

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 23, 2024

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on September 23, 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"); Lonnie Lee 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"); John Howell of The GMS Group, L.L.C. ("GMS"), who entered later in the meeting as noted herein; Barry Hards of Texas Groundworks Management, Inc. ("Texas Groundworks"); Christian Bernhard of RaumWorx, Inc. ("RaumWorx"); Rene Rodriguez of Nan Properties ("Nan"); Victoria Chavira and Esmeralda Flores, residents 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. Mr. Hards introduced himself to the Board and discussed services provided by Texas Groundworks. He requested that the Board consider contacting him to bid any future landscaping projects.

PROPOSAL FOR LEASE AGREEMENT CONCERNING FOOD TRUCK OPERATION

The Board next considered a proposal for a lease agreement concerning food truck operation within District-owned property. Ms. Chavira and Ms. Flores addressed the Board regarding the potential lease agreement for food truck operation and discussed several related issues, including hours of operation, licensing, and insurance. Following discussion, the Board thanked Ms. Chavira and Ms. Flores for their presentation and advised that the Board will consider their request and contact them with regard to their decision.

Ms. Chavira and Ms. Flores exited the meeting at this time.

Mr. Howell entered the meeting at this time.

Mr. Bernhart and Mr. Rodriguez addressed the Board at this time regarding the potential development of a 3.7 acre tract located along Cedar Rock Drive proposed to be developed as 20-24 single-family home gated community. A discussion ensued regarding the availability of water and sewer services to the tract, and the proposed preparation of a feasibility study by SEC at the developer's expense. No action was taken by the Board at this time.

APPROVAL OF MINUTES

The Board next reviewed the minutes of its meeting held on August 26, 2024. Following discussion, Director Wildrick moved that the minutes of the Board's meeting held on August 26, 2024, be approved, as written. Director Heredia 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 September 23, 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.

RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board deferred adoption of a Resolution Authorizing Use of Surplus Construction Funds (Water Plant No. 3 Improvements) until the next meeting.

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 August 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 White 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.

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

Mr. Howell addressed the Board and presented GMS' recommendation regarding the proposed 2024 debt service tax rate and maintenance tax rate, a copy of which is attached hereto as **Exhibit D**. He advised that GMS is recommending a proposed 2024 debt service tax rate of \$0.26. There was next a discussion regarding the maintenance tax. The Board concluded that a proposed 2024 maintenance tax rate of \$0.33 would provide for future District costs. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 tax rate. Mr. Creed advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Creed further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten days before the date of the meeting. After further discussion on the matter, Director Heredia moved that the Board accept the financial advisor's recommendation of a proposed 2024 debt service tax rate of \$0.26 and a proposed maintenance tax rate of \$0.33, and that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2024 tax rate at its next meeting in the form and at the time required by law. Director Jones seconded said motion, which unanimously carried.

Mr. Howell and Ms. Highberger exited the meeting at this time.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for August 2024, a copy of which Report is attached hereto as **Exhibit E**, and discussed same with the Board. A discussion ensued regarding the decrease in rates by the North Harris County Regional Water Authority (the "Authority"), effective as of October 1, 2024. Following discussion, the Board requested that an item be included on the next agenda for the Board to consider amendment of the District's Rate Order in connection with the decrease in rates by the Authority.

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.

A discussion ensued regarding the status of the Interlocal Agreement with Harris County concerning participation in the Wastewater Treatment Plant Surveillance Program (the "Program"). Following discussion, Director Heredia moved that the District not participate in the Program at this time, and that SPH be authorized to notify Harris County with regard to same. Director Wildrick seconded the motion, which unanimously carried.

INSTALLATION OF ELECTRONIC METERS

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 he will contact AMS to discuss this matter and report back to the Board.

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 F**, relative to the status of various projects within the District, and discussed same with the Board. A discussion re-ensued regarding the potential development of the 3.7 acre tract located along Cedar Rock Drive proposed to be developed as 20-24 single-family homes. Following discussion, Director Wildrick moved that SEC be authorized to prepare a feasibility study for this tract, subject to receipt of a deposit in the amount of \$5,000 for engineering fees associated with preparation of the study. Director Heredia seconded the motion, which unanimously carried.

A discussion ensued regarding the status of submittal to Harris County in connection with its sidewalk maintenance program. Director Heredia advised that he had spoken with the Precinct 4 development coordinator and was told the current round of funding is closed. He requested that Mr. Hurtado contact the County to determine the deadline and requirements for participating in the next round.

Director Heredia noted that there is no filter fabric fencing around the area of the 27 acre tract currently being cleared and asked Mr. Hurtado to follow up with the developer's engineer regarding same.

STORM WATER SOLUTIONS, L.P.

Mr. Hopper next presented and reviewed a report provided by SWS, a copy of which is attached hereto as **Exhibit G**. He advised that erosion repairs at the Cypresswood Trails detention pond are pending, and that he will verify removal of the fallen tree at the Wastewater Treatment Plant prior to the next meeting.

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. Mr. Creed addressed the Board regarding the status of bids in connection with the TRE excavation pond project. No action was taken by the Board at this time.

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 Rosehill Fire Department. Mr. Creed advised that he contacted the attorneys for Emergency Services District No. 21 ("No. 21") and they indicated that No. 21 is interested in assuming the rights and obligations under such agreement. He further advised that SPH will coordinate the preparation of a form of assignment for consideration by the Board at a future 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 and security issues within the District, and reviewed the monthly activity report for the month of August 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 noted that the District's yield restriction report for the Series 2018 Unlimited Tax Bonds is still being prepared.

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.

PROPOSAL FOR LEASE AGREEMENT CONCERNING FOOD TRUCK OPERATION

A discussion re-ensued regarding the proposal for a lease agreement for food truck operation within District-owned property (old Water Plant No. 1 site). Discussions ensued regarding the potential leasing and maintenance of the tract, and the proposed terms and conditions of a lease agreement. Mr. Creed stated that he did not recommend entering into a lease agreement while owning the property, and inquired about the Board's willingness to sell it instead. Following discussion, the Board concurred that SPH be authorized to prepare a draft form of a potential lease agreement for review by the Board prior to the October meeting, and that SEC and SPH confirm whether the District previously conveyed an easement across the site to Harris County Flood Control District that may inhibit the lease and/or sale of the property. The Board deferred further discussion on the matter until the next meeting.

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.

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

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| Exhibit A | Bookkeeper's Report |
| Exhibit B | Tax Assessor-Collector's Report |
| Exhibit C | Delinquent Tax Report |
| Exhibit D | 2024 Tax Rate Recommendation |
| 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 |