

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
June 24, 2024

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on June 24, 2024, 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:

Tom Wildrick, President
Carlos Heredia, Vice President
William White, Secretary
Alex Reyes, Assistant Secretary
Arthur Russell Jones V, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also attending the meeting were Dulce Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); David Rowe of Regional Water Corporation ("RWC"); Stephanie Dorrrough of Wheeler & Associates, Inc. ("Wheeler"); Joseph Hopper of Storm Water Solutions L.P. ("SWS"); Rene Hurtado of Sander Engineering Corporation ("SEC"); Sherri Greenwood of Forvis Mazars, LLP ("Forvis"); Brandon West of Touchstone District Services, LLC ("Touchstone"); Shawn Pachlhofer of R.G. Miller ("RGM"); Brian Tran of D'Agostino Companies ("D'Agostino"); and Gordon Craner 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 began by opening the meeting for public comments. Mr. Tran inquired about the status of the contract with DC Contracting Services, LLC for the Detention Basin and Storm Sewer project to serve Ranch Country, to which Mr. Hurtado responded.

APPROVAL OF MINUTES

The Board next reviewed the minutes of its meetings held on May 15, 2024 and May 20, 2024. Following discussion, Director Heredia moved that the minutes of the Board's meetings held on May 15, 2024 and May 20, 2024, be approved, as written. Director White seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending June 30, 2024. In that regard, Ms. Greenwood presented and reviewed a proposal for preparation of said audit report, a copy of which is attached hereto as **Exhibit A**. She advised that Forvis' fee for the preparation of said audit is estimated to be \$20,100 plus an administrative fee of \$1,100 to cover items such as report production, copies, postage and delivery charges and technology related costs. She further advised that fees for the inclusion of schedules

reflecting any new bond sale during the year will be in the range of \$2,500 - \$3,000, and fees for services pertaining to accounting for construction activity for capital assets and preparation of depreciation schedules will be invoiced on an hourly basis. After discussion on the matter, Director Heredia moved that Forvis be engaged to prepare the District's audit report for the fiscal year ending June 30, 2024, in accordance with the terms of the proposal presented, and that the Texas Ethics Commission Form 1295 provided by Forvis be accepted and acknowledged by the District. Director Wildrick seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated June 24, 2024, attached hereto as **Exhibit B**, including the disbursements presented for payment from the District's various accounts. After discussion, Director Heredia moved that the bookkeeping report be approved and that the disbursements identified in the report be approved for payment, including check nos. 15160 and 15161 payable to Director Heredia and Republic Services, Inc., respectively. Director Wildrick seconded said motion, which unanimously carried.

Ms. Molina next presented to and reviewed with the Board a proposed budget relative to the District's General Operating Fund for the fiscal year ending June 30, 2025, a copy of which is included with **Exhibit B**. After discussion, Director Heredia moved that the Board adopt the proposed budget for the fiscal year ending June 30, 2025, as presented. Director Wildrick seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Dorrough next presented to and reviewed with the Board the tax assessor-collector report and delinquent collections listing prepared by Wheeler for the month of May 2024, copies of which are attached hereto as **Exhibit C**. After discussion, Director White moved that the tax assessor-collector's report be approved and that the disbursements identified in the report be approved for payment. Director Heredia seconded said motion, which unanimously carried.

REPORT AND LEGAL ACTION TAKEN BY THE DISTRICT'S DELINQUENT TAX COLLECTIONS ATTORNEY

Mr. Cranner presented to and reviewed with the Board a delinquent tax collections attorney report, received by the District from Ted A. Cox, P.C., a copy of which is attached hereto as **Exhibit D**. No action was taken by the Board at this time.

OPERATIONS REPORT

Mr. Rowe next presented and reviewed the Operations Report for May 2024, a copy of which Report is attached hereto as **Exhibit E**, and discussed same with the Board. He advised that the well motors located at Water Plant Nos. 2 and 3 have been pulled for repair or replacement, and that insurance claims have been filed in connection with same.

Mr. Rowe discussed an appeal of District charges received from customer account no. 1-01-05290-02. He advised that the customer has requested that the Board grant an adjustment on their account for the month of June due to high usage from a leaking toilet. Mr. Rowe reviewed the circumstances of the appeal with the Board. After discussion on the matter and consideration

of the relevant facts and circumstances, Director Heredia moved that RWC be authorized to bill the resident by subtracting their average usage during the months of August – May from the bill for the month of June, with half of the remaining billed usage to be credited to the customer, and the remaining half to be billed to the customer in addition to their average usage, and that a six (6) month payment plan be offered to the customer to satisfy their remaining balance, if needed, subject to the customer remaining current with their water bill payments going forward. Director Jones seconded the motion, which unanimously carried.

