

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
February 24, 2025

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on February 24, 2025, 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 except Director Jones, 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"); William Papadopoulos, a developer of property within the District; Charles "Kendrick" Dudley, 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 January 27, 2025. Following discussion, Director Wildrick moved that the minutes of the Board's meeting held on January 27, 2025, be approved, as written. Director Heredia seconded said motion, which unanimously carried.

ACCEPT RESIGNATION OF DIRECTOR

The Board next discussed the resignation of Director Jones from the Board of Directors. Mr. Creed noted that a resignation letter had been received from Mr. Jones and he reviewed same with the Board. Upon motion duly made by Director Heredia, seconded by Director Reyes and unanimously carried, said resignation was accepted.

APPOINTMENT OF NEW DIRECTOR

The Board next considered the appointment of a new director to fill the vacancy on the Board of Directors created by the resignation of Arthur Russell Jones V. After discussion on the matter, Director Heredia moved that Mr. Dudley be appointed as a member of the Board of the District to fill the unexpired term of Arthur Russell Jones V. Director Reyes seconded said motion, which carried unanimously.

QUALIFICATION STATEMENT, OFFICIAL BOND, OATH OF OFFICE, AND AFFIDAVIT OF CURRENT DIRECTOR

The Board next considered acceptance of the Qualification Statement, Official Bond, Oath of Office, and Affidavit of Current Director for Director Dudley. In that regard, Director Dudley presented his Qualification Statement, Official Bond, and Affidavit of Current Director, and took his Oath of Office. It was then moved by Director Heredia, seconded by Director Reyes and unanimously carried that the Board accept said Qualification Statement, Official Bond, Oath of Office, and Affidavit of Current Director and declare Charles "Kendrick" Dudley to be a duly appointed and qualified director of the District. Director Dudley then participated in the remainder of the meeting.

ELECTION NOT TO DISCLOSE CERTAIN INFORMATION

The Board considered the acceptance of an Election Not to Disclose Certain Information from Director Dudley. In that regard, Director Dudley presented his Election Not to Disclose Certain Information. After discussion on the matter, it was moved by Director Heredia, seconded by Director Reyes and unanimously carried, that the Board approve said Election Not to Disclose Certain Information.

ELECTION OF OFFICERS

The next item to be considered was the reorganization of the Board and election of officers. The Board called for a nomination for the office of Assistant Secretary. After discussion, Director Dudley was nominated for that office. A vote was called, and upon motion duly made by Director Wildrick, seconded by Director Heredia and unanimously carried, Director Dudley was duly elected Assistant Secretary of the Board and District.

DISTRICT REGISTRATION FORM

The Board next considered authorizing the preparation and filing of a new District Registration Form, as required by the rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Creed explained that, in accordance with certain provisions of the Texas Water Code, municipal utility districts are required to file the names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that with the Board's approval, SPH will prepare an updated District Registration Form and will file same with the TCEQ. After discussion of the matter, Director Heredia moved that the Board authorize SPH to complete the District Registration Form and file same with the TCEQ. Director Reyes seconded said motion, which unanimously carried.

PREPARATION AND MAINTENANCE OF LOCAL GOVERNMENT OFFICERS LIST

Mr. Creed advised the Board that, pursuant to Chapter 176 of the Texas Local Government Code, the District is required to maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers, in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Heredia moved that the District update its list of local government officers as required by law. Director Reyes seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated February 24, 2025, 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.

Ms. Molina then presented to and reviewed with the Board a Quarterly Investment Report, which had been prepared by MA&C for the reporting period ending December 31, 2024, a copy of which is included with **Exhibit A**. After review of the Quarterly Investment Report and upon motion duly made by Director Heredia, seconded by Director Wildrick and unanimously carried, said Quarterly Investment Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

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 January 2025, 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**. No action was taken by the Board at this time.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Creed next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Sections 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability

insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Mr. Howell then distributed and reviewed with the Board a tax exemption analysis. A discussion ensued regarding said exemptions. After discussion on the matter and based on GMS' analysis, Director Heredia moved that the District (i) grant a residential homestead exemption in the amount of 5%, but in no event less than \$5,000, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$15,000 from ad valorem taxes levied by the District during the calendar year 2025, and (iii) adopt the Resolution attached hereto as **Exhibit D** relative to same. Director Wildrick seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Creed reminded the Board that the taxing procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" pursuant to Texas Water Code Section 49.23602. He then reviewed with the Board a Resolution Concerning Developed District Status for the 2025 Tax Year, attached hereto as **Exhibit E**. Following discussion, upon motion made by Director Heredia, seconded by Director White, and unanimously carried, the attached Resolution was adopted by the Board memorializing that the District shall not be considered a Developed District for any purposes.

CONSUMER CONFIDENCE REPORT

The Board next considered authorizing RWC to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports ("CCR") and to prepare a draft CCR for review by the Board. Mr. Creed advised that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency, the District is required to provide a report containing various information regarding the District's water supply to any other water supplier which has received water from the District. After discussion on the matter, Director White moved that the Board authorize RWC to provide the required information as set forth hereinabove, and to prepare a draft CCR for review by the Board. Director Heredia seconded said motion, which carried unanimously.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report dated February 24, 2025, 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. He addressed the Board regarding the status of the contract with DC Contracting Services, LLC ("DC") for detention basin and storm sewer improvements to serve Ranch Country. In that regard, he advised that the District is in receipt of Change Order No. 3 in the amount of \$68,020 to haul off debris. Following discussion, Director Heredia moved that the Board approve payment of Change Order No. 3 to DC, as presented. Director Wildrick seconded the motion, which unanimously carried. Mr. Hurtado noted

that a copy of the agreement between the developer and SWS to de-muck the drainage channel is attached as part of the engineering report.

