

**LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS**  
**Minutes of Meeting of Board of Directors**  
**May 4, 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 May 4, 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, 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 and Lisa Rickert of Artesian Financial Services, LLC ("Artesian"); Lawrence Swearingen, a member of the public; and Katie Blasio 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 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 April 6, 2023. Ms. Blasio noted that a typographical error was corrected on page 4 of the minutes. After review and discussion of the minutes, Director Crain moved that the minutes of the Board meeting held April 6, 2023, be approved, as revised. 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 May 4, 2023, a copy of which report is attached hereto as **Exhibit A**, including the checks therein for payment from the District's various accounts. Ms. Rickert noted that the previous issues with payment of director fees of office has been corrected, with the exception of Director Hunsworth's check which is being corrected. After discussion, it was moved by Director Crain that the Board approve the Bookkeeper's Report, and authorize payment of the checks identified therein, including the addition of check nos. 8361 and 8362, to the Texas Comptroller and the City of Houston, respectively. Director Hunsworth seconded said motion, which unanimously carried.

Ms. Sliva then presented to and reviewed with the Board a draft Operating Budget, a copy of which is included in **Exhibit A**, for the fiscal year ending June 30, 2024, and requested that the District's Consultants provide comments to same prior to the June Board meeting.

## **UNCLAIMED PROPERTY REPORT**

The Board next deferred consideration of the approval of an Unclaimed Property Report as of March 1, 2023, as it is not ready to present at this time.

## **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Burks presented to and reviewed with the Board the April 2023 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.

**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.

**SALES AND USE TAX ADMINISTRATION REPORT BY SALES REVENUE INC.**

The Board deferred consideration of the Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., as such report was not emailed to SPH prior to the meeting.

**OPERATIONS REPORT**

Ms. Giacona presented to and reviewed with the Board the operations report, dated May 4, 2023, a copy of which report is attached hereto as **Exhibit C**, and discussed with the Board the matters contained therein. In connection therewith, she updated the Board regarding billing Harris County Municipal Utility District No. 216 ("No. 216") for its use of water from the shared interconnect with the District for the period of July 30, 2022 to February 14, 2023. Ms. Giacona advised that the operator for No. 216 requested that the Board consider allowing No. 216 to pay "in-kind" for the remaining amount owed for water used via the interconnect during such period. Ms. Giacona advised that No. 216 has paid "in-kind" 2,950,000 gallons of water but still owes the District 57,960,000 gallons, which equates to approximately \$125,947.00. Ms. Blasio advised that the Second Amendment to Emergency Water Supply Contract between the District and No. 216 does not provide "in-kind" as a form of payment for water usage; however, the District has

allowed such payment in the past. After discussion on the matter, Director Crain moved to authorize H2O to invoice No. 216 for half of the amount owed to the District, which equals approximately \$62,973.50, and to allow No. 216 to pay "in-kind" the remainder. Director Henry seconded said motion, which unanimously carried.

Ms. Giacona updated the Board regarding the status of the underground conduit in connection with the generator at the water plant. She advised that H2O has requested a proposal for same, but has not received it yet.

### **CONSUMER CONFIDENCE REPORT**

As the next order of business, the Board considered the approval of a the 2022 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, 2023, deadline. Director Henry seconded said motion, which carried unanimously.

### **ENGINEERING REPORT**

The Board next considered the Engineer's Report, which Mr. Elston presented verbally. In connection therewith, Mr. Elston discussed with the Board the requirements and timing of the Lead and Copper Regulation compliance. Following discussion, Mr. Elston noted no action was required by the Board at this time.

### **RATE ORDER**

Ms. Blasio next discussed with the Board the District's Groundwater Reduction Plan ("GRP") fee in connection with an increase in the City of Houston's (the "City") GRP fee charged

to the District. She reminded the Board that neither SPH nor H2O had received the actual Notice from the City last month, but had been informed that the City's increase would be effective April 1, 2023. She further reminded the Board that at its meeting held April 6, 2023, it approved an amendment to the Rate Order to reflect an increase in the District's GRP fee from \$1.70 to \$1.90 per 1,000 gallons (\$0.20 increase). Ms. Blasio advised that the City actually increased its GRP fee to \$2.51, which is more than predicted and will result in a greater loss in GRP revenue this year for the District than anticipated. She inquired whether the Board would like to make another adjustment to the Rate Order to increase the District's GRP fee at this time or consider such adjustment at a later time. After a lengthy discussion, the Board deferred this matter until August 2023.

### **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 updated the Board regarding the Barker-Cypress sidewalk project by Harris County Municipal Utility District No. 346 ("No. 346"). She advised that No. 346 sent comments to the license agreement to U.S. Army Corps of Engineers and No. 346 and the District are awaiting their response to same.

### **STORM WATER SOLUTIONS REPORT**

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

**NEIGHBORHOOD IMPROVEMENT PROJECTS IN THE DISTRICT**

Director Henry briefly updated the Board on the Blue Bonnet project. Director Henry stated that he would contact the U.S. Army Corps of Engineers to inquire if it would consider participating the Blue Bonnet project within the community. Director Henry also advised the Board that the Zoom meeting with Harris County Engineering has been rescheduled regarding the 2023 regarding traffic issues near and within the District. He advised that he will forward the invitation to those who are interested in attending the meeting.

**ATTORNEY'S REPORT**

The Board next considered the attorney's report. Ms. Blasio inquired whether the Directors would like to reschedule its July meeting, due to the Fourth of July holiday. After discussion, the Board concurred that there would be no need to reschedule its regular meeting date in July.

**ITEMS FOR PLACEMENT ON FUTURE AGENDA**

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

**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

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector Report
- Exhibit C Operations Report
- Exhibit D Storm Water Management Program dated May 2023

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