

**RICEWOOD MUNICIPAL UTILITY DISTRICT**  
**Minutes of Special Meeting of Board of Directors**  
**January 30, 2024**

The Board of Directors (the "Board") of Ricewood Municipal Utility District (the "District") met in special session, open to the public on January 30, 2024, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting thereof, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Jacque Freeman, President  
Stephen Marcum, Vice President  
Carrie Prudhomme, Secretary  
Elaine Mundy, Assistant Secretary  
Shelli Flores, Director

all of whom were present at the start of the meeting except Directors Mundy and Flores, thus constituting a quorum. Directors Mundy and Flores entered the meeting after it was called to order, as noted below.

Also attending the meeting were: Jessica Preston of Municipal Accounts & Consulting, L.P. ("MAC"); Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Ryan Vogler of Vogler & Spencer Engineering ("VSE"); Lucian Landerville of Equi-Tax, Inc. ("Equi-Tax"); Anthea Moran of Masterson Advisors LLC ("Masterson"); Michael Murr of Murr Incorporated ("MI") and Park Rangers, LLC ("PR"); Michelle Kincer of Storm Water Solutions, LLC ("SWS"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); Mark Eyring of Mark C. Eyring, PPA, PLLC ("Eyring"); Judy McGlaughlin of One Creek West, Inc.; Bryan Dotson, a member of the public; and Rick Barker 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 the Board.

**PUBLIC COMMENTS**

The Board deferred addressing members of the general public in attendance until later in the meeting.

**MINUTES**

The Board next considered approval of the minutes of its meeting held on December 19, 2023. After discussion, Director Marcum moved that such minutes be approved, as written. Director Prudhomme seconded said motion, which carried unanimously.

## **AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Mr. Eyring next reviewed with the Board a draft of the District's audit report prepared for the fiscal year ended September 30, 2023, a copy of which audit report is attached hereto as **Exhibit A**. In connection therewith, he also presented the Board with a Management Letter prepared by Eyring, concerning the Board's internal controls over financial reporting (the "Management Letter"), which is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. Mr. Barker further discussed the Management Letter with the Board, as well as a draft response to same, prepared by SPH (the "Management Response"). After discussion concerning the audit report presented, Director Marcum moved that (i) the audit report for the fiscal year ended September 30, 2023, be approved, subject to final review 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 (the "TCEQ") and (iv) the draft Management Response be approved and be included in the final Management Letter. Director Prudhomme seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT**

Ms. Preston presented and reviewed with the Board the Bookkeeper's Report, dated January 30, 2024, a copy of which is attached hereto as **Exhibit B**. After discussion, it was moved by Director Prudhomme that the Bookkeeper's Report be approved, and that the disbursements identified therein be approved for payment. Director Marcum seconded the motion, which carried unanimously.

Directors Mundy and Flores entered the meeting at this time.

## **PUBLIC COMMENTS**

Ms. McGlaughlin presented to and reviewed with the Board a handout regarding the One Creek West organization and the projects it supports, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Flores moved that the District authorize attendance by Directors at One Creed West meetings and events, including the submission of per diems and expenses related to same. Director Marcum seconded said motion, which carried unanimously.

Mr. Dotson next presented to and reviewed with the Board a handout advising of the status of the Cullen Park Path Segment 2, a copy of which is attached hereto **Exhibit D**. Mr. Dotson requested that the District communicate to the City of Houston that the District would like to request that its \$20,000 contribution for the Cullen Park Path project which is now in escrow be utilized for the Cullen Park Path Segment 2 project.

Ms. McGlaughlin and Mr. Dotson exited the meeting at this time.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

The Board next considered the Tax Assessor-Collector's Report. Mr. Landerville presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month of December 2023, a copy of which is attached hereto as **Exhibit E**. After discussion on the matter, Director Prudhomme moved that the Board approve the Tax Assessor-Collector's Report and authorize payment of the disbursements identified therein from the District's tax account. Director Freeman seconded said motion, which carried unanimously.

Mr. Landerville next reviewed with the Board the Strategic Partnership Agreement Revenue Report prepared by Equi-Tax, Inc., a copy of which is included with **Exhibit E**. He noted that no Board action was required in connection with said report.

## **DELINQUENT TAX REPORT**

Mr. Barker next reviewed with the Board a Delinquent Tax Report from the District's delinquent tax collection attorney, Ted A. Cox, P.C. ("Cox"), a copy of which is attached hereto as **Exhibit F**. The Board concurred that no action was required at this time.

## **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Mr. Barker outlined for the Board the various tax exemptions that the District may grant, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. After discussion, the Board requested that Masterson provide an analysis relative to such exemptions for the Board's review at its next meeting.

## **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Barker advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60<sup>th</sup> day, as more fully described in said Resolution. After discussion, it was moved by Director Mundy, seconded by Director Flores, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes attached hereto as **Exhibit G** be adopted by the Board, and that the District's delinquent tax collection attorney be authorized to collect delinquent personal property taxes beginning April 1, 2024, including the filing of lawsuits, if necessary.