A discussion ensued regarding the fact Harris County appears to be de-mucking the same segment of the drainage channel as covered by the SWS proposal. Mr. Hurtado advised that SEC is attempting to confirm the extent of the work to be performed by the County. It was noted that no work will be performed by SWS until additional information is obtained.

A discussion ensued regarding the status of the capacity study in connection with the proposed service to a 3.7 acre tract located behind the fire station. Following discussion, the Board concurred that this item be removed from future agendas as no response has been received from the developer.

Mr. Hurtado next advised that SEC was contacted regarding a request for potential annexation into the District for an approximately twelve (12) acre tract located along Zube Road. Following discussion, Director Heredia moved that the Board decline the annexation request at this time, due to the District's existing commitments to serve the Hines and Papadopoulos tracts. Director Wildrick seconded the motion, which unanimously carried.

Mr. Hurtado next addressed the Board regarding the status of the contract with Gilleland Smith Construction, Inc. ("Gilleland") for Water Plant No. 3 improvements. In that regard, he advised that the District is receipt of Pay Estimate No. 3 in the amount of \$188,334. Following discussion, Director Heredia moved that the Board approve payment of Pay Estimate No. 3 to Gilleland, as presented. Director Wildrick seconded the motion, which unanimously carried.

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

Mr. Creed next presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Resolution"), attached hereto as **Exhibit G**. He informed the Board that the District previously adopted the Department of Labor's applicable wage rates for the Harris County area, which have recently been updated. After discussion and consideration of the proposed Resolution, Director Wildrick moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the updated wage rates published by the Department of Labor for the Harris County area and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director White seconded said motion, which unanimously carried.

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 H**. He reported on the status of the vehicle that has been parking on the edge of the Ranch Country Estates Pond B maintenance berm and advised that a tow truck attempted to tow the vehicle but was unsuccessful, and that he will continue to monitor the matter.

ISSUANCE OF UTILITY COMMITMENT(S)

It was noted that this item was covered earlier in the meeting, under the engineer's report.

DEVELOPER'S REPORT

As the next order of business, the Board considered the Developer's report. Mr. Papadopoulos addressed the Board and provided an update concerning development of the 27 acre tract located at the northwest corner of Becker Road and U.S. Highway 290. No action was taken by the Board 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 ("HCCO") and security issues within the District, and reviewed the monthly activity report for the month of January 2025, a copy of which is attached hereto as **Exhibit I**. The Board inquired as to whether more information can be provided in connection with certain incidents listed on the report. Mr. Creed advised that SPH will contact the HCCO and report back to the Board next month. No action was taken by the Board.

RENEWAL OF DISTRICT INSURANCE COVERAGES

As the next order of business, the Board considered renewal of the District's insurance coverages. Mr. Creed advised the Board that, as requested at a previous meeting, SPH obtained a renewal proposal from Arthur J. Gallagher & Co. He advised that the District's current coverages are due to expire on March 31, 2025. After discussion, Director Heredia moved that the Board accept the proposal from Arthur J. Gallagher & Co., a copy of which is attached hereto as **Exhibit J**. Director Wildrick seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Creed 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 K**. The Board requested that information related to recent District accomplishments be added on the website. Mr. West advised that Touchstone will prepare such information for review by the Board at the next meeting. 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.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for January 2025, a copy of which Report is attached hereto as **Exhibit L**, and discussed same with the Board. He provided a quote in the amount of \$11,115 for RWC to perform a valve survey in the District. Following discussion, Director Wildrick moved that the Board approve the proposal provided by RWC to perform a valve survey, as discussed. Director Heredia seconded the motion, which unanimously carried.

Mr. Lee next provided the Board with an update concerning the sanitary sewer overflow in a customer's yard, as discussed at the previous meeting. In that regard, he advised that the customer has made the necessary repair and that water service to the home has been restored.

Mr. Lee next provided the Board with an update concerning the appeal presented at the previous meeting for account no. 1010395502. He advised that RWC researched its records and did not find any record of the customer being informed by RWC that the leak may have been on the District's line, and that the renter was advised that the Board approved a six (6) month payment plan to satisfy the remaining balance, subject to remaining current with water bill payments going forward.

Mr. Lee next discussed a proposed rate adjustment in connection with the District's contract with RWC, and presented a summary of same. Following discussion, upon motion made by Director Wildrick, seconded by Director Heredia and unanimously carried, the Board approved the proposed rate adjustment requested by RWC and an amendment to the District's contract with RWC concerning same, subject to a final review of the amendment by SPH. The Board requested that RWC provide its recommendations for any related amendments to the Rate Order to be considered at the next meeting. Director Reyes requested that Mr. Lee provide a comparison of the prior rates with the new rates, to which Mr. Lee agreed.

ADJOURNMENT

There being no further business to come before the Board, Director Heredia 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 Report
Exhibit C	Delinquent Tax Report
Exhibit D	Resolution Concerning Exemptions From Taxation
Exhibit E	Resolution Concerning Developed District Status for the 2025 Tax Year
Exhibit F	Engineer's Report
Exhibit G	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
Exhibit H	Report provided by Storm Water Solutions, L.P
Exhibit I	Security Report
Exhibit J	Proposal from Arthur J. Gallagher & Co.
Exhibit K	Communications Meeting Report
Exhibit L	Operations and Maintenance Report