

## **BAKER ROAD MUNICIPAL UTILITY DISTRICT**

### **Minutes of Meeting of Board of Directors**

**October 5, 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 October 5, 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: Michelle Blevins 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"); and Daniel Ringold 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. Ringold 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 September 7, 2021. After discussion of the minutes presented, Director Leftwich moved that such minutes be approved, as written. Director Zummo seconded said motion, which unanimously carried.

#### **PUBLIC HEARING REGARDING PROPOSED TAX RATE**

Mr. Ringold advised the Board that the Water Code requires that the District publish or mail notice of each meeting of the Board at which the adoption of a tax rate will be considered. Ms. Burks confirmed that the applicable notice had been published in the *Houston Chronicle* in accordance with legal requirements. The Board next conducted a public hearing regarding the adoption of the District's proposed 2021 tax rate. After noting that no members of the general public were present at the meeting, the public hearing was closed.

## **LEVY OF THE DISTRICT'S 2021 TAX RATE**

As the next order of business, the Board considered the levy of the District's 2021 maintenance tax rate and the adoption of an Order in connection therewith. After discussion on the matter, Director Leftwich moved that: (i) the District levy a 2021 maintenance tax rate of \$0.30 per \$100 of assessed valuation, resulting in a total 2021 tax rate of \$0.30 per \$100 of assessed valuation; (ii) the Order Levying Taxes, attached hereto as **Exhibit A**, be adopted in connection therewith, and (iii) that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Zummo seconded the motion, which carried unanimously.

## **AMENDMENT TO THE SECOND AMENDED AND RESTATED DISTRICT INFORMATION FORM**

Mr. Ringold next presented to and reviewed with the Board an Amendment to the Second Amended and Restated District Information Form relative to the District's 2021 tax rate. After discussion regarding said form, Director Heck moved that the Amendment to the Second Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Zummo seconded said motion, which carried unanimously.

## **PROPOSED PICKLEBALL COURTS**

Relative to the proposed construction of pickleball courts on the pipeline easement to the north of the lift station site, Director Wolfe advised the Board that he contacted a representative of Kinder Morgan regarding the location of the proposed pickleball courts within the easement area. In connection therewith, Director Wolfe informed the Board that he was instructed by Kinder Morgan to complete and submit an encroachment request form and noted that said form had been completed. Director Wolfe noted that he intends to prepare and submit correspondence and a drawing to Kinder Morgan setting forth the proposed improvements. A discussion then ensued regarding the proposed improvements. After further discussion on the matter, the Board concurred with Director Wolfe providing the letter and drawing to Kinder Morgan and requested that he provide an update at the next Board meeting regarding Kinder Morgan's response.

## **BOOKKEEPER'S REPORT**

The Board considered the Bookkeeper's Report dated October 5, 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 Leftwich that said report be approved and that the checks identified therein be approved for payment from the general operating fund, except for check no. 4571 issued to Director Boyd, which was voided. Director Zummo seconded said motion, which carried unanimously.

Mr. Ringold informed the Board that, as a participant in the City of Houston's (the "City") groundwater reduction plan, the District was allotted 20,000,000 gallons under the City's water well permit for the 2021 permit year. He then advised the Board that he was in receipt of correspondence from the City stating that the City is projecting the District's allocation for the 2022 permit year to be 10,000,000 gallons. After discussion on the matter, the Board concurred that SPH be authorized to advise the City that the District would like to retain the 20,000,000 gallon allocation for the 2022 permit year.

#### **COMPLIANCE BY DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265 RELATIVE TO ENERGY REPORTING REQUIREMENTS**

The Board deferred consideration of the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements until the next meeting.

