

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
March 25, 2024

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on March 25, 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:

Barry Campbell, President
Tom Wildrick, Vice President
Charles "Kendrick" Dudley, Secretary
Carlos Heredia, Assistant Secretary
William White, 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"); Lonnie Lee of Regional Water Corporation ("RWC"); Joseph Hopper of Storm Water Solutions L.P. ("SWS"); Rene Hurtado of Sander Engineering Corporation ("SEC"); Brandon West of Touchstone District Services, LLC ("Touchstone"); Shawn Pachlhofer of R.G. Miller ("RGM"); Summer Anseman; Alex Reyes, resident of the District; and Spencer Creed 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. There were no comments from the public at this time and the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board next reviewed the minutes of its meeting held on February 26, 2024. Revisions were noted to page two (2) of said minutes by Director Campbell. Following discussion, Director Campbell moved that the minutes of the Board's meeting held on February 26, 2024, be approved, as revised. Director Dudley seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated March 25, 2024, attached hereto as **Exhibit A**, 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. Director Wildrick seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY REPORT

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and to authorize MA&C and Wheeler to prepare an Unclaimed Property Report as of March 1, 2024. After discussion, Director Wildrick moved that the District's Operator, Tax Assessor-Collector and Bookkeeper be authorized to research their records to determine whether or not there is any unclaimed property for the applicable period and that the District's bookkeeper and/or tax assessor collector be authorized to prepare an unclaimed property report, if necessary, for the Board's consideration, approval and filing with the State Comptroller prior to July 1, 2024. Director Dudley seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

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

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

Mr. Creed 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 C**. No action was taken by the Board at this time.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for February 2024, a copy of which Report is attached hereto as **Exhibit D**, and discussed same with the Board. He advised that RWC obtained approval from Director Campbell during the month to replace the probe assembly on the tank located at Water Plant No. 3 at a cost of approximately \$5,000, as noted in the Operations Report. Following discussion, Director Dudley moved that the aforementioned item, as discussed, be approved and ratified in all respects. Director White seconded the motion, which unanimously carried.

Mr. Lee next advised that the section of fence located at Water Plant No. 3 and valve located at Water Plant No. 3 have been replaced, as authorized by the Board at the previous meeting.

SUBMISSION OF CRITICAL LOAD STATUS INFORMATION TO RETAIL ELECTRIC PROVIDER

Mr. Creed reported that Section 13.1396 of the Water Code requires a district to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and various emergency contact information. After discussion on the matter, Director Dudley moved that SEC

be authorized to make such annual filings on behalf of the District. Director White seconded the motion, which carried unanimously.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for March 25, 2024, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various projects within the District, and discussed same with the Board. He addressed the Board with regard to the Water Plant No. 3 improvements (the "Project"). He advised that seven (7) bids were received for the Project, and that the lowest bid was submitted by Gilleland Smith Construction, Inc. ("Gilleland") in the amount of \$1,698,000. Mr. Hurtado noted an irregularity in Gilleland's bid which the District has the ability to waive, as noted in the engineering report. Following discussion, Director Heredia moved that the Board award the contract for the Project to Gilleland, as discussed and in accordance with the recommendation by SEC. Director Campbell seconded the motion, which unanimously carried.

It was noted that the bid for the Project exceeds the funds included for same in the last bond issue by approximately \$773,000, and the shortfall will need to be made up from other sources. Mr. Hurtado was requested to update SEC's cost estimate for the Wastewater Treatment Plant Improvements project in order to determine whether a similar shortfall may result there.

Mr. Hurtado next addressed the Board regarding the status of the contract with Paradalis Industrial Enterprises, Inc. ("Paradalis") for the Water Plant No. 3 recoating project. In that regard, he advised that the District is receipt of Pay Estimate No. 1 in the amount of \$98,460. Following discussion, Director Heredia moved that the Board approve payment of Pay Estimate No. 1 to Paradalis, as presented. Director Campbell seconded the motion, which unanimously carried.

