

BAKER ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Special Meeting of Board of Directors

May 29, 2026

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 29, 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, except Directors Heck 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"); Loren Clark of L&S District Services, LLC ("L&S"); Bob Devillier of R. G. Miller Engineers, Inc. ("R.G. Miller"); Hunter Farrell of McCall Gibson Swedlund Barfoot PLLC ("McCall") ; and Kendall Dicke 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. 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 April 27, 2026. Director Wolfe noted a revision to said minutes. After discussion of the minutes presented, Director Zummo moved that the minutes be approved, as revised. Director Wolfe seconded said motion, which unanimously carried.

ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, AFFIDAVITS OF CURRENT DIRECTOR, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION OF DIRECTORS

The Board considered the acceptance of Bonds, Qualification Statements of Elected Officers, Oaths of Office, Affidavits of Current Directors, and Elections Not to Disclose Certain Information of Directors for Frederick Wolfe and Juan Campo. Messrs. Wolfe and Campo each presented their Bonds, Qualification Statements of Elected Officers, Oaths of Office, Affidavits of Current Directors, and Elections Not to Disclose Certain Information. After discussion on the matter, it was moved by Director Campo, seconded by Director Wolfe and unanimously carried, that the Board (i) approve said Bonds, accept said Qualification Statements of Elected Officers, Oaths of Office, Affidavits of Current Directors, and Elections Not To Disclose Certain Information, and (ii) declare Frederick Wolfe and Juan Campo to be duly elected and qualified Directors of the District, each to serve a four (4) year term ending May 4, 2030.

REORGANIZATION OF THE BOARD OF DIRECTORS AND ELECTION OF OFFICERS

The Board considered the reorganization of the Board of Directors. After discussion, the Board concurred that all Directors remain in their current officer positions.

DISTRICT REGISTRATION FORM

The Board considered approving a District Registration Form required by the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Dicke explained that, in accordance with Section 36.054(e) and Section 49.054(f) of the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that with the Board's approval, SPH will prepare an updated District Registration Form to include Directors Wolfe and Campo's new terms of office and file same with the TCEQ. After further discussion of the matter, Director Wolfe moved that the Board authorize SPH to complete the updated District Registration Form as discussed and file same with the TCEQ. Director Campo seconded said motion, which unanimously carried.

LIST OF LOCAL GOVERNMENT OFFICERS

Mr. Dicke reminded the Board that, pursuant to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, the Board concurred that the District update the District's list of Local Government Officers as required by law.

REVIEW AND APPROVAL OF AUDIT REPORT FOR FISCAL YEAR ENDED JANUARY 31, 2026

Mr. Farrell reviewed with the Board a draft audit report for the District's fiscal year ended January 31, 2026, 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, 2026, 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.

Ms. Clark of Wheeler entered the meeting at this time.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated May 29, 2026. Ms. Clark of L&S 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**. After discussion regarding the Bookkeeper's Report, financials, and payment of invoices, it was moved by Director Campo that said report be approved, and that the checks and invoices identified therein be approved for payment from the general operating fund. Director Zummo seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Clark of Wheeler presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of April 2026, 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 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.

Mr. Farrell exited the meeting during the Tax Assessor-Collector's Report.

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 May 29, 2026, prepared by H2O, a copy of which is attached hereto as **Exhibit D**.

Ms. Landin next informed the Board that a resident recently contacted H2O and stated that they are not receiving sufficient water volume to run their irrigation system and washer at the same time. In connection therewith, Mr. Landin informed the Board that H2O recently conducted a bucket test at the spicket of the residence and noted that the volume was sufficient. She additionally noted that the previous homeowner had a water softener, but that the current owner has disconnected the water softener. Ms. Landin then informed the Board that the resident has provided a verbal request for the District to dig up the service line to conduct further research into the issue and noted that there are pavers that would have to be removed in connection therewith. After further discussion on the matter, the Board requested that H2O inform the resident that a formal written request needs to be provided to the District and that the District is not authorizing any action at this time.

