

LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS
Minutes of Meeting of Board of Directors
February 1, 2024

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 1, 2024, 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, thus constituting a quorum.

Also present were: Cara Sliva of Artesian Financial Services, LLC ("Artesian"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Megan Fischer of Sales Revenue Inc. ("SRI"); Michelle Giacona of H2O Innovation ("H2O"); Todd Elston of R.G. Miller Engineers, Inc. ("R.G. Miller"); and Katie Blasio and Melanie Walsh 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 comments from the public, the Board continued to the next item of business.

APPROVAL OF MINUTES OF MEETING

The Board deferred consideration of the minutes of its meeting held on January 4, 2024.

BOOKKEEPER'S REPORT

Ms. Sliva presented to and reviewed with the Board the Bookkeeper's Report dated February 1, 2024, 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. Director Hunsworth seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Ms. Blasio presented to and reviewed with the Board the Resolution Concerning Developed District Status for 2024 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 86th Texas Legislature. A copy of the Resolution is attached hereto as **Exhibit B**. 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, 2024 Tax Assessor-Collector report, including the delinquent collections listings, a copy of which is attached hereto as **Exhibit C**. 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 Swearingen seconded the motion, which carried unanimously.

SALES AND USE TAX ADMINISTRATION REPORT BY SALES REVENUE INC.

Ms. Fischer next presented to and reviewed with the Board the January 2024 Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., a copy of said report is attached hereto as **Exhibit D**, in connection with collection of sales tax revenue funds received by the District pursuant to the Strategic Partnership Agreement ("SPA") with the City of Houston (the "City"). No action was required by the Board regarding same.

Ms. Fischer next discussed with the Board the annual update of the list of businesses in the District subject to the District's SPA with the City. In that regard, she advised the Board that SRI submitted an updated list of businesses located within the District's SPA boundaries to the City prior to January 30, 2024, the City's deadline for same.

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 1, 2024, a copy of which report is attached hereto as **Exhibit E**, and discussed with the Board the matters contained therein. Ms. Giacona reported that Elite Pumps & Mechanical

Services, LLC ("Elite") has begun the installation of the sump pump at the Water Plant, as previously authorized by the Board. Ms. Giacona also reported that the mowing and replacement of dirt in low areas at the end of Cypress Park has been completed, as requested by Director Henry. She also advised that Montgomery County Municipal Utility District No. 26 paid the District back in kind 5,459,000 gallons between December 19, 2023 and January 19, 2024. It was noted that no specific Board action was required at this time with respect to same.

DROUGHT CONTINGENCY PLAN REVIEW

Ms. Blasio next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") no later than May 1, 2024, and every five years thereafter. Ms. Blasio recommended that the Board consider authorizing H2O and R.G. Miller to review the DCP for any required update. After discussion, Director Crain moved that H2O and R.G. Miller be authorized to review the District's DCP for any required update. Director Hunsworth seconded the motion, which carried unanimously.

ANNUAL REVIEW OF WAGE RATE SCALE

Ms. Blasio next presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, attached hereto as **Exhibit F**. She reviewed various provisions of the Resolution with the Board. Ms. Blasio informed the Board that the District previously adopted the Department of Labor's wage rates for the Harris County area, which were recently updated as of January 2024. After discussion and consideration of the proposed Resolution, Director Crain moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the updated wage rates for the Department of Labor, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Hunsworth seconded said motion, which unanimously carried.

ENGINEERING REPORT

The Board next considered the Engineer's Report, which Mr. Elston presented verbally. It was noted that no specific Board action was required at this time with respect to same.

DISCUSS LEAD AND COPPER REGULATION COMPLIANCE

Ms. Giacona advised that H2O has started the Lead Baseline Survey for the Lead and Copper Regulation compliance.

ISSUANCE OF UTILITY COMMITMENTS

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

SIDEWALK PROJECT BY HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 346

Ms. Blasio advised the Board that there have been no updates provided by Harris County Municipal Utility District No. 346 in regards to the status of construction of the sidewalk project. The Board deferred any action at this time.

STORM WATER SOLUTIONS REPORT

Ms. Blasio presented to and reviewed with the Board a Storm Water Management Program dated February 2024 prepared by Storm Water Solutions, a copy of which is attached hereto as **Exhibit G**. No action was required by the Board regarding same at this time.

NEIGHBORHOOD IMPROVEMENT PROJECTS IN THE DISTRICT

Director Henry updated the Board regarding the neighborhood improvement project, which is the planting of wildflower seeds in certain areas in the District. It was noted no action was required by the Board regarding same 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, 2024. 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 H**. She noted that the total premium has decreased by \$2,981 to \$15,614. After discussion on the matter, Director Hunsworth moved that the proposal from McDonald & Wessendorff Insurance for coverage from April 1, 2024 to March 30, 2025 be accepted by the Board and that the President be authorized to execute such proposal on behalf of the Board and the District. Director Crain seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Ms. Blasio advised that the Area 3 Groundwater Reduction Program Committee ("GRP Committee") nomination deadline is now February 15, 2024, and Director Henry recommended that the Board nominate Brent Jones and Mike Fitzgerald. Ms. Blasio noted she will submit such nominations on the District's behalf, and reminded the Board that Director Henry has been authorized to vote in the GRP Committee election on behalf of the Board.

Director Henry next provided a summary of certain presentations provided at the recent Association of Water Board Directors winter conference in Fort Worth.

Ms. Burks exited the meeting during the above discussion.

ITEMS FOR PLACEMENT ON FUTURE AGENDA

The Board considered items for placement on future agendas. Ms. Giacona requested that an item be included on the next agenda to authorize H2O to prepare the District's draft Consumer Confidence Report for review by Board of Directors. Ms. Blasio noted that said matter is scheduled to be addressed at the Board meeting in April.

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)

Secretary
Board of Directors

706900

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LIST OF ATTACHMENTS TO MINUTES

February 1, 2024

- Exhibit A Bookkeeper's Report
- Exhibit B Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Sales and Use Tax Administration Report, prepared by Sales Revenue Inc
- Exhibit E Operations Report
- Exhibit F Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit G Storm Water Management Program
- Exhibit H McDonald & Wessendorff Insurance Proposal for the term 2024-2025

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