

BAKER ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

September 7, 2021

The Board of Directors ("Board") of Baker Road Municipal Utility District ("District") met in regular session at the Board's regular meeting place on September 7, 2021, 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
Ronald Boyd, Vice President
Johnny Zummo, Secretary
Ronald Leftwich, Assistant Secretary
George Heck, Director

and all of said persons were present, except Director Boyd, thus constituting a quorum.

Also present were: Richard Rankin of H2O Innovation Operation and Maintenance, LLC ("H2O"); Jessica Preston of Municipal Accounts & Consulting, LP ("MAC"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Todd Elston of R.G. Miller Engineers, Inc. ("RG Miller"); Debbie Shelton of Masterson Advisors, LLC ("Masterson"); Jeff Hanrahan, a resident of the District; and Rick Barker 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. Barker 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 August 3, 2021. Director Wolfe noted a revision to the minutes. After discussion of the minutes presented, Director Heck moved that such minutes be approved, as revised. Director Zummo seconded said motion, which unanimously carried.

FINANCIAL ADVISOR'S RECOMMENDATION FOR DISTRICT'S 2021 TAX RATE

A discussion ensued concerning the requirements for notice of the District's intention to adopt a 2021 tax rate. Mr. Barker advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Barker

further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Ms. Shelton presented the Board with a cash flow showing various options and including Masterson's recommendation regarding the proposed 2021 maintenance tax rate, a copy of which is attached hereto as **Exhibit A**. After a lengthy discussion on the matter, Director Leftwich moved that (i) the Board publish notice of its intent to levy a maintenance tax rate of \$0.30, (ii) the District's tax assessor-collector be authorized to publish such notice of the District's intention to adopt a 2021 maintenance tax rate at its next meeting in the form and at the time required by law, and (iii) the notice be published by the tax assessor-collector in the *Houston Chronicle* newspaper in accordance with statutory requirements. Director Zummo seconded said motion, which carried unanimously.

POSSIBLE CONSTRUCTION OF PICKLEBALL COURT

Director Wolfe reminded the Board that approximately six (6) to eight (8) months ago, several residents inquired about the possible construction of a pickleball court in the Windsor Park Lakes Subdivision. Director Wolfe then informed the Board that, as discussed at the last meeting, the Windsor Park Lakes Homeowner's Association ("HOA") conducted a survey of the residents who previously expressed an interest in the pickleball courts to determine if they would be satisfied with a non-permanent court and noted that said residents were amenable. A discussion then ensued regarding the next steps that would need to be taken in connection with the installation of the non-permanent pickleball courts. Mr. Barker reminded the Board that the property is owned by the District, but is encumbered by a pipeline easement in favor of Kinder Morgan, as successor in interest and/or title to the original grantee of the pipeline easement. Mr. Barker then discussed various legal considerations related to same and responded to questions from Mr. Hanrahan regarding securing land use approvals for the project. After further discussion on the matter, the Board deferred taking any action at this time and requested that Mr. Hanrahan provide Director Wolfe with a contact for Kinder Morgan so that a meeting can be scheduled to discuss the proposed installation of the pickleball courts within the easement area to determine if Kinder Morgan would have any objections.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated September 7, 2021. Ms. Preston reviewed with the Board a cash flow report, account balances report, summary of pledged securities, and actual vs. budget comparison, all as prepared by MAC and copies of which are attached hereto as **Exhibit B**, including the checks presented for payment from the District's general operating fund. It was then moved by Director Zummo that said report be approved and that the checks identified therein be approved for payment from the general operating fund, except for check no. 4549 issued to Director Boyd, which was voided. Director Leftwich seconded said motion, which carried unanimously.

Ms. Preston presented and reviewed with the Board a Quarterly Investment Inventory Report prepared by MA&C for the reporting period ending July 31, 2021, a copy of which is included as part of **Exhibit B**. After discussion concerning the report presented, it was moved by Director Zummo that said report be approved and that the District's Investment Officer be authorized to execute said Quarterly Investment Inventory Report on behalf of the Board and District. Director Leftwich seconded said motion, which carried unanimously.

Director Wolfe next presented to and reviewed with the Board a Monthly Operating & Reserve Funds Balance graph that he had prepared, a copy of which graph is included with **Exhibit B**.

Director Wolfe next informed the Board that the water fountain located at the south lake had been tripping and noted that Lake Pro, Inc. replaced the contactor, but that the fountain was still tripping after the contactor replacement. He additionally informed the Board that Lake Pro, Inc. recently pulled the fountain. He noted that the fountain should be back in operation later this week.

Ms. Shelton and Mr. Hanrahan exited the meeting during the Bookkeeper's Report.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Burks presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of August 2021, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit C**. After discussion on the matter, 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. Director Leftwich seconded the motion, which unanimously carried.

