

LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS

Minutes of Meeting of Board of Directors September 1, 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 September 1, 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: Jordan Griffith of Storm Water Solutions, LP ("SWS"); Debbie Shelton of Masterson Advisors, LLC ("Masterson"), whom entered later as noted herein; Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Michelle Giacona of H2O Innovation ("H2O"); Roman Khoja of Municipal Accounts & Consulting, L.P. ("MAC"); Cara Sliva of Artesian Financial Services, LLC ("Artesian"); 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 August 4, 2022. After review and discussion of the minutes presented, Director Crain moved that the minutes of the Board meeting held on August 4, 2022, be approved, as written. Director Swearingen seconded said motion, which unanimously carried.

STORM WATER SOLUTIONS

Ms. Griffith presented to and reviewed with the Board a Storm Water Management Program dated September 2022, a copy of which is attached hereto as **Exhibit A**. In connection therewith, it was noted that the overhanging trees discussed at last month's meeting are at the

detention pond that SWS does not maintain. It was further noted that said trees have been trimmed, and that no further action was requested by the Board at this time.

Ms. Griffith exited the meeting at this time.

BOOKKEEPER'S REPORT

Mr. Khoja presented to and reviewed with the Board the bookkeeper's report dated September 1, 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.

Director Henry entered the meeting at this time.

REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board deferred consideration of the District's Policy for Investment of District Funds at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Burks presented to and reviewed with the Board the August 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 August 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.

The Board deferred approval of transfer of the District's tax account to Frost Bank and approval of the Collateral Security Agreement related to same.

2022 TAX RATE RECOMMENDATION

The Board deferred consideration of 2022 Tax Rate recommendation until later in the meeting.

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 September

1, 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 September 1, 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 97.56%. Director Hunsworth asked why the billed consumption was so high for the month. Ms. Giacona said she would look into this matter.

ENGINEERING REPORT

Ms. Blasio noted that Mr. Elston was not present and an Engineering Report was not provided.

The Board considered ratification of its prior action relative to the approval of the necessary system upgrades (utility network migration) to the District's Geographical Information System ("GIS"). After discussion, Director Crain moved that the Board's prior action to approve RG Miller's proposal for system upgrades to the District's GIS at a one-time fee of \$12,000, be ratified in all respects. Director Henry seconded the motion, which carried unanimously.

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

It was noted that there is no update from the U.S. Army Corps of Engineers regarding the sidewalk project.

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 she had nothing further to discuss with the Board of a legal nature which was not covered elsewhere on the agenda.

Ms. Shelton entered the meeting at this time.

2022 TAX RATE RECOMMENDATION

Ms. Shelton presented to and reviewed with the Board a recommendation regarding the proposed 2022 debt service tax rate and maintenance tax rate, a copy of which is attached hereto as **Exhibit G**. She advised that Masterson is recommending a proposed 2022 maintenance tax rate of \$0.29089.

There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2022 tax rate. Ms. Blasio advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Ms. Blasio further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. She advised that the District must provide the notice by either (i) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (ii) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

After further discussion on the matter, Director Crain moved that the Board indicate its intention to set a proposed maintenance tax rate of \$0.29089, and that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2022 tax rate at its next meeting in the form and at the time required by law. Director Hunsworth seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the tax assessor-collector in *The Houston Chronicle*.

The Board requested that RG Miller prepare a Capital Improvement Plan for review and discussion at next month's meeting.

Ms. Shelton, Ms. Burks, Ms. Giacona and Mr. Khoja exited the meeting at this time.

BOOKKEEPING PROPOSAL

Ms. Sliva presented to and discussed with the Board a District Bookkeeping Agreement between the District and Artesian, a copy of which is attached hereto as **Exhibit H**. She then responded to questions and concerns from the Board. After discussion on the matter, Director Crain moved that (i) the Board engage Artesian as the bookkeeper for the District, (ii) the Board approve the District Bookkeeping Agreement, subject to review by SPH, and the President be authorized to execute same, and (iii) SPH be authorized to accept and acknowledge the associated Texas Ethics Commission ("TEC") Form 1295 provided by Artesian. Director Hunsworth seconded said motion, which unanimously carried.

Ms. Sliva exited during the above discussion.

**THIRD AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES
BETWEEN THE DISTRICT AND MUNICIPAL ACCOUNTS & CONSULTING, L.P**

The Board considered the Third Amended and Restated Agreement for Bookkeeping Services (the "Third Amendment") with MAC. After discussion on the matter, it was moved by Director Crain, seconded by Director Hunsworth, and unanimously carried that (i) the Board decline the Third Amendment with MAC, and the District's contract with MAC be terminated and (ii) SPH be authorized to prepare and send a thirty (30) day Notice of Termination to MAC on the District's behalf.

ITEMS FOR PLACEMENT ON FUTURE AGENDA

The Board considered items for placement on future agenda. No other 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 Swearingen, the meeting was adjourned.



[Handwritten signature]
Asst. Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Storm Water Management Program dated September 2022
- Exhibit B Bookkeeper's Report
- Exhibit C Tax Assessor-Collector Report
- Exhibit D August 2022 Sales and Use Tax Administration Report
- Exhibit E Delinquent Tax Report
- Exhibit F Operations Report
- Exhibit G 2022 Tax Rate Recommendation
- Exhibit H Bookkeeping Agreement between the District and Artesian Financial Services, LLC

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