

# **LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS**

## **Minutes of Meeting of Board of Directors June 2, 2022**

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 June 2, 2022, 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 Henry, whom entered later as noted herein, thus constituting a quorum.

Also present were: Brian Toldan of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Autumn Clark of Wheeler & Associates, Inc. ("Wheeler"); Michelle Giacona of H2O Innovation ("H2O"); Roman Khoja of Municipal Accounts & Consulting, L.P. ("MAC"); Todd Elston of R.G. Miller Engineers, Inc. ("R.G. Miller"); and Katie Blasio and Kristi Tran-Chin 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 May 5, 2022. After review and discussion of the minutes presented, Director Hunsworth moved that the minutes of the Board meetings held on May 5, 2022, be approved, as written. Director Crain seconded said motion, which unanimously carried.

Director Henry entered the meeting at this time.

**ACCEPTANCE OF QUALIFICATION STATEMENTS, OFFICIAL BONDS, OATHS OF OFFICE, AFFIDAVITS OF CURRENT DIRECTOR AND ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION OF DIRECTORS**

The Board considered the acceptance of Bonds, Qualification Statements of Elected Officer, Oaths of Office and Affidavits of Current Director for Steven Crain, Julie Swearingen and Chris White. Directors Crain, Swearingen and White each presented their respective Bond, Qualification Statement of Elected Officer, Oath of Office, Affidavit of Current Director and Election Not to Disclose Certain Information. After discussion on the matter, it was moved by Director Hunsworth, seconded by Director Crain and unanimously carried, that the Board approve said Bonds, accept said Qualification Statements of Elected Officer, Oaths of Office, Affidavits of Current Director and Election Not to Disclose Certain Information, and declare Steven Crain, Julie Swearingen and Chris White to be duly elected and qualified Directors of the District.

**ELECTION OF OFFICERS**

The Board next considered reorganization of the officers of the Board of Directors. After discussion, the Board members concurred to have all officers remain in their current positions.

**DISTRICT REGISTRATION FORM**

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality ("TCEQ"). Ms. Blasio explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty (30) days after an election or appointment. She advised that, with the Board's approval, SPH will complete an updated District Registration Form to include the new terms of office for Directors Crain, Swearingen and White, and will file the form with the TCEQ. After further discussion of the District Registration Form, Director Hunsworth moved that SPH be authorized to prepare the District Registration Form as discussed and file same with the TCEQ. Director Crain seconded said motion, which unanimously carried.

**PREPARATION AND MAINTENANCE OF LOCAL GOVERNMENT OFFICERS LIST**

Ms. Blasio next advised the Board that, pursuant to amendments to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Hunsworth moved that SPH be authorized to update the District's list of local government officers as required by law. Director Crain seconded said motion, which unanimously carried.

## **ENGAGEMENT OF AUDITOR**

The Board next considered the engagement of an auditing firm to prepare the District's audit reports for the fiscal years ending June 30, 2022, and June 30, 2023. Mr. Toldan presented McCall's auditing proposal, attached hereto as **Exhibit A**, for auditing the District's governmental activities, each major fund and the aggregate remaining fund information. He stated that the estimated fee for preparation each audit report (2022 and 2023), is approximately \$16,000 - \$18,000. After discussion by the Board, Director Hunsworth moved that (i) the firm of McCall be engaged to conduct the District's audits for the fiscal years ending June 30, 2022, and June 30, 2023, (ii) the related Texas Ethics Commission ("TEC") Form 1295 from McCall be accepted, and (iii) the President be authorized to execute the engagement letter on behalf of the Board and the District. Director Crain seconded said motion, which unanimously carried.

Mr. Toldan exited the meeting at this time.

## **BOOKKEEPER'S REPORT**

Mr. Khoja presented to and reviewed with the Board the bookkeeper's report dated June 2, 2022, a copy of which report is attached hereto as **Exhibit B**, 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.

## **OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2023**

Mr. Khoja next reviewed the draft operating budget for the fiscal year ending June 30, 2023, a copy of which is attached to the bookkeeper's report. Mr. Elston noted that the Lift Station Rehab Capital Outlay is no longer necessary. Following discussion, Director Crain moved to adopt the operating budget for the fiscal year ending June 30, 2023, as revised as discussed. Director Hunsworth seconded the motion, which unanimously carried.

