

CAMFIELD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
July 20, 2023

The Board of Directors of Camfield Municipal Utility District ("the "Board") met in regular session on July 20, 2023, 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:

Sandra Santa Maria, President
Pamela R. Peaco, Vice President
Donna L. Rybiski, Secretary
James B. Morris, III, Assistant Secretary

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

Also present were Jared Steward of Traders Village; Eve Blakemore of IDS Engineering Group ("IDS"); Vanessa Herrera of Municipal Accounts & Consulting, LP ("MAC"); Emma Highberger of Wheeler & Associates, Inc. ("Wheeler"); Tina Felkai of Inframark, LLC ("Inframark"); and Katherine Blasio, Matthew Reed, Kendall Dicke and Melia Berry 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 it.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no public comments presented, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on February 16, 2023. After discussion of the minutes presented, Director Peaco moved that such minutes be approved, as presented. Director Santa Maria seconded said motion, which unanimously carried.

REQUEST FROM RECORDS MANAGEMENT OFFICER

The Board next considered a request from the District's Records Management Officer to destroy SPH's notes and any audio or video recordings of board meetings from October 15, 2022 to February 16, 2023, a copy of which is attached here to as **Exhibit A**. After discussion of the request, Director Morris moved that the destruction of SPH's notes, video and audio recordings of Board meetings be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Santa Maria seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Ms. Herrera presented to and reviewed with the Board the Bookkeeper's Report dated July 20, 2023, a copy of which report is attached hereto as **Exhibit B** including the disbursements presented for payment. Ms. Herrera reported that check number 3875 payable to DSHS Central Lab for laboratory expenses in the amount of \$113.84 was approved for payment in between meetings. Ms. Herrera then presented a Quarterly Investment Reports for the

reporting periods ended February 28, 2023, and May 31, 2023, a copy of which is attached to the Bookkeeper's Report. After discussion, Director Santa Maria moved that the Board: (i) approve the Bookkeeper's Report, including the checks presented for payment and check number 3875 payable to DSHS Central Lab; (ii) approve the Quarterly Investment Reports for the period ending February 28, 2023, and May 31, 2023; and (iii) authorize the District's Investment Officer to sign the Quarterly Investment Reports on behalf of the Board and the District. Director Peaco seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Blasio informed the Board that American Bank, N.A., Southwestern National Bank and Susser Bank have expressed an interest in receiving public funds deposits, pursuant to the Public Funds Investment Act. She then presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the broker list submitted and the broker list previously adopted by the Board. The Resolution and comparison are attached hereto as **Exhibit C**. Ms. Blasio further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer and has been revised to include the three additional banks, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Rybiski moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District; and (ii) that the President and Secretary be authorized to execute same. Director Santa Maria seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORTS

The Board considered the Tax Assessor-Collector's Reports. In connection therewith, Ms. Highberger presented to the Board the Tax Assessor-Collector's Reports for March 31, 2023, April 30, 2023, May 31, 2023 and June 30, 2023, and a Delinquent Collections Listing as of the same dates (collectively, the "Tax Reports"). She then reviewed with the Board the June 30, 2023 Tax Report and Delinquent Listing Report, including the checks listed therein, which were presented for payment from the Tax Account. Copies of such reports are attached hereto as **Exhibit D**. Ms. Highberger then reported that the Harris County Appraisal District has established the District's 2023 preliminary assessed taxable value to be \$28,270,000, and noted that the preliminary value excludes accounts that being protested. After discussion of the report submitted, it was duly moved by Director Peaco, seconded by Director Rybiski and unanimously carried, that the Tax Assessor-Collector Reports be approved as presented, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

DELINQUENT TAX REPORT

The Board deferred consideration of a Delinquent Tax Collection Attorney's Report.

ENGINEERING REPORT

Ms. Blackmore reported that she had nothing new to report on this month.

OPERATIONS AND MAINTENANCE REPORT

The Board next considered the Operations and Maintenance Report. Ms. Felkai presented to and reviewed with the Board the Operations and Maintenance Reports for the months of February 2023, March 2023, April 2023, and May 2023; copies of the reports are attached hereto as **Exhibit E**.

Mr. Steward addressed the Board regarding Trader Village's receipt of a \$79,000 water bill for Traders Village and a \$50,000 water bill for the apartments. He explained that there was an undetected three-inch water line break that was draining into a sewer line. He requested the District to reimburse Traders Village for the portion of the bills associated with the leak. Ms. Felkai then explained that Inframark was contacted by Chimney Hill regarding some unexplained high usage numbers, which Inframark investigated and identified that there was a water leak was on the Traders Village side of the meter. She noted that Inframark did notify someone in the Traders Village maintenance department of the water leak. Mr. Reed queried Mr. Steward as to the specific amount of reimbursement Traders Village is requesting. Mr. Steward replied that he does not have a specific dollar amount for the requested reimbursement at this time. After discussion, the Board concurred to authorize Inframark to work with Trader's Village to determine: (i) how much water was lost due to the water leak; (ii) how much water was used in connection with the April 30, 2023 fire at Traders Village; and (iii) determine the reimbursement amount that Traders Village is seeking. The Board then deferred further discussion of a water bill adjustment until the September Board meeting. Mr. Reed requested Inframark send SPH the water bill in question and invited Mr. Steward to return in September.

Ms. Felkai then presented to and reviewed with the Board Delinquent Reports for the months from February 2023 to May 2023; copies of such reports are attached to the Operations and Maintenance Report.