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

The Board next considered adopting a list of qualified brokers authorized to engage in

investment transactions with the District. Mr. Barker advised that, pursuant to the Public Funds Investment Act and the terms of the District's Investment Policy, the Board is required to review and revise, if necessary, such list at least annually. He then presented to and reviewed with the Board a list of financial institutions, brokers and dealers authorized to engage in investment transactions with the District, a copy of which is attached hereto as **Exhibit H**, as compared to the list previously adopted by the Board. Mr. Barker noted that the broker list presented is a list of institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but that it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion on the matter, Director Mundy moved that the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, included under **Exhibit H**, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Flores seconded said motion, which unanimously carried.

### **SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE**

Mr. Barker informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Barker recommended Eyring be authorized to prepare and submit said information. Following discussion, Director Mundy moved, Director Flores seconded, and it was unanimously carried that Eyring be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

### **RENEWAL OF DISTRICT INSURANCE POLICIES**

The Board discussed obtaining insurance proposals for the 2024-2025 term. Mr. Barker advised the Board that the District's current insurance policies, brokered through Arthur J. Gallagher & Co. ("AJG"), are set to expire on March 31, 2024. After discussion on the matter, Director Mundy moved that SPH be authorized to solicit a written renewal proposal on behalf of the District from AJG to be considered at the Board's February meeting. Director Flores seconded said motion, which carried unanimously.

### **LANDSCAPE MANAGEMENT REPORT**

Mr. Murr next presented to and reviewed with the Board District's Landscape Management Report for the month of January 2024, a copy of which is attached hereto as **Exhibit I**. Mr. Murr noted that Irrigation Solutions has completed the installation of irrigation facilities at the Water Plant, and recommended the Board authorize payment to same in the amount of \$11,989. After discussion, the Board concurred that payment be authorized, as recommended.

### **ENGINEER'S REPORT**

Mr. Vogler next presented to and reviewed with the Board an Engineer's Report dated

January 30, 2024, including the pay estimates and change orders listed therein and the status of pending construction projects, a copy of which is attached hereto as **Exhibit J**. It was noted that no Board action was requested.

### **DISCUSSION REGARDING ISSURANCE OF THE DISTRICT'S UNLIMITED TAX BONDS, SERIES 2024 (THE "BONDS") AND APPROVAL OF A SUMMARY OF COST RELATED TO SAME**

Ms. Moran discussed with the Board the bond sale procedures in connection with the Bonds. In connection therewith, Ms. Moran presented to and reviewed with the Board a No Growth Cash Flow Analysis, a copy of which is attached hereto as **Exhibit K**.

Mr. Vogler then presented a Cost Summary in connection with the Bonds prepared by VSE, a copy of which is included with **Exhibit J**. Mr. Vogler requested that the Board approve said cost summary and authorize VSE to prepare a bond application report in connection with the Bonds to be submitted to the TCEQ. After discussion, Director Mundy moved that the cost summary be approved and VSE be authorized to prepare said report for submission. Director Prudhomme seconded said motion, which unanimously carried.

### **STORM WATER MANAGEMENT PROGRAM REPORT**

Ms. Kincer next presented to and reviewed with the Board monthly Storm Water Management Program Report on behalf of Storm Water Solutions, LP, a copy of which is attached hereto as **Exhibit L**. Ms. Kincer presented a proposal for redefining the existing pilot channel and clearing the storm water pipes connected thereto at a cost of \$24,765.00, a copy of said proposal is included with **Exhibit L**. After discussion, it was moved by Director Prudhomme, seconded by Director Freeman, and unanimously carried, that (i) the proposal existing pilot channel and clearing the storm water pipes connected thereto at a cost of \$24,765.00, be approved and (ii) the receipt of SWS's Texas Ethics Commission ("TEC") Form 1295 be acknowledged as required by state law.

### **DISCUSSION OF OPERATIONS ADVISORY COMMITTEE MEETING FOR THE JOINT WASTEWATER TREATMENT PLANT ("WWTP")**

Director Marcum noted that he had nothing further to report regarding the Operations Advisory Committee meeting for the WWTP that was not covered under the engineering report.

### **OPERATIONS REPORT**

Ms. Bonilla-Odums next presented to and reviewed with the Board the Operations and Maintenance Report dated January 16, 2024, a copy of which is attached hereto as **Exhibit M**. In connection therewith, she reported that Inframark is requesting Board authorization to send three (3) accounts totaling \$967.81 to collections. After discussion, Director Marcum moved that Inframark (i) be authorized to send the three subject accounts to collections as requested. Director Prudhomme seconded said motion, which unanimously carried.

## **INFORMATION RELATIVE TO CONSUMER CONFIDENCE REPORT**

The Board considered authorizing Inframark to provide required information to districts that received water from the District during 2023 by April 1, 2024, in connection with preparation of Consumer Confidence Reports. After discussion on the matter, Director Marcum moved that the Board authorize Inframark to provide the necessary information prior to the deadline. Director Prudhomme seconded said motion, which carried unanimously.