#### **TAX ASSESSOR-COLLECTOR'S REPORT**

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

#### **DELINQUENT TAX COLLECTION ATTORNEYS' REPORT**

Mr. Ringold presented to and reviewed with the Board a Delinquent Tax Report, dated October 5, 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 D**. A discussion ensued regarding the possible termination of service to the residence located at 1102 Windsor Lakes Ct. It was noted that said residence may currently be under a lease and occupied by someone other than the owner. After further discussion, the Board concurred that SPH be authorized to contact Perdue to let them know that the Board would like to move forward with termination of water service at said address, subject to confirmation that said property is not occupied by a lessee.

#### **AMENDMENT TO AGREEMENT FOR SERVICES OF TAX ASSESSOR-COLLECTOR**

The Board noted that amendment to Agreement for Services of Tax Assessor-Collector between the District and Wheeler in connection with services to be rendered relative to House Bill No. 1154 compliance is not necessary, as H2O will be handling House Bill No. 1154 compliance for the District.

Ms. Burks exited the meeting at this time.

## **OPERATOR'S REPORT**

The Board considered the operator's report. Ms. Blevins presented a written Operations Report for the month of September 2021, prepared by H2O, a copy of which is attached hereto as **Exhibit E**.

Director Wolfe informed the Board that he asked Lake Pro, Inc. (i) to run the water wells to ensure that they are functioning properly and (ii) to add some dye to the lakes.

Director Wolfe next requested that H2O check on the status of payment of the water bill for 19023 Villa Bergamo Lane. Ms. Blevins noted that H2O would check the status accordingly.

Ms. Blevins advised the Board that there are two (2) water meters in need of replacement which will be replaced in accordance with the District's meter change-out program.

Mr. Elston next informed the Board that Green Trail Municipal Utility District has not yet started the site work for the installation of the natural gas generator at the Joint Wastewater Treatment Plant.

Upon motion by Director Heck, which was seconded by Director Zummo and unanimously passed, all items on the Operator's Report were approved.

## **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 reminded 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. He then informed the Board that the site work for the generator has not yet begun.

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. No action was taken by the Board.

Mr. Elston next informed the Board that he was recently advised that No. 345 has issued a Notice to Proceed for the rehabilitation of the on-site lift station at the Joint Wastewater Treatment Plant.

## **SENATE BILL NO. 3**

Mr. Ringold next presented and reviewed with the Board a memorandum prepared by SPH regarding Senate Bill No. 3, a copy of which memorandum is attached hereto as **Exhibit**

**F.** Mr. Ringold then recommended that the Board amend the District's Rate Order to include the various provisions discussed in the memorandum. After discussion, Director Wolfe moved that the District's Rate Order be amended. to include the provisions discussed, with said amended Rate Order to be effective October 5, 2021, that any and all rate orders heretofore adopted by the Board be revoked and that the amended Rate Order be passed and adopted as of said date. Director Zummo seconded the motion, which carried unanimously.

### **LAKE MAINTENANCE**

A discussion next ensued regarding maintenance of the District's lakes. No action was taken by the Board at this time.

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

Mr. Ringold 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. Ringold next presented to and reviewed with the Board an Order Establishing Office and Meeting Places of Board of Directors Outside the District (the "Order"), located at 1300 Post Oak Boulevard, Suites 2400 and 2500, Houston, Texas 77056, which is attached hereto as **Exhibit G**. After consideration of the matter, it was moved by Director Zummo, seconded by Director Leftwich, and unanimously carried that said order be passed and adopted. The Secretary was directed to execute and the attorney to publish notice of designation of such office and meeting places outside the boundaries of the District, and to file a copy of the Order with the Texas Commission on Environmental Quality.

### **ADJOURNMENT**

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

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Secretary

## **LIST OF ATTACHMENTS TO MINUTES**

Exhibit A – Order Levying Taxes

Exhibit B – Bookkeeper's Report

Exhibit C – Tax Assessor-Collector's Report

Exhibit D – Delinquent Tax Report

Exhibit E – Operator's Report

Exhibit F – Memo regarding S.B. 3

Exhibit G – Order Establishing Office and Meeting Places