

LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS
Minutes of Meeting of Board of Directors
October 5, 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 October 5, 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 of Artesian Financial Services, LLC ("Artesian"); Alyssa Saccomon of McCall Gibson Swedlund Barfoot PLLC ("McCall"); 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 September 7, 2023. After review and discussion of the minutes, Director Henry moved that the minutes of the Board meeting held September 7, 2023, be approved, as written. Director Swearingen seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Sliva presented to and reviewed with the Board the Bookkeeper's Report dated October 5, 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 Henry that the Board approve the Bookkeeper's Report, and authorize payment of the checks identified

therein, except for check no. 8434, which was voided. Director Hunsworth seconded said motion, which unanimously carried.

AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023

Ms. Saccomon then presented and reviewed a draft of the District's audit report prepared for the fiscal year ended June 30, 2023, a copy of which is attached hereto as **Exhibit B**. In connection therewith, he presented the Board with a draft Management Letter prepared by McCall, concerning the Board's internal controls over financial reporting (the "Management Letter"), a copy of which is included in **Exhibit B**. Ms. Blasio further discussed the Management Letter with the Board and discussed the proposed response to same prepared on behalf of the Board and the District, which is included with the Management Letter (the "Management Response"). After discussion, it was moved by Director Crain, seconded by Director Henry and unanimously carried that (i) the audit report for the fiscal year ended June 30, 2023, be approved subject to review and comment of same by SPH, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, (iii) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality, and (iv) the draft Management Response be approved as presented and that same be included in the final Management Letter.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Blasio advised the Board that the Continuing Disclosure Report is due to be filed by December 31, 2023, and requested that the Board authorize its filing by the District's disclosure counsel, McCall, Parkhurst, and Horton, L.L.P. ("MPH"), once the District's audit has been filed. However, she noted that such Report might not be required since the District has no outstanding debt. After discussion, Director Crain moved that MPH be authorized to file the District's continuing disclosure report once the District's audit has been filed, if it is required. Director Henry seconded the motion, which carried unanimously.

COMPLIANCE WITH TEXAS GOVERNMENT CODE CHAPTER 2265 RELATIVE TO ENERGY REPORTING

The Board deferred consideration of the District's energy reporting at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Burks presented to and reviewed with the Board the September 30, 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.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2023 TAX RATE

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2023. It was noted that no members of the public appeared at the hearing. After discussion and upon motion made by Director Crain, seconded by Director Hunsworth and unanimously carried, the hearing was closed.

LEVY OF THE DISTRICT'S 2023 TAX RATE AND ADOPTION OF AN ORDER

The Board then discussed the setting of the 2023 tax rate. Ms. Burks confirmed that the notice had been published in *The Houston Chronicle* in accordance with all legal requirements and as directed at the September Board meeting, and provided an Affidavit of Publication, attached hereto as **Exhibit D**, as confirmation. After an extensive discussion on the matter, Director Crain moved that: (i) the Board levy a 2023 maintenance tax rate of \$0.2325 per \$100 of valuation, resulting in a 2023 total tax rate of \$0.2325 per \$100 of valuation; and (ii) the Order Levying Taxes attached hereto as **Exhibit E** be adopted in connection therewith and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Hunsworth seconded said motion, which carried unanimously.

AMENDMENT TO DISTRICT INFORMATION FORM

Ms. Blasio presented and discussed with the Board an Amendment to the Fourth Amended and Restated District Information Form relative to the District's tax rate. After discussion regarding said amendment, Director Henry moved that the Amendment to the Fourth Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Hunsworth seconded said 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 September 2023 Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., a copy of said report is attached hereto as **Exhibit F**, 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.

OPERATIONS REPORT

Ms. Giacona presented to and reviewed with the Board the operations report, dated October 5, 2023, a copy of which report is attached hereto as **Exhibit G**, and discussed with the Board the matters contained therein. In connection therewith, Ms. Giacona noted that several of the District's water lines were damaged by contractors installing fiber optic lines, and H2O repaired said lines, and will be invoicing the appropriate contractor(s) for said repairs. Ms. Giacona presented email correspondence to the contractor and pictures of the damage, a copy of which is included with **Exhibit G**. Ms. Giacona advised she will maintain records of the damages and communicate with the contractors and subcontractors. It was noted that no Board action was required at this time.

ENGINEERING REPORT

The Board next considered the Engineer's Report, which Mr. Elston presented verbally. It was noted that no specific Board action was required at this time with respect to same.

DISCUSS LEAD AND COPPER REGULATION COMPLIANCE

The lead and copper survey were previously discussed under the engineering report.

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 reminded the Board that the U.S. Army Corps of Engineers ("USACE") No. 346 have entered into the License Agreement. She advised that SPH has requested a copy of the fully executed License Agreement but has not received it yet.

STORM WATER SOLUTIONS REPORT

Ms. Blasio presented to and reviewed with the Board a Storm Water Management Program dated October 2023 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.

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

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy"), and the adoption of a Resolution in connection therewith. Ms. Blasio presented to and discussed with the Board an amended Investment Policy, and a Resolution Regarding Review of the Investment Policy (the

"Resolution"), copies of which are attached hereto as **Exhibit I**. Ms. Blasio discussed the proposed amendments to the District's Investment Policy. After discussion on the matter, Director Crain moved that the amended Investment Policy be approved to reflect the proposed changes as discussed, that the Board adopt the Resolution and that the President and Secretary be authorized to execute the Investment Policy and the Resolution on behalf of the Board and the District. Director Hunsworth seconded said motion, which unanimously carried.

NEIGHBORHOOD IMPROVEMENT PROJECTS IN THE DISTRICT

Director Henry updated the Board regarding the neighborhood improvement project, which is the proposed planting of wildflower seeds on certain areas in the District.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Ms. Blasio advised she received correspondence from the City of Houston Public Works regarding Groundwater Committee Voting Member Request, a copy of which is attached hereto as **Exhibit J**. She advised that the District is a voting member and qualified to vote in this election. The Board deferred this matter and requested that same be placed on the next agenda.

ITEMS FOR PLACEMENT ON FUTURE AGENDA

The Board considered items for placement on future agendas. 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

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Draft Audit Report for fiscal year ended June 30, 2023; Management Letter
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Publication regarding tax rate 2023
- Exhibit E Order Levying Taxes 2023
- Exhibit F Sales and Use Tax Administration Report, prepared by Sales Revenue Inc.
- Exhibit G Operations Report;
- Exhibit H Storm Water Management Program dated October 2023
- Exhibit I Investment Policy and Resolution for same
- Exhibit J Correspondence from the City of Houston Public Works