## **APPROVAL OF THE AMENDED RATE ORDER IN CONNECTION WITH CUSTOMER DEPOSITS**

The Board next considered amendment of its Rate Order regarding changes to the amount of customer deposits. Ms. Bonilla-Odums reviewed the delinquent list and stated that Inframark reviewed its customer deposits on file and is recommending that the Board consider increasing the amount of the residential customer deposit to \$200 for both renters and owners, with customer's total deposit not to exceed \$500. After discussion on the matter, Director Mundy moved that the District's Rate Order, be amended per the parameters listed above, effective as of February 1, 2024, and that any and all rate orders heretofore adopted by the Board be revoked as of said date. Director Prudhomme seconded said motion, which failed by a vote of two (2) favor and (1) opposed with director Mundy and Prudhomme voting aye, Director Freeman voting nay, and Directors Flores and Marcum abstaining.

After further discussion, the Board considered increasing the amount of the residential customer deposit to \$100 for owners and \$200 for renters, with customer's total deposit not to exceed \$500 with such deposits due prior to service initiation. After discussion on the matter, Director Freeman moved that the District's Rate Order, attached hereto as **Exhibit N**, be amended per the parameters listed above, effective as of February 1, 2024, and that any and all rate orders heretofore adopted by the Board be revoked as of said date. Director Prudhomme seconded said motion, which carried by a vote of three (3) in favor and none opposed with Directors Freeman, Prudhomme and Mundy voting aye, and directors Flores and Marcum abstaining.

## **DISTRICT SECURITY**

Director Mundy presented to and reviewed with the Board the Beat Activity Report from the Harris County Sheriff's Office for the month of December 2023, a copy of which report is attached hereto as **Exhibit O**. Director Mundy noted that she will request that an officer attend the next Board meeting. It was noted no Board action was being requested in connection with said report.

Mr. Murr, Ms. Preston and Ms. Moran exited the meeting at this time.

## **COMMUNICATIONS REPORT**

Ms. Hartwell presented to and reviewed with the Board the Communications Monthly Report, a copy of which is attached as **Exhibit P**. She noted that no Board action was required in connection with said report.

## **CUSTOMER SERVICE REPORT PREPARED BY GFL ENVIRONMENTAL ("GFL")**

Mr. Barker advised that SPH did not receive a Customer Service Report from GFL this month relative to trash and recycling collection services. It was noted no Board action was required.

## **MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION**

Mr. Barker reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Barker presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit Q**, regarding administering an independent election. He advised that the Harris County will not be offering joint election services to political subdivisions for the May 4, 2024 election, and therefore, the District will have to hold an independent election. He further discussed the challenges of administering an independent election.

## **ACCESSIBLE VOTING SYSTEM**

Mr. Barker noted that if the District administers an independent election, Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Barker noted that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Prudhomme, seconded by Director Freeman and unanimously carried that SPH be authorized to provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District.

## **SUPPLEMENTAL AGENDA**

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Barker presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit R** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Flores and Mundy expire in May of this year. In reviewing the Order with the Board, Mr. Barker advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Katherine Edwards as such agent (the "Election Agent"). Mr. Barker further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Barker advised the Board that notice of the Election could be given by one or more of the following

methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District. After discussion on the matter, Director Prudhomme moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Freeman seconded said motion, which unanimously carried. Mr. Barker advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board considered the establishment of fees to be paid to officials for the Election. Mr. Barker advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Prudhomme moved that the judges and clerks for the Election, including early voting clerks, be paid \$25.00 per hour. Director Freeman seconded said motion, which unanimously carried.

### **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. In connection therewith, Mr. Barker advised the Board that he had nothing further to discuss with the Board of a legal nature which was not covered under specific agenda items.

### **OTHER MATTERS**

The Board next considered matters for possible placement on future agendas. After consideration on the matter, no specific agenda items, other than routine and ongoing matters and those discussed above, were requested.

Director Flores and Ms. Kincer exited the meeting at this time.

### **ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Marcum, seconded by Director Prudhomme and unanimously carried, the meeting was adjourned.



Secretary  
Board of Directors



## LIST OF EXHIBITS

Exhibit A	Annual Audit Report for fiscal year ended September 30, 2023
Exhibit B	Bookkeeper's Report
Exhibit C	One Creek West Handout
Exhibit D	Cullen Park Path Segment 2 Handout
Exhibit E	Tax Assessor-Collector's Report
Exhibit F	Delinquent Tax Report
Exhibit G	Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
Exhibit H	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with District
Exhibit I	Landscape Management Report
Exhibit J	Engineer's Report
Exhibit K	Cash Flow Analysis for the 2024 Bond Issue
Exhibit L	Storm Water Management Program Report
Exhibit M	Operations Report
Exhibit N	Rate Order
Exhibit O	Security Report
Exhibit P	Communications Report
Exhibit Q	Memorandum prepared by SPH regarding Independent Election
Exhibit R	Order Calling May 4, 2024 Directors Election