

**LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS**  
**Minutes of Meeting of Board of Directors**  
**February 2, 2023**

The Board of Directors (the "Board") of Longhorn Town Utility District of Harris County, Texas (the "District") met in regular session, open to the public on February 2, 2023, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Steven Crain, President  
H. Don Henry, Vice President  
Julie Swearingen, Secretary  
Barry Hunsworth, Assistant Secretary  
Chris White, Assistant Secretary

all of whom were present at the meeting, except Director Swearingen, thus constituting a quorum.

Also present were: Todd Elston of R.G. Miller Engineers, Inc. ("R.G. Miller"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Michelle Giacona of H2O Innovation ("H2O"); Cara Sliva of Artesian Financial Services, LLC ("Artesian"); Megan Fischer of Sales Revenue Inc. ("SRI"); and Katie Blasio, Kristi Tran-Chin and Katherine Edwards 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 COMMENT**

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

**APPROVAL OF MINUTES OF MEETING**

The Board considered approval of the minutes of its meeting held on January 5, 2023. After review and discussion of the minutes presented, Director Crain moved that the minutes of the Board meeting held January 5, 2023, be approved, as presented. Director Hunsworth seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT**

Ms. Sliva presented to and reviewed with the Board the Bookkeeper's Report dated February 2, 2023, a copy of which report is attached hereto as **Exhibit A**, including the checks therein for payment from the District's various accounts. After discussion, it was moved by Director Crain that the Board approve the Bookkeeper's Report, and authorize payment of the

checks identified therein, except check no. 8318, which was voided. Director Hunsworth seconded said motion, which unanimously carried.

The Board considered the approval of a First Amendment to Agreement for Bookkeeping Services (the "Agreement") with Artesian. A copy of said Agreement is attached hereto as **Exhibit B**. After discussion on the matter, Director Crain moved to approve the First Amendment to Agreement for Bookkeeping Services. Director Hunsworth seconded said motion, which unanimously carried.

The Board considered the adoption of a Resolution Authorizing Bookkeeper to Sign Disbursements and Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements, a copy of which is attached hereto as **Exhibit C**. After discussion, it was moved by Director Crain, seconded by Director Hunsworth and unanimously carried, that the Resolution Authorizing Bookkeeper to Sign Disbursements and Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements be adopted by the Board.

### **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 TAX YEAR**

Ms. Blasio presented to and reviewed with the Board the Resolution Concerning Developed District Status for 2023 Tax Year. She reviewed a worksheet completed by R.G. Miller to assist the Board in making the determination whether or not the District is a "developed district" for purposes of compliance with Senate Bill 2 adopted by the 86<sup>th</sup> Texas Legislature. A copy of the Resolution is attached hereto as **Exhibit D**. Following discussion, upon motion made by Director Crain, seconded by Director Hunsworth, and unanimously carried, the attached Resolution indicating that the District meets the criteria of a "developed district" was adopted by the Board.

### **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Burks presented to and reviewed with the Board the January 31, 2023 Tax Assessor-Collector report, including the delinquent collections listings, a copy of which is attached hereto as **Exhibit E**. After discussion, Director Crain moved that the Tax Assessor-Collector report be approved as presented, and payment be authorized as identified in said report. Director Hunsworth seconded the motion, which carried unanimously.

Ms. Fischer next presented to and reviewed with the Board the February 2023 Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., a copy of said report is attached hereto as **Exhibit F**, in connection with collection of sales tax revenue funds received by the District pursuant to the Strategic Partnership Agreement with the City of Houston. No action was required by the Board regarding same.

### **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Ms. Blasio presented to and reviewed with the Board a 2023 Homestead Exemption Analysis prepared by Masterson Advisors, LLC, a copy of which is attached hereto as **Exhibit G**. She then responded to questions from the Board. Ms. Blasio next outlined for the Board the

various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2023, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2023, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After discussion of the matter, Director Crain moved the District (a) grant a residential homestead exemption of 5% (but not less than \$5,000) and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2023, and that the Resolution attached hereto as **Exhibit H** relative to same be approved and adopted by the Board and District. Director Hunsworth seconded said motion, which carried unanimously.

### **REPORT AND LEGAL ACTION TAKEN BY THE DISTRICT'S DELINQUENT TAX COLLECTIONS ATTORNEY**

The Board deferred consideration of a report and legal action taken by the District's delinquent tax collections attorney after noting that no report had been received for the current period. Ms. Blasio reminded the Board that said reports are provided on a quarterly basis and that a report was not expected for consideration at today's meeting.

