

# LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS

## Minutes of Meeting of Board of Directors November 3, 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 November 3, 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 Crain, thus constituting a quorum.

Also present were: Todd Elston of R.G. Miller Engineers, Inc. ("R.G. Miller"); Jordan Griffith and Sarah Valladares of Storm Water Solutions, LP ("SWS"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Michelle Giacona of H2O Innovation ("H2O"); Cara Sliva of Artesian Financial Services, LLC ("Artesian"); and Eric Lai and Kristi Tran-Chin of Schwartz, Page & Harding, L.L.P. ("SPH").

The Vice 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 October 6, 2022. After review and discussion of the minutes presented, Director Hunsworth moved that the minutes of the Board meeting held on October 6, 2022, be approved, as presented. Director Henry seconded said motion, which unanimously carried.

### **STORM WATER SOLUTIONS**

Ms. Griffith introduced Ms. Valladares as the new SWS representative for the District. She then presented to and reviewed with the Board a Storm Water Management Program dated November 2022, a copy of which is attached hereto as **Exhibit A**. A discussion ensued regarding

the attendance of a representative of SWS at Board meetings. After discussion, the Board concurred to request SWS to attend Board meetings bi-annually.

Ms. Griffith exited the meeting at this time.

### **STATUS OF CONTINUING DISCLOSURE REPORT**

Mr. Lai advised that the continuing disclosure report is in progress, and that McCall, Parkhurst & Horton, L.L.P. ("MPH"), Continuing Disclosure Counsel to the District, will file same with the appropriate entities prior to the December 31, 2022, deadline.

### **BOOKKEEPER'S REPORT**

Ms. Sliva presented to and reviewed with the Board the Bookkeeper's Report dated November 3, 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 Hunsworth that the Board approve the Bookkeeper's Report, and authorize payment of the checks identified therein, except check no. 8251, which was voided. Director Swearingen seconded said motion, which unanimously carried.

Ms. Sliva next presented to and reviewed with the Board the District's Quarterly Investment Report for the period ended September 30, 2022, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Hunsworth, seconded by Director Swearingen, and unanimously carried that the Quarterly Investment Report for the period ended September 30, 2022, as prepared by Artesian, be approved and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District.

### **COMPLIANCE WITH TEXAS GOVERNMENT CODE CHAPTER 2265 RELATIVE TO ENERGY REPORTING**

The Board considered the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Lai advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. He then noted that Acclaim Energy has provided an annual report, a copy of which is attached to the Bookkeeper's Report, summarizing the District's electricity usage and costs. Mr. Lai advised that no Board action was necessary.

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

Ms. Sliva next reviewed the draft amended operating budget for the fiscal year ending June 30, 2023, a copy of which is attached hereto as **Exhibit C**. She discussed the changes including (i) updating the maintenance tax collections line item for the adopted tax rate and certified values and (ii) updating the bookkeeping fees line item to reflect Artesian's anticipated fees. Following discussion, Director Hunsworth moved to adopt the amended operating budget for the fiscal year

ending June 30, 2023, as discussed. Director Henry seconded the motion, which unanimously carried.

### **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Burks presented to and reviewed with the Board the October 2022 Tax Assessor-Collector report, including the delinquent collections listings, a copy of which is attached hereto as **Exhibit D**. After discussion, Director Hunsworth moved that the Tax Assessor-Collector report be approved as presented, and payment be authorized as identified in said report. Director Henry seconded the motion, which carried unanimously.

Mr. Lai next presented to and reviewed with the Board the October 2022 Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., a copy of said report is attached hereto as **Exhibit E**, 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. Mr. Lai 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 November 3, 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 97.14%.

Ms. Giacona updated the Board regarding the interconnect with Harris County Municipal Utility District No. 216 ("No. 216"). She reminded the Board that the District is currently supplying water to No. 216 due to No. 216 having a line break. She advised that No. 216 just received the necessary part to repair its line break, and that said interconnect will be closed as soon as No. 216's line is repaired. No action was required by the Board regarding same at this time.

It was noted that there is an inlet box within the District that is in need of repair. Ms. Giacona advised that H2O has communicated same with Harris County (the "County"), but that the County has not responded to H2O's inquiry. Following further discussion, Director Hunsworth moved that H2O be authorized to repair the inlet box within the District, as discussed, at a cost not to exceed \$2,000. Director Henry seconded the motion, which unanimously carried.

The Board considered ratification of its prior action relative to the approval of the upgraded controller for the District's generator at the Water Plant in the amount of \$3,886. Ms. Giacona

advised the Board that the controller on the District's generator was failing, and recommended an upgraded digital controller with all new sensors at a cost of \$3,886. After discussion, Director Hunsworth moved that the Board's prior action to approve the upgraded digital controller with all new sensors to the District's generator at a cost of \$3,886, be ratified in all respects. Director Henry seconded the motion, which carried unanimously.

### **ENGINEERING REPORT**

The Board next considered the Engineer's Report, which Mr. Elston presented verbally. He updated the Board regarding Harris County Municipal Utility District No. 345's purchase of an emergency generator at the Wastewater Treatment Plant. He reminded the Board that it previously concurred in the purchase of the generator at the Wastewater Treatment Plant and award of the contract to W-Industries in the total amount of \$312,144. Mr. Elston advised it will take approximately one (1) year to obtain said generator.

### **ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred action regarding utility commitments as no additional requests were made this month.

Ms. Burks exited the meeting at this time.

### **SIDEWALK PROJECT BY HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 346**

Mr. Lai updated the Board regarding the Barker-Cypress sidewalk project by Harris County Municipal Utility District No. 346 ("No. 346"). He advised that the proposed license agreement provided by U.S. Army Corps of Engineers, is still under review by SPH at this time. He noted that SPH will communicate with No. 346 regarding same.

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

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

### **EMINENT DOMAIN**

The Board next considered the attorney's report. Mr. Lai reported that, pursuant to §2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are required to file an Annual Eminent Domain Report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Hunsworth, seconded by Director Henry, and unanimously carried, that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

**ATTORNEY'S REPORT**

The Board next considered the attorney's report. Mr. Lai advised he had nothing further to discuss with the Board of a legal nature which was not covered elsewhere on the agenda.

**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 Hunsworth and seconded by Director Henry, the meeting was adjourned.

(SEAL)

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Secretary  
Board of Directors

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A Storm Water Management Program dated November 2022
- Exhibit B Bookkeeper's Report
- Exhibit C Amended Operating Budget for the FYE June 30, 2023
- Exhibit D Tax Assessor-Collector Report
- Exhibit E October 2022 Sales and Use Tax Administration Report
- Exhibit F Operations Report

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