

LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS
Minutes of Meeting of Board of Directors
April 4, 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 April 4, 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, except for Director White, thus constituting a quorum.

Also present were: Cara Sliva of Artesian Financial Services, LLC ("Artesian"); Meagan Fisher of Wheeler & Associates, Inc. ("Wheeler"); Brenda Landin of H2O Innovation ("H2O"); Katie Blasio and Consuella Dye 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 considered approval of the minutes of its meeting held on March 7, 2024. After review and discussion of the minutes presented, Director Henry moved that the minutes of the Board meeting held March 7, 2024, be approved, as presented. Director Crain seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Sliva presented to and reviewed with the Board the Bookkeeper's Report dated April 4, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for payment. She then presented to and reviewed with the Board the Investment Report for the period of October 1, 2023 through December 31, 2023, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Hunsworth, seconded by Director Crain and unanimously carried, that (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment including check no. 8522 in the amount

of \$1,759.24 to Champion Energy to replace check no. 8512, which was voided and (ii) the Investment Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and the District.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Fischer presented to and reviewed with the Board the March 31, 2024 Tax Assessor-Collector report, including the delinquent collections listings, a copy of which is attached hereto as **Exhibit B**. 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.

SALES AND USE TAX ADMINISTRATION REPORT BY SALES REVENUE INC.

Ms. Blasio next presented to and reviewed with the Board the April 2024 Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., a copy of said report is attached hereto as **Exhibit C**, 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.

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.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Ms. Blasio advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. She noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 4, 2024. After further discussion, it was moved by Director Crain, seconded by Director Hunsworth, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, a copy of which is attached hereto as **Exhibit D**, be adopted by the District.

OPERATIONS REPORT

Ms. Landin presented to and reviewed with the Board the operations report, dated April 4, 2024, a copy of which report is attached hereto as **Exhibit E**, and discussed with the Board the matters contained therein. In connection therewith, Ms. Landin advised that there was a blockage in the District's water line between the water plant and detention pond. She then requested the Board's approval to clear said blockage in the water line. After discussion, Director Hunsworth moved that H2O be authorized to clear the line blockage at the Water Plant, as recommended by the operator. Director Henry seconded said motion, which unanimously carried.

Ms. Landin next advised that the District is no longer on interconnect with Harris County Municipal Utility District No. 216 ("MUD 216"). She noted that between February 17, 2024 and March 18, 2024 the District received 5,854,000 gallons of water from MUD 216 in connection with MUD 216 paying back the District in kind for its prior use of the shared interconnect. She further advised that MUD 216 has now paid back the District in full for such prior use of the shared interconnect.

Ms. Landin next reported that H2O's compliance department is still working with the fiber optic subcontractors regarding reimbursement for costs of repairs to the District's water lines.

The Board then considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Ms. Landin presented H2O's annual report, a copy of which is included in the operations report, and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Ms. Landin recommended that no changes be made to the District's Program. After discussion on the matter, the Board concurred that no changes were necessary to the District's Program at this time.

DROUGHT CONTINGENCY PLAN AND WATER CONSERVATION PLAN REVIEW

Ms. Landin advised that H2O is still reviewing the District's drought contingency plan and water conservation plan but does not expect to recommend any changes. If H2O does recommend changes to such plans it will send such plans it will send such changes to the Board and file the amended plans with the necessary regulatory agencies.

Ms. Blasio then 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") and/or the Water Conservation Plan (the "WCP") not later than May 1, 2024, and every five years thereafter. In connection therewith, she advised that R.G. Miller and H2O have reviewed the District's current DCP and WCP and are not recommending any revisions at this time. After discussion, Director Crain moved that the District adopt the Resolution Regarding Review of Drought Contingency Plan and Resolution Regarding Review of Water Conservation Plan attached hereto as **Exhibit F**. Director Hunsworth seconded such motion, which carried unanimously.

CONSUMER CONFIDENCE REPORT

As the next order of business, the Board considered the approval of the 2023 Consumer Confidence Report ("CCR") and authorizing the distribution of same to customers of the District. In that regard, Ms. Blasio advised that SPH is in receipt of the draft CCR prepared by H2O and is in the process of reviewing same. After discussion on the matter, Director Crain moved that such CCR be approved by the Board, subject to SPH final review and approval, and that H2O be authorized to distribute same to the District's consumers prior to the July 1, 2024, deadline. Director Hunsworth seconded said motion, which carried unanimously.

RATE ORDER

The Board next considered an amendment to the District's Rate Order with regard to an adjustment to the District's groundwater reduction plan fee in connection with an increase in the City of Houston's (the "City") contracted treated water rate. Ms. Blasio noted that neither SPH nor H2O have received the actual Notice from the City but have been informed that, effective 1, 2024, the GRP 3 rate will be calculated as $\$4.40 \times 58.5\% \times \text{usage}$. She further advised that the District currently charges its customers a groundwater reduction plan fee equal to \$1.90 per 1,000 gallons of water metered to each customer. Following discussion, upon motion by Director Crain, seconded by Director Hunsworth, and unanimously carried, that the District's Rate Order be amended to reflect a groundwater reduction plan fee charged by the District in the amount of \$2.30 per 1,000 gallons of water metered to each customer, with said amended Rate Order attached hereto as **Exhibit G**, to be effective April 4, 2024, and that any and all rate order theretofore adopted by the Board be revoked and that the attached Rate Order be passed and adopted as of this date.

ENGINEERING REPORT

The Board did not consider the Engineer's Report as Mr. Elston was not in attendance.

Director Hunsworth advised that the fountain in the detention pond is not working and needs to be repaired as soon as possible. Ms. Blasio advised that Mr. Elston has reached out to Harris County Flood Control District.

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 reported that Harris County Municipal Utility District No. 346 has completed construction of the sidewalk project.

STORM WATER SOLUTIONS REPORT

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

NEIGHBORHOOD IMPROVEMENT PROJECTS IN THE DISTRICT

The Board had no new projects to discuss at this time.

ATTORNEY'S REPORT

Ms. Blasio advised that she had nothing further to report that had not been covered under a previous agenda item.

ITEMS FOR PLACEMENT ON FUTURE AGENDA

The Board considered items for placement on future agendas.

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

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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector Report
- Exhibit C Sales and Use Tax Administration Report, prepared by Sales Revenue Inc.
- Exhibit D Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit E Operations Report
- Exhibit F Resolution Regarding Review of Drought Contingency Plan; Resolution Regarding Review of Water Conservation Plan
- Exhibit G Rate Order
- Exhibit H Storm Water Management Program

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