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 F**. 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. Mr. Pachlhofer of RGM addressed the Board at this time on behalf of Papadopoulos Ranch Country, L.P., and provided an update concerning development of the 27 acre tract located at the northwest corner of Becker Road and U.S. Highway 290. He advised that Harris County has requested the District execute a letter in which the District agrees to maintain certain public drainage facilities located on the tract, a copy of which is attached hereto as **Exhibit G**. Following discussion, Director Heredia moved that the President be authorized to execute the letter on behalf of the Board and the District. Director Wildrick seconded the motion, which unanimously carried.

Mr. Hopper exited the meeting at this time.

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 and security issues within the District, and reviewed the monthly activity report for the month of February 2024, a copy of which is attached hereto as **Exhibit H**.

MUNICIPAL RISK MANAGEMENT GROUP, L.L.C.

Mr. Creed next presented to and reviewed with the Board a report from Municipal Risk Management Group, LLC ("MRMG") concerning arbitrage and yield restriction regulations relative to the District's outstanding bonds, a copy of which report is attached hereto as **Exhibit I**. In connection with the District's Series 2018 Bonds, he advised that a yield restriction report is being recommended, as reflected in the report. He then presented for the Board's consideration an engagement letter for preparation of the report from Arbitrage Compliance Specialists, Inc. ("ACS"), a copy of which engagement letter is included with **Exhibit I**. He stated that ACS's fee for this service is \$2,200. After discussion, Director Wildrick moved that the Board (i) approve the engagement letter from ACS for arbitrage rebate services, (ii) the President be authorized to execute same on behalf of the Board and the District, (iii) the Board approve the District's acceptance of the Texas Ethics Commission ("TEC") Form 1295 relative to the engagement letter, and (iv) that the Board authorize SPH to acknowledge the District's receipt of the TEC Form 1295. Director Heredia seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Creed provided the Board with an update concerning the District's 2024 Directors Election.

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 J**. Mr. West was requested by the Board to post a public service notice about flushable wipes on the website. No additional 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. No specific items were requested.

Director Campbell provided the Board with an update regarding the status of phase IV of the installation of electronic meters in the District by Accurate Meter & Supply, L.L.C.

Mr. Hopper exited the meeting at this time.

GROUND MAINTENANCE AGREEMENT ("AGREEMENT") WITH SEABACK MAINTENANCE, INC. ("SMI"); STATUS OF ALTERNATIVE PROPOSALS; CONSIDER AUTHORIZING TERMINATION OF AGREEMENT

The Board next considered the status of the Agreement with SMI, alternative proposals for maintenance, and/or authorizing notice of termination to SMI in connection with the Agreement. It was noted that the proposals received had been distributed at the prior meeting. A discussion ensued regarding the proposal provided by SWS, a copy of which is attached hereto as **Exhibit K**. Following discussion, Director Heredia moved that the Board (i) approve termination of the District's contract with SMI upon thirty (30) days written notice, (ii) authorize SPH to prepare and provide such notice to SMI, and (iii) approve the proposal provided by SWS for maintenance of the facilities, subject to reduction of the number of mowings at Water Plant No. 1 from 21 to 12 per year, and the addition of language in the contract that the rates will not increase for at least one (1) year. Director Dudley seconded the motion, which unanimously carried. The Board requested that SPH notify SWS of the Board's decision and request that they provide a form of contract for review by SPH.

ADJOURNMENT

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


Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Exhibit A	Bookkeeper's Report
Exhibit B	Tax Assessor-Collector's Report
Exhibit C	Delinquent Tax Report
Exhibit D	Operations and Maintenance Report
Exhibit E	Engineer's Report
Exhibit F	Report provided by Storm Water Solutions, L.P.
Exhibit G	Letter to Harris County Engineering Department
Exhibit H	Security Report
Exhibit I	Report from Municipal Risk Management Group, LLC; Engagement Letter from Arbitrage Compliance Specialists, Inc.
Exhibit J	Communications Meeting Report
Exhibit K	Proposal provided by Storm Water Solutions, L.P.