

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
April 22, 2024

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on April 22, 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"); Emma Highberger of Wheeler & Associates, Inc. ("Wheeler"); 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"); Brian Tran of D'Agostino Companies ("D'Agostino"); Summer Anseman; Nedra Carrier, and Alex Reyes, residents of the District; 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 introduced himself to the Board on behalf of D'Agostino, and advised that D'Agostino is in the process of purchasing the 11.3 acre tract from Papadopoulos Ranch Country, L.P. ("PRC") for development of the multi-family apartment project.

Ms. Carrier addressed the Board regarding the process for payment of delinquent water bills. The Board requested that Mr. Lee review RWC's procedures for same in relation to the District's Rate Order.

APPROVAL OF MINUTES

The Board next reviewed the minutes of its meeting held on March 25, 2024. Following discussion, Director Wildrick moved that the minutes of the Board's meeting held on March 25, 2024, be approved, as written. Director Campbell seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated April 22, 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, including check no. 15081 payable to Director Heredia for eligible expenses associated with attendance at the Association of Water Board Directors conference. Director Dudley seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Highberger next presented to and reviewed with the Board the tax assessor-collector report and delinquent collections listing prepared by Wheeler for the month of March 2024, copies of which are attached hereto as **Exhibit B**. After discussion, Director Dudley 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 C**. No action was taken by the Board at this time.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Cranner advised that the Board is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Heredia, seconded by Director Dudley and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit D**, be adopted by the Board.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for March 2024, a copy of which Report is attached hereto as **Exhibit E**, and discussed same with the Board. No action was taken by the Board at this time.

CONSUMER CONFIDENCE REPORT

The Board considered authorizing RWC to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Mr. Cranner advised that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the Texas Commission on Environmental Quality ("TCEQ"), the District is required to provide a report containing various

information regarding the District's water supply to all customers of the District by July 1, 2024. After discussion on the matter, it was moved by Director Campbell, seconded by Director Heredia and unanimously carried, that RWC be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with the TCEQ's regulatory requirements and its template. It was noted that a draft CCR had been provided as part of the Operations Report, which draft CCR is attached hereto as part of **Exhibit E**.

IDENTITY THEFT PREVENTION PROGRAM

In connection with review of the District's Identity Theft Prevention Program (the "Program"), Mr. Lee addressed the Board concerning the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. He advised that no incidents of identity theft had been experienced and recommended that no changes be made to the District's Program at this time. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

DROUGHT CONTINGENCY PLAN ("DCP")

Mr. Cranner next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their DCP no later than May 1, 2024, and every five years thereafter. He further advised that, according to the District's engineer and operator, no changes are being recommended to the District's DCP at this time. After discussion, Director Heredia moved that the District adopt the Resolution Regarding Review of Drought Contingency Plan, attached hereto as **Exhibit F**. Director Dudley seconded such motion, which passed unanimously.

RATE ORDER

The Board next considered amendment of the District's Rate Order concerning adjustment of the residential sanitary sewer rate in connection with the garbage collection rate charged by Texas Pride. Mr. Cranner advised that the District's Rate Order currently includes the solid waste collection fee as part of the residential sanitary sewer rate, which sanitary sewer rate is currently a flat monthly fee of \$35.94. After discussion, Director Campbell moved that the District's Rate Order be amended to increase the base monthly residential sanitary sewer rate from \$35.94 to \$36.69, a copy of which is attached hereto as **Exhibit G**, and that any and all rate orders heretofore adopted by the Board be revoked and that the attached rate order be passed and adopted as of this date. Director Wildrick seconded the motion, which unanimously carried.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for April 22, 2024, a copy of which report is attached hereto as **Exhibit H**, 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.

Ms. Carrier exited the meeting 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 I**. No action was taken by the Board at this time.

STATUS OF TERMINATION OF GROUNDS MAINTENANCE AGREEMENT ("AGREEMENT") WITH SEABACK MAINTENANCE, INC. ("SMI"); APPROVAL OF AGREEMENT BETWEEN THE DISTRICT AND SWS

The Board next considered the status of termination of the Agreement between the District and SMI concerning maintenance of detention ponds and facilities, and the approval of an agreement between the District and SWS for same. Mr. Cranner advised that, pursuant to the Board's prior authorization a termination letter had been sent to SMI and the Agreement with SMI will be terminated as of May 13, 2024. He also advised that SPH has received and approved the form of agreement provided by SWS, a copy of which is attached hereto as **Exhibit J**. Following discussion, Director Heredia moved that the Board (i) approve the agreement between the District and SWS, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to accept and acknowledge the associated Texas Ethics Commission 1295 Form. Director Campbell seconded the motion, which unanimously carried.

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 PRC, and requested authorization from the Board for RGM to advertise for bids in connection with development of the 27 acre tract located at the northwest corner of Becker Road and U.S. Highway 290. Mr. Hurtado advised SEC has reviewed RGM's plans, and the only outstanding issue is RGM's need to confirm the drainage channel has sufficient capacity to serve the tract. Mr. Pachlhofer stated that the channel will be returned to its original design criteria as part of the project and the bid specifications will include use of SWS to perform such work. Following discussion, Director Campbell moved that RGM be authorized to advertise for bids, subject to the above conditions, as discussed. Director Wildrick seconded the motion, which unanimously carried.

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 ("HCP4") and security issues within the District, and reviewed the monthly activity report for the month of March 2024, a copy of which is attached hereto as **Exhibit K**. In addition, Mr. Cranner advised that the District is in receipt of correspondence from HCP4, a copy of which is included with **Exhibit K**, advising of a 6.6% rate increase that will be effective as of October 1, 2024.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Craner advised that he had nothing additional of a legal nature to report at this time.

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 L**. 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. No specific items were requested.

It was noted that the Board's next regularly scheduled meeting falls on Memorial Day, and that the Board agrees to reschedule its May meeting to Monday, May 20, 2024, at 7:00 p.m.

ADJOURNMENT

There being no further business to come before the Board, Director Heredia moved that the meeting be adjourned. Director Campbell 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	Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
Exhibit E	Operations and Maintenance Report
Exhibit F	Resolution Regarding Review of Drought Contingency Plan
Exhibit G	Rate Order
Exhibit H	Engineer's Report
Exhibit I	Report provided by Storm Water Solutions, L.P.
Exhibit J	Agreement between the District and Storm Water Solutions, L.P.
Exhibit K	Security Report; Correspondence provided by Harris County Constable's Office, Precinct 4
Exhibit L	Communications Meeting Report