

LONGHORN TOWN UTILITY DISTRICT OF HARRIS COUNTY, TEXAS

Minutes of Meeting of Board of Directors December 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 December 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, 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"); 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 November 3, 2022. After review and discussion of the minutes presented, Director Crain moved that the minutes of the Board meeting held on November 3, 2022, be approved, as presented. Director Hunsworth seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Blasio 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 December 1, 2022, 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 Swearingen seconded said motion, which unanimously carried.

Ms. Sliva requested that the Board consider transferring the District's accounts, with the exception of the operating account, to New First National Bank. Ms. Sliva stated that Central Bank would remain the depository bank for the District's operating account. After discussion on the matter, the Board deferred taking action regarding same at this time.

A discussion then ensued regarding ADP Payroll for direct deposit services for Directors. Ms. Blasio advised that a Payroll Agreement between ADP and the District would be required in order for ADP to perform such payroll services. It was noted that Ms. Sliva will send the Payroll Agreement to SPH for review. After further discussion, the Board deferred taking action regarding same at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Burks presented to and reviewed with the Board the November 2022 Tax Assessor-Collector report, including the delinquent collections listings, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Swearingen 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. Burks requested that the Board authorize Wheeler to write-off three (3) accounts as uncollectible in the total amount of \$220.62. After discussion on the matter, Director Crain moved that the Board authorize Wheeler to write-off three (3) accounts as uncollectible in the total amount of \$220.62. Director Hunsworth seconded the motion, which unanimously carried.

Ms. Blasio next presented to and reviewed with the Board the November 2022 Sales and Use Tax Administration Report, prepared by Sales Revenue Inc., a copy of said report is attached hereto as **Exhibit C**, 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 December 1, 2022, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto as **Exhibit D**. 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 December 1, 2022, a copy of which report is attached hereto as **Exhibit E**, and discussed with the Board the matters contained therein. She noted that the District's water accountability for the reporting period was approximately 97.66%.

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 there was a delay in the delivery of a part to repair the line break, and that the 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.

ENGINEERING REPORT

The Board next considered the Engineer's Report. Mr. Elston noted he had nothing new to report to the Board at this time.

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 District just received a revised proposed license agreement provided by U.S. Army Corps of Engineers. She noted that SPH will forward same to No. 346 for its further review and handling since No. 346 will be constructing such sidewalk, not the District.

Ms. Burks exited the meeting at this time.

STORM WATER SOLUTIONS REPORT

The Board deferred consideration of Storm Water Solutions, LLC report.

NEIGHBORHOOD IMPROVEMENT PROJECTS IN THE DISTRICT

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

IMPLEMENTATION OF PUBLIC UTILITY COMMISSION OF TEXAS RULES RELATING TO SENATE BILL 3

Ms. Blasio presented to and reviewed with the Board a Memorandum prepared by SPH detailing the Public Utility Commission of Texas' (the "PUC") publication of 16 TAC, Sections 24.173 and 24.364 relating to the implementation of Senate Bill 3 ("S.B. 3"). A copy of the Memorandum is attached hereto as **Exhibit F**. The Board was informed that a notice containing certain required information must be provided to each of the District's retail water or sewer customers prior to January 31, 2023. After discussion, Director Crain, moved to approve the required notice language prepared by SPH and to authorize H2O to include the approved notice as an insert into the District's next utility bill. Director Hunsworth seconded the motion, which carried unanimously.

AMENDMENT TO RATE ORDER

Ms. Blasio next presented to and reviewed with the Board an amended Rate Order. She advised that this Rate Order would allow sixty (60) days to refund deposits to customers and would address changes in the law resulting from the PUC's implementation of S.B. 3. Following discussion, it was moved by Director Crain, seconded by Director Hunsworth, and unanimously carried that the Rate Order be amended, a copy of which amended Rate Order is attached as **Exhibit G**.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Ms. Blasio presented a document received from the District's financial advisor, Masterson Advisors, LLC, relative to certain disclosures required by the Municipal Securities Rulemaking Board Rule G-10. A copy of such disclosure is attached hereto as **Exhibit H**.

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 Hunsworth, the meeting was adjourned.

(SEAL)

Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector Report
- Exhibit C November 2022 Sales and Use Tax Administration Report
- Exhibit D Delinquent Tax Report
- Exhibit E Operations Report
- Exhibit F Memo Regarding PUC's Implementation of SB 3
- Exhibit G Rate Order
- Exhibit H Municipal Securities Rulemaking Board Rule G-10

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