## **VOTING SYSTEM ANNUAL FILING FORM**

Ms. Blasio requested that the Board authorize SPH to complete a Voting System Annual Filing Form ("Voting Form") on behalf of the District, which will be forthcoming from the Secretary of State's Office. She advised that, pursuant to provisions of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Voting Form with the Secretary of State's Office on an annual basis. After discussion on the Voting Form, Director Crain moved that SPH be authorized to complete said form and that SPH be authorized to file same with the Secretary of State's Office, as required by law. Director Hunsworth seconded said motion, which unanimously carried.

## **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Clark presented to and reviewed with the Board the May 2022 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 Hunsworth seconded the motion, which carried unanimously.

Ms. Blasio next presented to and reviewed with the Board the May 2022 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 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**

Ms. Blasio next presented for the Board's review a Delinquent Tax Report dated June 2, 2022, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto as **Exhibit E**. She noted that no specific Board action was required at this time with respect to the accounts listed in the report.

**OPERATIONS REPORT**

Ms. Giacona presented to and reviewed with the Board the operations report, dated June 2, 2022, a copy of which report is attached hereto as **Exhibit F**, and discussed with the Board the matters contained therein. She noted that the District's water accountability for the reporting period was approximately 94.35%.

Ms. Giacona then advised the Board that the flood barriers around the District facilities have arrived. She the presented photos of same, copies of which are included with **Exhibit F**.

**DISCUSSION REGARDING INSTALLATION OF METER AT INTERCONNECT WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 216 ("NO. 216")**

Ms. Giacona and Mr. Elston noted that there is nothing new to report regarding the installation of meter at interconnect with No. 216 at this time. After discussion, the Board concurred to remove same from the agenda for now.

**ENGINEERING REPORT**

The Board next considered the Engineer's Report, which Mr. Elston presented verbally.

Ms. Blasio advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District, and (b) immediately upon any change in the information to the above entities, as well as to the office of emergency management of Harris County, the Public Utility Commission of Texas, and the division of emergency management of the Governor. Mr. Elston advised that R.G. Miller would provide the annual update and, if required, any changes to the information to the appropriate

entities. Following discussion, Director Crain moved to authorize R.G. Miller to make such submissions on behalf of the District, as and if necessary. Director Hunsworth seconded said motion, which unanimously carried.

### **STORM WATER SOLUTIONS, LLC REPORT**

Ms. Blasio presented to and reviewed with the Board a Storm Water Management Program dated June 2022, prepared by Storm Water Solutions ("SWS"), a copy of which is attached hereto as **Exhibit G**. She noted that no specific Board action was required at this time with respect to same.

### **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**

Mr. Elston updated the Board regarding the sidewalk project and noted that the U.S. Army Corps of Engineers (the "Corps") requested additional information regarding the sidewalk, to which R.G. Miller has provided a response to same. He noted that the Corps is reviewing same at this time.

### **DISPOSITION OF DISTRICT RECORDS**

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes and audio recordings of Board meetings from April 1, 2021, to February 4, 2022, a copy of which request is attached hereto as **Exhibit H**. After discussion on the matter, Director Crain moved that the destruction of said notes and audio recordings be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Swearingen seconded said motion, which unanimously carried.

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

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

### **FINAL ARBITRAGE REBATE REPORT**

Ms. Blasio presented to and reviewed with the Board a Final Arbitrage Compliance Report prepared by Arbitrage Compliance Specialists, Inc. in connection with the District's Unlimited Tax Refunding Bonds, Series 2014, a copy of which is attached hereto as **Exhibit I**. Ms. Blasio advised the Board that the report indicates there is no final rebate installment payment due to the Internal Revenue Service for the rebate installment computation period.

**ATTORNEY'S REPORT**

The Board next considered the attorney's report. Ms. Blasio advised she 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. Mr. Khoja then requested that an item be added to the agenda for the next Board meeting regarding the approval of an Amended and Restated Agreement for Bookkeeping Services by and between the District and MAC.

**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.



*Julie Swartz*  
Secretary  
Board of Directors

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## LIST OF ATTACHMENTS TO MINUTES

- Exhibit A      Engagement Letter with McCall Gibson Swedlund Barfoot PLLC
- Exhibit B      Bookkeeper's Report
- Exhibit C      Tax Assessor-Collector Report
- Exhibit D      May 2022 Sales and Use Tax Administration Report
- Exhibit E      Delinquent Tax Report
- Exhibit F      Operations Report
- Exhibit G      Storm Water Management Program dated June 2022
- Exhibit H      Records Destruction Request Letter
- Exhibit I      Final Arbitrage Rebate Report prepared by Arbitrage Compliance Specialists, Inc.