, 2026.

DRAINAGE CHANNEL MAINTENANCE

Director Wolfe informed the Board that he had nothing new to report at this time.

LAKE MAINTENANCE

Director Wolfe informed the Board that he had nothing new to report at this time.

Director Zummo next reminded the Board that at the last meeting it authorized Directors Heck and Zummo to evaluate the area of the waterfall located behind the pool and the clubhouse in connection with the decommissioning of the waterfall and backfilling and landscaping the area. In connection therewith, Director Zummo noted that the lighting fixtures and the electrical conduit for the waterfall have been removed.

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

Mr. Dicke updated the Board on the appellate court's status and advised that an opinion was recently issued that is highly favorable for the District. Mr. Dicke then informed the Board that there was a hearing held February 16, 2026, for the final judgment and noted that there is a sixty (60) day period after the final judgement is issued for an appeal to be made.

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 POLOCIES EXPIRING MARCH 31, 2025

The Board considered the renewal of the District's various insurance coverages that expire on March 31, 2026. 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 H**. After discussion, Director Zummo moved that the proposal from Gallagher be approved, 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. Dicke presented to and reviewed with the Board a Customer Service Report received from Green For Life Environmental, the District's waste collection and disposal provider for January 2026, a copy of which report is attached hereto as **Exhibit I**.

Mr. Dicke next 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 27, 2026.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 2, 2026. Mr. Dicke advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 17, 2026. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Dicke then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit J**. After discussion, Director Zummo moved that the Order be adopted by the Board declaring Frederick Wolfe and Juan Campo elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 2, 2026, be cancelled. Director Heck seconded said motion, which unanimously carried.

EXECUTIVE SESSION

The Board deferred convening in Executive Session at this time.

FUTURE AGENDA ITEMS

The Board requested that an item be added to the next agenda to consider proposal for the purchase of the back-up generators.

ADJOURNMENT

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



Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Resolution Concerning Developed District Status for 2026 Tax Year
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Operator's Report
- Exhibit E Engineer's Report
- Exhibit F Resolution Expressing Official Intent to Reimburse Operating Account
- Exhibit G Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit H Insurance Proposal from AJG for 2026 - 2027 Term
- Exhibit I GFL Customer Service Report
- Exhibit J Order Declaring Candidates Elected