Ms. Landin next informed the Board that, relative to a previous water leak that was repaired last year and the pavers that had to be replaced in connection with the repair, H2O recently received two outstanding invoices from the original contractor in the total amount of \$13,176.50 and discussed same with the Board. After further discussion, Director Wolfe moved that the Board approve said invoices for payment. Director Zummo seconded the motion, which carried unanimously.

REVIEW AND APPROVAL OF CONSUMER CONFIDENCE REPORT

Ms. Landin next informed the Board that H2O has prepared the District's 2025 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. Dicke 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 2025 CCR be approved, and that H2O be authorized to distribute same to the District's customers electronically prior to July 1, 2026. Director Campo seconded said motion, which carried unanimously.

ENGINEER'S REPORT

The Board considered the engineer's report. Mr. Devillier presented to and reviewed with the Board a monthly status report dated May 29, 2026, a copy of which is attached hereto as **Exhibit E**.

Mr. Devillier next informed the Board that he is preparing an update to the District's Emergency Preparedness Plan for its review at the next meeting.

AMENDMENT TO CONTRACT BETWEEN THE DISTRICT AND RG MILLER

Mr. Devillier next reviewed with the Board a revised "Exhibit A Standard Rate Schedule" of fees charged by R.G. Miller for engineering services which were effective as of January 1, 2026, a copy of which is included with **Exhibit E**. Following discussion, the Board deferred the approval of same at this time and requested to be provided with a rate comparison of the current rates versus the revised rates for its review at the next meeting.

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

Mr. Devillier informed the Board that R.G. Miller has provided the updated Bond Application Report ("BAR") to SPH for review and that the BAR is expected to be submitted to the Texas Commission on Environmental Quality in June.

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 June 26, 2026.

DRAINAGE CHANNEL MAINTENANCE

Director Wolfe updated the Board regarding maintenance of the drainage channel. In connection therewith, Director Wolfe informed the Board that he recently discovered that the gate that allows access to the drainage channel was open and that wild hogs are in the drainage channel. He then informed the Board that he closed the gate and installed a lock on the gate and also put up a sign to remind persons to close and lock the gate.

LAKE MAINTENANCE

Director Wolfe next updated the Board regarding lake maintenance. In connection therewith, Director Zummo informed the Board that, as authorized at the last meeting, Lake Pro Inc. has purchased and delivered 150 pounds of Golden Shiners to the lakes.

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

Mr. Dicke updated the Board on the appellate court's status and advised that the deadline for the joint status report is June 29, 2026, and that the deadline for filing of an appeal is July 8, 2026.

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.

CYBERSECURITY TRAINING

The Board next considered recent changes to cybersecurity and artificial intelligence training requirements for directors of the District. Mr. Dicke then presented a memorandum from SPH regarding changes to such training requirements, a copy of which is attached hereto as **Exhibit F**, and discussed same with the Board. Mr. Dicke advised that all directors of the District must annually complete a certified cybersecurity awareness training program prior to August 31 of the given year as required by Ch. 2063, Texas Gov't Code. He further advised that any director of the District who uses a computer to perform at least 25% of his or her duties and has access to the District's computer system must also complete a certified artificial intelligence training program by August 31 of each year as required by Ch. 2054, Texas Gov't Code. Following discussion, Mr. Dicke noted that a link to the training program created by the Department of Information Resources will be provided to directors following the meeting and requested that each director notify SPH upon completion of the training program.

ATTORNEY'S REPORT

Mr. Dicke informed the Board that he had nothing more of a legal nature to report at this time.

EXECUTIVE SESSION

The Board deferred convening in Executive Session at this time.

ADJOURNMENT

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



ASST. Secretary Juan Carrasco

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
- Exhibit F – Memorandum regarding Cybersecurity Training