SUBMISSION OF CRITICAL LOAD INFORMATION

Mr. Cranner next advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the office of emergency management of Harris County, the Public Utility Commission of Texas, and the division of emergency management of the governor. Following discussion, Director Wildrick moved to authorize SEC and/or RWC to make such submissions on behalf of the District, as and if necessary. The motion was seconded by Director Heredia and carried by unanimous vote.

RATE ORDER

The Board next considered amendment of the District's Rate Order, including provisions related to delinquent accounts and termination of service. A discussion ensued regarding same. Following discussion, the Board concurred to defer amendment of the Rate Order until the next meeting.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for June 24, 2024, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District, and discussed same with the Board. No action was taken by the Board at this time.

STORM WATER SOLUTIONS, L.P.

Mr. Hopper next presented and reviewed a report prepared by SWS, a copy of which is attached hereto as **Exhibit G**. No action was taken by the Board at this time.

ISSUANCE OF UTILITY COMMITMENT(S)

The Board deferred consideration of issuance of utility commitments after noting that no requests had been received.

DEVELOPER'S REPORT

The Board next considered the developer's report. In connection with the contract with DC Contracting Services, LLC for the Detention Basin and Storm Sewer project to serve Ranch Country (the "Contract"), Mr. Cranner advised that the developer has requested a letter from the

District stating that RGM has been designated as the District's agent to deliver the Notice to Proceed on behalf of the District as "Owner" pursuant to the Contract. Following discussion, Director Wildrick moved that the Board approve the letter and authorize the President to execute same on behalf of the Board and the District. Director White seconded the motion, which unanimously carried.

ASSIGNMENT OF CONSENT TO INSTALLATION OF PAVING, PARKING LICENSE AND INDEMNITY AGREEMENT (WATER PLANT NO. 2 SITE)

The Board deferred consideration of assignment of the Consent to Installation of Paving, Parking License and Indemnity Agreement (Water Plant No. 2 Site) between the District and Rosehill Fire Department until the next meeting.

SECURITY REPORT AND SECURITY ISSUES WITHIN THE DISTRICT

The Board next discussed the status of the District's security patrol contract with the Harris County Constable's Office, Precinct 4 ("HCCP4") and security issues within the District, and reviewed the monthly activity report for the month of May 2024, a copy of which is attached hereto as **Exhibit H**. An inquiry was made as to whether the District could contract for security patrol services with the Harris County Sheriff's Office and the costs associated with same. Following discussion, Director Wildrick moved that the District approve renewal of its Law Enforcement Services Agreement with Harris County through HCCP4 and that the President be authorized to execute same. Director Heredia seconded the motion, which unanimously carried.

VOTING SYSTEM ANNUAL FILING FORM

The Board next considered approval of a Voting System Annual Filing Form. Mr. Craner advised the Board that under the Texas Election Code, the District is required to complete and file a form provided by the Secretary of State regarding information related to District elections. After discussion, Director Heredia moved that the District's attorneys be authorized to complete the Voting System Annual Filing Form and to file same with the Secretary of State's office. Director White seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

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

STATUS OF DISTRICT WEBSITE

Mr. West next presented and reviewed a Communications Meeting Report prepared by Touchstone, a copy of which is attached hereto as **Exhibit I**. No action was taken by the Board at this time.

CLOSED SESSION

The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Section 551.071 and/or Section 551.072.

MATTERS TO BE CONSIDERED ON FUTURE AGENDAS

The Board considered items for placement on a future agenda. The Board requested that an item be included on the June agenda to consider amendment of the District's Rate Order.

ADJOURNMENT

There being no further business to come before the Board, Director Heredia moved that the meeting be adjourned. Director Wildrick seconded the motion, which unanimously carried.


Secretary, Board of Directors

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LIST OF ATTACHMENTS TO MINUTES

Exhibit A	Engagement Letter – Forvis Mazars, LLP
Exhibit B	Bookkeeper's Report
Exhibit C	Tax Assessor-Collector's Report
Exhibit D	Delinquent Tax Report
Exhibit E	Operations and Maintenance Report;
Exhibit F	Engineer's Report
Exhibit G	Report provided by Storm Water Solutions, L.P.
Exhibit H	Security Report
Exhibit I	Communications Meeting Report