

## **BAKER ROAD MUNICIPAL UTILITY DISTRICT**

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

November 2, 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 November 2, 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  
Johnny Zummo, Secretary  
Ronald Leftwich, Assistant Secretary  
George Heck, Director

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

Also present were: Richard Rankin of H2O Innovation Operation and Maintenance, LLC ("H2O"); Cory Burton 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.

Mr. Ringold noted the passing of the Board Vice President, Ronald Boyd, on October 25, 2021. All in attendance observed a moment of silence.

### **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 October 5, 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.

### **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, as previously instructed by a Kinder Morgan representative, he completed and submitted an encroachment request form, along with correspondence and a drawing to Kinder Morgan setting forth the proposed improvements. Director Wolfe then informed the Board that a response regarding the proposed pickleball courts

was received from Kinder Morgan denying the encroachment request for the proposed pickleball courts. A discussion then ensued regarding same. No action was taken by the Board.

### **BOOKKEEPER'S REPORT**

The Board considered the Bookkeeper's Report dated November 2, 2021. Mr. Burton 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 A**, 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. 5000 issued to Director Heck, which was voided. Director Zummo seconded said motion, which carried unanimously.

Mr. Burton next presented a draft budget for the fiscal year ending January 31, 2023, to be adopted at the District's January 2022 meeting, a copy of which is included with the Bookkeeper's Report, and requested that the Board and District consultants provide any comments prior to the January 2022 meeting.

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

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Burton presented to and reviewed with the Board a Cost and Usage Report prepared by Acclaim Energy Advisors, a copy of which is included with **Exhibit A**, and noted that the District's annual electricity expense is under \$200,000 and, therefore, no further action is required by the District at this time.

### **AMENDMENT OF DISTRICT RATE ORDER**

The Board next considered amending the District's Rate Order in connection with the City of Houston (the "City") groundwater reduction plan fee. Mr. Ringold reminded the Board that, pursuant to the City of Houston Water Supply and Groundwater Reduction Plan Wholesale Agreement, Green Trails Municipal Utility District ("Green Trails") and the District pay the City a groundwater reduction plan fee equal to 30% of the City's surface water rate ("GRP Fee") for each 1,000 gallons of water pumped from the joint water plant. Mr. Ringold advised the Board that the District currently charges \$1.30 per 1,000 gallons of water to District residents in order to account for the cost of said pumpage fees. Director Wolfe then reminded the Board of his previous presentation regarding the City's annual GRP fee increases and a five-year and fifteen-year forecast on how the District can plan to fund the continual cost increases over said time period. After discussion, it was moved by Director Wolfe, seconded by Director Zummo, and passed unanimously that the District's Rate Order be amended to increase the pumpage fee from \$1.30 to \$1.50 for each 1,000 gallons of water billed to each District customer to account for the GRP fee increase, with said amended Rate Order to become effective November 1, 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 that date.

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

Ms. Burks presented the Tax Assessor-Collector's Report prepared by Wheeler for the month of October 2021, including the checks presented for payment. A copy of the report is attached hereto as **Exhibit B**. 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 November 2, 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 C**. Mr. Ringold noted that no action is required from the Board at this time relative to the account(s) listed on the Report.

Ms. Burks exited the meeting at this time.

### **OPERATOR'S REPORT**

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

Mr. Rankin informed the Board that H2O is replacing the wax myrtles at the Lift Station No. 2 site at no cost to the District. Director Wolfe then noted that a wooden fence is also going to be installed at Lift Station No. 2, that the District's cost will be approximately \$900 for the materials, and that the Windsor Park Lakes Homeowners Association is going to pay the labor costs. After discussion, Director Leftwich moved that the District be authorized to pay the estimated \$900 for materials for the installation of the wooden fence, as discussed. Director Wolfe seconded the motion, which carried unanimously.

### **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 the site work for the generator will commence this week and that the sound barriers have been ordered, but will not be delivered until early 2022.

## **LAKE MAINTENANCE**

A discussion next ensued regarding maintenance of the District's lakes. In connection therewith, Director Wolfe informed the Board that he recently authorized Lake Pro, Inc. to purchase and install a new light set for the Section 5 fountain. Mr. Ringold then requested that the Board consider ratifying said action. After discussion, Director Zummo moved that said action be ratified in all respects. Director Leftwich seconded the motion, which carried unanimously.

## **DISCUSSION REGARDING WILLOW FORK DRAINAGE DISTRICT INFORMATION SESSION**

Mr. Ringold informed the Board that the Willow Fork Drainage District recently held an information session regarding the Barker Reservoir Project and noted that Directors Wolfe and Heck attended said information session on behalf of the District. Director Wolfe then discussed the details of the information session with the Board.

## **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 reminded the Board 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. Director Wolfe noted that the high bank of the channel had recently been mowed.

## **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 the Board a disclosure provided by Masterson Advisors LLC, relative to MSRB Rule G-10, a copy of which is attached hereto as **Exhibit E**.

## **EMINENT DOMAIN REPORT**

Mr. Ringold reminded the Board that, pursuant to Section 2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report contains the District's contact information, as well as information related to the District's ability to exercise

the power of eminent domain. After discussion, it was moved by Director Leftwich, seconded by Director Zummo, and unanimously carried that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

### **MATTERS RELATED TO MAY 7, 2022 DIRECTORS ELECTION**

Mr. Ringold reported on issues related to the District's Directors Election (the "Election") to be held on May 7, 2022. In connection therewith, Mr. Ringold discussed with the Board (i) participation in the joint election with Harris County (the "County"), (ii) publication of notice regarding accessible voting systems, and (iii) posting of Notice Regarding Candidate Filing Period. Mr. Ringold advised that the County will administer the Election if the District participates in the County's joint election. He further noted that if the District elects not to contract with the County and to hold an independent Election, Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Ringold noted that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Wolfe, seconded by Director Zummo and unanimously carried that SPH be authorized to (i) notify the County of the District's intent to participate in the joint Election, (ii) provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District, in case the District subsequently elects to hold an independent Election, and (iii) post the required Notice Regarding Candidate Filing Period.

### **FUTURE AGENDA ITEMS**

The Board requested that an item be placed on the next agenda to discuss the vacancy created on the Board due to Director Boyd's passing.

### **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 – Bookkeeper's Report

Exhibit B – Tax Assessor-Collector's Report

Exhibit C – Delinquent Tax Report

Exhibit D – Operator's Report

Exhibit E – Disclosure regarding MSRB Rule G-10

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