In connection with the February 2023 discussion of the replacement of an interconnect meter by Chimney Hill Municipal Utility District, Ms. Felkai reported that the meter has been installed at no cost to the District.

IDENTITY THEFT PREVENTION REPORT

Ms. Felkai next reviewed with the Board Inframark's Annual Identity Theft Prevention and Protection Report, a copy of which is attached to **Exhibit E**. Ms. Felkai reported Inframark is not recommending any changes be made to the District's identity theft program at this time. After discussion, the Board acknowledged the receipt of the Annual Identity Theft Prevention and Protection Report.

CHIMNEY HILL WATER AND SANITARY SEWER RATE INCREASE

Ms. Blasio presented to and reviewed with the Board a Summary of Bulk Water Sales to the District from Chimney Hill and MAC's itemized list of Purchase Sewer Service fees, copies of which are attached hereto as **Exhibit F**. Ms. Blasio informed the Board that she has confirmed that Chimney Hill increased its water and sanitary sewer rates charged to the District in May 2022 and April 2023 without notifying the District in advance. Ms. Blasio then requested Inframark to provide SPH with a water and sanitary sewer rate recommendation consistent with the fees being charged by Chimney Hill. Ms. Blasio then requested the Board to consider amending its Rate Order, to adjust the District's water and sanitary sewer rates, to be effective August 1, 2023. After discussion, Director Peaco, seconded by Director Rybiski and unanimously carried, that, (i) the District's Rate Order be amended; (ii) that any and all rate

orders heretofore adopted by the Board be revoked, and (iii) that the attached Rate Order be passed and adopted.

DEVELOPER'S REPORT

The Board next considered the Developer's Report. Mr. Steward noted that he had nothing further to discuss at this time.

CLOSED SESSION

Ms. Blasio advised the Board that it would not be necessary for the Board to convene in closed session.

ATTORNEY REPORT

The Board next considered the Attorney's Report. In connection therewith, Ms. Blasio presented to and reviewed with the Board the 88th Legislative Summary prepared by SPH, a copy of which summary is attached hereto as **Exhibit G**.

ADOPTION OF RESOLUTION AUTHORIZING INCREASE IN FEES OF OFFICE

The Board considered adoption of a Resolution Authorizing an Increase in the Fees of Office. Ms. Blasio advised the Board that House Bill 2815, passed by the 88th Texas Legislature, amends Section 49.060 of the Texas Water Code to allow for an increase in director fees of office up to the amount of the per diem set by the Texas Ethics Commission for member of the legislature. Following discussion, Director Rybiski moved that the Resolution Authorizing Increase in Fees of Office, attached hereto as **Exhibit H**, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Peaco seconded the motion, which unanimously carried.

ADOPTION OF ORDER ADOPTING A CODE OF ETHICS, FEES AND EXPENSE POLICY, POLICY RELATING TO CONSULTING SERVICES, UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS, POLICY RELATING TO ADOPTION OF ANNUAL OPERATING BUDGET, AND CREATING AN AUDIT COMMITTEE ("CODE OF ETHICS")

Ms. Blasio next presented to the Board a proposed Code of Ethics, a copy of which is attached hereto as **Exhibit I**, and advised that that the language relative to the Fees and Expense Policy has been updated to provide that, with Board approval, directors may claim fees of office for virtual attendance or watching recorded sessions of conferences, but limited in number to the actual number of days of the conference during which live presentations were made. Following discussion, Director Rybiski moved that the Code of Ethics be approved, that the Districts prior adopted code of ethics be revoked, and that the President and Secretary be authorized to execute the Code of Ethics on behalf of the Board and the District. Director Peaco seconded the motion, which unanimously carried.

AMENDMENT TO THE DISTRICT'S SECOND AMENDED AND RESTATED DISTRICT INFORMATION FORM

Ms. Blasio presented to the Board an Amendment to the District's Second Amended and Restated District Information Form and advised that the Amendment updates the Notice to Purchasers provided to purchasers of real property within the District in accordance with recent legislative amendments to Section 49.452, Texas Water Code. After discussion on the matter,

Director Rybiski moved that such Amendment be approved and that all Board members in attendance at the meeting be authorized to execute same on behalf of the Board and District. Director Morris seconded said motion, which unanimously carried.

Ms. Blasio informed the Board that the next Board meeting is scheduled for Thursday, September 21, 2023.

ITEMS FOR PLACEMENT ON FUTURE AGENDAS

The Board considered items for placement on future agendas. No other specific agenda items, other than routine and ongoing matters, were requested.

ADJOURNMENT

There being no further business to come before the Board, Director Rybiski moved that the meeting be adjourned. Director Peaco seconded said motion, which carried unanimously, and the meeting was adjourned.

(SEAL)

Secretary

LIST OF ATTACHMENTS

- Exhibit A Records Destruction Request
- Exhibit B Bookkeeper's Report and Quarterly Investment Report
- Exhibit C Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, and Authorized Brokers Comparison List
- Exhibit D Tax Assessor-Collector's Reports
- Exhibit E Operations and Maintenance Reports
- Exhibit F Summary of Bulk Water Sales to the District from Chimney Hill and MAC's Itemized List of Purchase Sewer Service Fees
- Exhibit G 88th Legislative Summary
- Exhibit H Resolution Authorizing an Increase in the Fees of Office
- Exhibit I Order Adopting a Code of Ethics, Fees and Expense Policy, Policy Relating to Consulting Services, Uniform Financial Accounting and Reporting Standards, Policy Relating to Adoption of Annual Operating Budget, and Creating an Audit Committee