

**LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS**  
**Minutes of Meeting of Board of Directors**  
**March 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 March 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 and Director White, 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 and Jacob Williams of H2O Innovation ("H2O"); Cara Sliva and Lisa Rickert of Artesian Financial Services, LLC ("Artesian"); and Katie Blasio and Katherine Edwards of Schwartz, Page & Harding, L.L.P. ("SPH"). Melody Hess of NewFirst National Bank addressed the Board by telephone conference as noted below.

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 February 2, 2023. After review and discussion of the minutes presented, Director Crain moved that the minutes of the Board meeting held February 2, 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 March 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 nos. 8280, 8283 and 8318, which were voided. Director Hunsworth seconded said motion, which unanimously carried.

Ms. Hess of NewFirst National Bank addressed the Board by telephone regarding the District's investments. She presented to and reviewed with the Board correspondence from NewFirst National Bank regarding its CDARS program, a copy of which is attached hereto as **Exhibit B**. Ms. Rickert advised the Board that, as the District's Investment Officer, she recommends early withdrawing the District's current Certificates of Deposit ("CDs"), if the early withdrawal penalty is reasonable, and moving the District's funds currently invested in the CDs to NewFirst National Bank's CDARS program. She further advised that the CDARS program currently offers higher interest rates compared to the District's current CDs, and the CDARS program has total FDIC Insurance that is more than \$150 million per client. Ms. Hess, Ms. Rickert, and Ms. Silva then answered questions from the Board and Ms. Blasio. After a lengthy discussion of the program, the Board concurred with Ms. Rickert's recommendation to early withdraw the District's current CDs only and move such funds to NewFirst National Bank's CDARS program in accordance with the recommended rates and terms included in **Exhibit B**. Ms. Hess exited at this time.

#### **UNCLAIMED PROPERTY REPORT**

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and to authorize Artesian to prepare an Unclaimed Property Report as of March 1, 2023. After discussion, Director Henry moved that the District's Operator, Tax Assessor-Collector and Bookkeeper be authorized to research their records to determine whether or not there is any unclaimed property for the applicable period and that Artesian be authorized to prepare an unclaimed property report, if necessary, for the Board's consideration, approval and filing with the Comptroller prior to July 1, 2023. Director Crain seconded said motion, which unanimously carried.

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

Ms. Burks presented to and reviewed with the Board the February 28, 2023 Tax Assessor-Collector report, including the delinquent collections listings, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Henry moved that the Tax Assessor-Collector report be approved as presented, and payment be authorized as identified in said report. Director Crain seconded the 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 March 2, 2023, a copy of which report is attached hereto as **Exhibit D**, and discussed with the Board the matters contained therein.

Ms. Giacona next reported that Harris County Municipal Utility District No. 216 ("No. 216") is continuing to address ongoing issues with their facilities, requiring them to use the District's water via the interconnect. Ms. Giacona advised that H2O is monitoring the usage and ensuring the District is properly billing No. 216 for the water it has used..

## **SUBMISSION OF CRITICAL LOAD STATUS INFORMATION TO RETAIL ELECTRIC PROVIDER**

Ms. Blasio reported that Section 13.1396, of the Texas Water Code requires public water suppliers, such as the District, to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and various emergency contact information related thereto. After discussion on the matter, Director Crain moved that H2O be authorized to make such annual filings on behalf of the District. Director Hunsworth seconded the motion, which carried unanimously.

## **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.

## **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 E**. 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 2023. 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 Assistant Secretary be authorized to execute same on behalf of the Board and the District. Director Hunsworth seconded said motion, which unanimously carried.

## **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 First Amendment to Emergency Water Supply Contract (the "Amendment") 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 presented to and reviewed with the Board the Amendment requested by No. 345 and prepared by No. 345, a copy of the Amendment is attached hereto as **Exhibit F**. Ms. Blasio advised the Board that the Amendment increases the base water rate in the Contract from \$0.75 to \$1.00. After discussion, Director Crain moved to approve the Amendment and that the President and Assistant Secretary be authorized to execute same on behalf of the Board and the District. Director Hunsworth seconded said motion, which unanimously carried.

**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 March 2023, 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**

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

**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. Ms. Giacona requested that an item be added to the next agenda for the Board to consider an amendment to the District's contract with H2O to increase H2O's rates. The Board agreed to add such item to the next agenda.

**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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Assistant Secretary  
Board of Directors

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**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A Bookkeeper's Report
- Exhibit B Correspondence from NewFirst National Bank regarding CDARS program
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Operations Report
- Exhibit E Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit F First Amendment to Emergency Water Supply Contract
- Exhibit G Storm Water Management Program dated March 2023

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