

LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS
Minutes of Meeting of Board of Directors
June 1, 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 June 1, 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"); Creston Minter of H2O Innovation ("H2O"); Cara Sliva of Artesian Financial Services, LLC ("Artesian"); 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 May 4, 2023. After review and discussion of the minutes, Director Crain moved that the minutes of the Board meeting held May 4, 2023, be approved, as written. 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 June 1, 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. Director Hunsworth seconded said motion, which unanimously carried.

OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2024

Ms. Sliva next reviewed the draft operating budget for the fiscal year ending June 30, 2024, a copy of which is attached to the bookkeeper's report. Following discussion, Director Crain moved to adopt the operating budget for the fiscal year ending June 30, 2024. Director Hunsworth seconded the motion, which unanimously carried.

UNCLAIMED PROPERTY REPORT

The Board considered approval of an Unclaimed Property Report as of March 1, 2023, and the filing of same with the State Comptroller prior to July 1, 2023. After discussion on the matter, Director Crain moved to approve the Unclaimed Property Report and that the bookkeeper be authorized to file said Report with the State Comptroller prior to July 1, 2023. Director Hunsworth seconded said motion, which unanimously carried. A copy of such Report is included in **Exhibit A**.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE DISTRICT

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Blasio presented and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. She noted that three banks have been added to the list since January 2023. She further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Crain moved that the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and that the President and Secretary be authorized to execute same. Director Hunsworth seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

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

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.

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.

ENGAGEMENT OF AUDITOR

Ms. Blasio advised that the Board previously engaged McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare the District's audit reports for June 30, 2022 and June 30, 2023. It was noted that no action was required regarding this matter and McCall will proceed with preparing the District's audit report for fiscal year ending June 30, 2023.

OPERATIONS REPORT

Mr. Minter presented to and reviewed with the Board the operations report, dated June 1, 2023, a copy of which report is attached hereto as **Exhibit D**, and discussed with the Board the matters contained therein. In connection therewith, he updated the Board regarding the status of the proposed underground conduit project in connection with the generator at the water plant. He advised that the subcontractor stated that repairing the underground conduit would be very expensive because it would require the driveway to be removed then replaced. Alternatively, H2O's recommendation is to extend the pipe at the building from the sump pump to a nearby ditch and to raise the electrical boxes six inches within the building at the water plant. He advised this alternative approach will prevent any flooding within the barrier walls and will not require tearing out the driveway. After discussion, he advised that H2O will obtain a proposal for the project in accordance with H2O's recommendation for the Board's review next month.

Mr. Minter advised that H2O sent an invoice to Harris County Municipal Utility District No. 216 ("No. 216") in the amount of \$62,973.54, which is half of the amount owed to the District, and No. 216 has agreed to pay back 28,980,000 gallons of water "in-kind" relative to the water used by No. 216 from the shared interconnect with the District for the period of July 30, 2022 to February 14, 2023. He noted that payment has not been received for said invoice.

ENGINEERING REPORT

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

DISCUSS LEAD AND COPPER REGULATION COMPLIANCE

Mr. Elson advised that R.G. Miller and H2O will be meeting soon to discuss a plan to verify lead and copper piping within the District and how to comply with said regulation.

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 the U.S. Army Corps of Engineers ("USACE") sent No. 346 an updated draft of the license agreement in which it accepted some of No. 346's comments but not all. She advised that No. 346 indicated they are reviewing the updated draft. Ms. Blasio followed up on the status of their review but has not received an update.

STORM WATER SOLUTIONS REPORT

Ms. Blasio presented to and reviewed with the Board a Storm Water Management Program dated June 2023 prepared by Storm Water Solutions, a copy of which is attached hereto as **Exhibit E**. 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.

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.

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 February 4, 2022, to March 3, 2023, a copy of which request is attached hereto as **Exhibit F**. 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.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Ms. Blasio advised that SPH will have a summary next month regarding the outcome of the 2023 Texas legislative session.

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)

Secretary
Board of Directors

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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District dated June 2023
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Operations Report
- Exhibit E Storm Water Management Program dated June 2023
- Exhibit F Request by District's Records Management Officer to destroy certain District notes

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