### **OPERATIONS REPORT**

Ms. Giacona presented to and reviewed with the Board the operations report, dated February 2, 2023, a copy of which report is attached hereto as **Exhibit I**, and discussed with the Board the matters contained therein. In connection therewith, she reviewed with the Board a list of uncollectible accounts, a copy of which is attached to the Operations Report. She requested approval for said accounts, in the total amount of \$498.24, to be written off of the District's accounts receivable. After discussion on the matter, Director Crain moved that the uncollectible accounts be written off of the District's accounts receivable. Director Hunsworth seconded said motion, which unanimously carried.

Ms. Giacona next reported the District is no longer supplying water to Harris County Municipal Utility District No. 216 via the interconnect.

### **ENGINEERING REPORT**

The Board next considered the Engineer's Report. Mr. Elston noted he had nothing new to report to the Board at this time.

## **SURVEY OF WAGE RATE SCALES**

The Board deferred consideration of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects until next month.

## **ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred action regarding utility commitments as no additional requests were made this month.

## **AMENDMENT TO EMERGENCY WATER SUPPLY CONTRACT WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345**

Ms. Blasio updated the Board regarding the Emergency Water Supply Contract (the "Contract") between the District, Harris County Municipal Utility District No. 345 ("No. 345"), Harris County Municipal Utility District No. 346 ("No. 346") and West Park Municipal Utility District ("West Park"). Ms. Blasio advised that SPH is waiting on the amendment to the Contract from No. 345, and requested the Board defer on this matter until next month. No action was required by the Board regarding same at this time.

## **SIDEWALK PROJECT BY HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 346**

Ms. Blasio updated the Board regarding the Barker-Cypress sidewalk project by No. 346. She advised that SPH previously forwarded U.S. Army Corps of Engineers' revised proposed license agreement to No. 346 for its further consideration and handling and has not received any updates from No. 346 regarding same.

## **STORM WATER SOLUTIONS REPORT**

Ms. Blasio presented to and reviewed with the Board a Storm Water Management Program dated January 2023, a copy of which is attached hereto as **Exhibit J**. No action was required by the Board regarding same at this time.

## **NEIGHBORHOOD IMPROVEMENT PROJECTS IN THE DISTRICT**

The Board deferred consideration of neighborhood improvement projects within the District at this time.

## **RENEWAL OF DISTRICT INSURANCE COVERAGES**

The Board considered the review of proposals for renewal of the District's insurance coverages for the term expiring March 31, 2023. In that regard, Ms. Blasio reviewed with the Board a proposal received from the District's current insurance broker, McDonald & Wessendorff Insurance, a copy of which is attached hereto as **Exhibit K**. She noted that the total premium has increased by \$430 to \$18,595.00. After discussion on the matter, Director Crain moved that the

proposal from McDonald & Wessendorff Insurance for coverage from April 1, 2023 to March 30, 2024 be accepted by the Board and that the President be authorized to execute such proposal on behalf of the Board and the District. Director Hunsworth seconded said motion, which unanimously carried.

**ATTORNEY'S REPORT**

The Board next considered the attorney's report. Ms. Blasio advised that she had nothing further to report to the Board other than the items previously discussed.

**ITEMS FOR PLACEMENT ON FUTURE AGENDA**

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

Director Henry noted that he attended AWBD and heard some updates about legislative matters and requested if SPH could provide same. Ms. Blasio stated that she would inquire if such a summary is available yet, since the legislature is still in session.

**ADJOURN**

There being no further business to come before the Board, upon a motion made by Director Crain and seconded by Director Hunsworth, the meeting was adjourned.

(SEAL)

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Secretary  
Board of Directors

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**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A Bookkeeper's Report
- Exhibit B First Amendment to Agreement for Bookkeeping Services
- Exhibit C Resolution Authorizing Bookkeeper to Sign Disbursements and Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements
- Exhibit D Resolution Concerning Developed District Status for 2023 Tax Year
- Exhibit E Tax Assessor-Collector Report
- Exhibit F Sales and Use Tax Administration Report prepared by Sales Revenue Inc.
- Exhibit G 2023 Homestead Exemption Analysis prepared by Masterson Advisors LLC
- Exhibit H Resolution Concerning Exemptions From Taxation
- Exhibit I Operations Report
- Exhibit J Storm Water Management Program dated January 2023
- Exhibit K McDonald & Wessendorff Insurance Proposal for the term 2023-2024

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