Mr. Barker next presented and reviewed with the Board a memorandum prepared by SPH concerning H.B. 1154, which bill relates to the requirements of internet websites developed by certain special purpose districts. A copy of the memorandum is attached hereto as **Exhibit D**. Mr. Barker summarized the bill's requirements and options for the District's compliance with same. Following discussion, the Board determined to have H2O provide services for the District's compliance with HB 1154.

Ms. Burks exited the meeting at this time.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Barker presented to and reviewed with the Board a Delinquent Tax Report, dated September 7, 2021, 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 E**. Mr. Barker noted that no action is required from the Board at this time relative to the account(s) listed on the Report.

OPERATOR'S REPORT

The Board considered the operator's report. Mr. Rankin presented a written Operations Report for the month of August 2021, prepared by H2O, a copy of which is attached hereto as **Exhibit F**.

Director Wolfe presented to and reviewed with the Board a Baker Road MUD Water Usage graph he had prepared, a copy of which graph is included with **Exhibit F**.

Mr. Rankin informed the Board that H2O's new operations manager recently cleaned up the fence line of Lift Station No. 2 and removed all of the dead vegetation and cut the bushes back without permission, which makes the equipment visible to the public. In connection therewith, Mr. Rankin informed the Board that H2O is going to meet with a landscaper to rejuvenate the vegetation along fence line at no cost to the District. A discussion then ensued regarding same. Director Wolfe requested that H2O obtain proposals for (i) fence slats to be placed at the Lift Station No. 2 site and (ii) painting of the lift station equipment. Mr. Rankin concurred with the request.

ENGINEER'S REPORT

Mr. Elston updated the Board regarding Green Trails Municipal Utility District's ("Green Trails") purchase of a refurbished diesel generator to serve the District's Joint Water Plant Facilities. In connection therewith, Mr. Elston informed the Board that Green Trails recently advertised for bids for the sound walls and the foundation work and informed the Board that lowest bid was for \$113,000.

POSSIBLE PURCHASE OF NATURAL GAS GENERATOR FOR JOINT WASTEWATER TREATMENT PLANT

Mr. Elston next reminded the Board that Harris County Municipal Utility District No. 345 ("No. 345") is considering purchasing and installing at the Joint Wastewater Treatment Plant either a natural gas generator at an estimated cost of \$510,000 or a diesel generator at an estimated cost of \$335,000. Mr. Elston also reminded the Board that the District's pro-rata share for same would be twenty-three percent (23%) of the total cost. Director Wolfe then discussed same in further detail with the Board. No action was taken by the Board.

Mr. Elston next informed the Board that he was recently advised that No. 345 is planning to rehabilitate all of its lift stations.

LAKE MAINTENANCE

A discussion next ensued regarding maintenance of the District's lakes. Director Zummo noted that the second half of the fish stocking that was previously authorized will most likely occur in October 2021.

Director Wolfe next inquired whether more dye should be put into the lake. After discussion, the Board concurred that no dye should be added to the lakes at this time.

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

Mr. Barker updated the Board regarding the status of the lawsuit against the U.S. Army Corps of Engineers and noted that the claim that the District is a party to was recently filed.

MAINTENANCE OF DRAINAGE CHANNEL

A discussion ensued regarding maintenance of the drainage channel. No action was taken by the Board.

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.

ATTORNEY'S REPORT

Mr. Barker presented to the Board a Summary of the 87th Texas Legislative Session, a copy of which is attached hereto as **Exhibit G**.

Mr. Barker next discussed the status of the District's prior Resolution Adopting Temporary Policies and Procedures in Response to Covid-19 Pandemic (the "Resolution") and advised that all of the policies and procedures that were made possible under said Resolution expired on September 1, 2021. The Board concurred to revoke the Resolution accordingly.

Mr. Barker next presented and reviewed with the Board a memorandum prepared by SPH regarding House Bill No. 872, which relates to the implementation of customer confidentiality requirements and the authorization of giving notice in connection with same. A copy of the memorandum is attached hereto as **Exhibit H**. Mr. Barker summarized the bill's requirements and options for the District's compliance with same. Following discussion, the Board concurred that notice of a customer's right to request disclosure of his or her personal and billing information, along with a form to accomplish same, be included on all District water bills on a going forward basis.

ADJOURNMENT

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

Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A – 2021 Tax Rate Recommendation

Exhibit B – Bookkeeper's Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Memo regarding H.B. 1154

Exhibit E – Delinquent Tax Report

Exhibit F – Operator's Report

Exhibit G – Legislative Summary

Exhibit H – Memo regarding H.B. No. 872

DRAFT