

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
August 26, 2024

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on August 26, 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 with the exception of Director Jones, who entered later in the meeting as noted herein, thus constituting a quorum.

Also attending the meeting were Dulce Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); Lonnie Lee and David Rowe of Regional Water Corporation ("RWC"); Emma Highberger of Wheeler & Associates, Inc. ("Wheeler"); Josh Hopper of Storm Water Solutions, LP ("SWS"); Rene Hurtado of Sander Engineering Corporation ("SEC"); Brandon West of Touchstone District Services, LLC ("Touchstone"); 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 July 22, 2024. Following discussion, Director White moved that the minutes of the Board's meeting held on July 22, 2024, be approved, as written. Director Wildrick seconded said motion, which unanimously carried.

AUDIT REPORT

The Board deferred approval of the audit report for the fiscal year ending June 30, 2024.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated August 26, 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. 15213 payable to Reliant Energy (holding check), check no. 15214 in the amount of \$204.09 payable to Director Heredia, and check no. 15215 in the amount of \$7,141.43 payable to Reliant Energy. Director White 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 July 2024, copies of which are attached hereto as **Exhibit B**. After discussion, Director Wildrick 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. 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**. Ms. Highberger noted four (4) listed accounts that have recently been paid by the delinquent taxpayer. No action was taken by the Board at this time.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2024 TAX RATE

The Board deferred consideration of the financial advisor's recommendation concerning the District's 2024 tax rate until the next meeting.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for July 2024, a copy of which Report is attached hereto as **Exhibit D**, and discussed same with the Board. He advised that the well motor located at Water Plant No. 2 was pulled for repair and has been reinstalled, and that the insurance claim for the repair is pending.

Mr. Lee next advised that a contractor caused a tap line leak near 24203 Four Sixes Lane, and that the contractor will be back-charged for the costs associated with the repair.

Director Jones entered the meeting at this time.

Mr. Lee next discussed an appeal of District charges received from customer account no. 1-01-00915-13. He noted that the customer is disputing the amount of water used during the months of July and August 2024. Mr. Lee 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 offer a six (6) month payment plan to the customer to satisfy their remaining balance, subject to the customer remaining current with their

water bill payments going forward. Director White seconded the motion, which unanimously carried.

Mr. Lee next 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. ("AMS"). In that regard, he advised that there are approximately 250 meters remaining to install. He noted that he will contact AMS to discuss this matter and report back to the Board.

Mr. Lee next advised that RWC is in the process of investigating an issue with the fine screen located at the Wastewater Treatment Plant, and that he will report back to the Board at the September meeting.

It was next noted that it has been confirmed with the attorney for Harris County Emergency Services District No. 21 ("ESD 21") that ESD 21 is now providing fire protection services to the District rather than the Rosehill Volunteer Fire Department ("RFD"), and that RFD has been dissolved. A discussion ensued regarding how to allocate the small balance of RFD contributions from residents of the District since the RFD is no longer providing services to the District. Following discussion and consideration of the relevant circumstances, including the administrative cost of re-allocating or refunding such funds, Director Wildrick moved that the contributions be deposited into the District's general operating fund. Director White seconded the motion, which unanimously carried. Mr. Lee confirmed that this contribution line item has been removed from District water bills.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for August 26, 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 advised that Kimley-Horn & Associates, Inc. ("Kimley-Horn") has requested authorization to advertise for bids in connection with the TRE excavation pond project for the 108 acre tract (the "Project"). Following discussion, Director Heredia moved that Kimley-Horn be authorized to advertise for bids for the Project, subject to the approval of plans by SEC. Director White seconded the motion, which unanimously carried.

Director Heredia advised that the area located near Palo Dura Drive and Becker Road continues to retain water after it rains, and requested that SEC investigate the area for any potential blockages, to which Mr. Hurtado agreed.

Ms. Highberger exited the meeting at this time.

A discussion ensued regarding completion of the Texas Commission on Environmental Quality ("TCEQ") Lead Service Line Inventory Report (the "Report"), as required by the Lead and Copper Rule revisions. Mr. Lee advised that RWC is in the process of completing the Report, and that the Report will be filed with the TCEQ prior to the October 16, 2024, deadline.

STORM WATER SOLUTIONS, L.P. ("SWS")

Mr. Hopper next presented and reviewed a report provided by SWS, a copy of which is attached hereto as **Exhibit F**. He advised that SWS has provided a proposal in the amount of \$10,182.00 to address erosion at the Cypresswood Trails detention pond, a copy of which is included as part of **Exhibit F**. Following discussion, Director Heredia moved that the Board approve the proposal, authorize the President to execute same, and authorize SPH to accept and acknowledge the associated Texas Ethics Commission 1295 Form. Director Wildrick seconded the motion, which unanimously carried.

It was noted that, at the previous meeting, Mr. Lee advised that a tree fell at the Wastewater Treatment Plant, and that RWC was to obtain a proposal from SWS for removal of the tree. Following discussion, Director Wildrick moved that SWS be authorized to remove the tree at its hourly billing rate, for a total amount not to exceed \$1,000. Director Heredia seconded the motion, which unanimously carried.

The Board next reviewed a graphic prepared by SWS regarding "Five Ways to Prepare for Flooding", a copy of which is included as part of **Exhibit F**. Following discussion, the Board authorized Touchstone to place the graphic on the District's website as a public service announcement.

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

As the next order of business, the Board considered the Developer's report. The Board considered approval of a Letter Agreement concerning use of public work bonds by Red Mercury, LLC in connection with the Project, a copy of which is attached hereto as **Exhibit G**. Following discussion, Director Wildrick moved that the Board approve the Letter Agreement, and that the President be authorized to execute same on behalf of the Board and the District. Director Heredia seconded the motion, which unanimously carried.

The Board next considered ratification of its prior approval of the Waiver Agreement between the District and Papadopoulos Ranch Country, L.P. concerning the 27 acre tract. Following discussion, Director White moved that the Board's approval and execution of the Waiver Agreement be ratified and approved in all respects. Director Heredia 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 next considered assignment of the Consent to Installation of Paving, Parking License and Indemnity Agreement (Water Plant No. 2 Site) between the District and RFD.

Following discussion on the matter, the Board requested that SPH contact ESD 21's attorneys and inquire if they would like to assume the rights and obligations under such agreement.

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 July 2024, a copy of which is attached hereto as **Exhibit H**.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Creed advised that SPH contacted Texas Pride regarding the missed trash collection within the District that occurred on the two Wednesdays following Hurricane Beryl, and were advised that the missed collection days were due to "force majeure", and thus no credit will be offered to the District for the missed days of service.

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 next considered matters for possible placement on future agendas. Director Heredia requested that an item be included on the next agenda regarding consideration of a lease agreement in connection with space for a food truck within District-owned property.

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

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 Agreement
Exhibit H	Security Report
Exhibit I	Communications Meeting Report