

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
November 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 November 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:

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, thus constituting a quorum. Director Jones entered later in the meeting, as noted herein.

Also attending the meeting were Dulce Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); Scott Barr 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.

APPROVAL OF MINUTES

The Board next reviewed the minutes of its meeting held on October 28, 2024. Following discussion, Director Heredia moved that the minutes of the Board's meeting held on October 28, 2024, be approved, as written. Director Wildrick seconded said motion, which unanimously carried.

Director Jones entered the meeting at this time.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated November 25, 2024, attached hereto as **Exhibit A**, including the disbursements presented for payment from the District's various accounts. Ms. Molina noted that check no. 15310 payable to Accurate Utility Supply, LLC represents payment for the final installment of 200 electronic water

meters in the District. After discussion, Director White moved that the bookkeeping report be approved and that the disbursements identified in the report be approved for payment. Director Heredia 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 September 30, 2024, a copy of which is included with Exhibit A. After review of the Quarterly Investment Report and upon motion duly made by Director White, seconded by Director Heredia 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 October 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 Wildrick 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. Barr next presented and reviewed the Operations Report for October 2024, a copy of which Report is attached hereto as Exhibit D, and discussed same with the Board.

Mr. Barr next discussed an appeal of District charges received from customer account no. 50098-1010407017. He advised that the customer is requesting a payment plan for their high water bill due to a leaking toilet. After discussion on the matter and consideration of the relevant facts and circumstances, Director Heredia moved that the Board authorize RWC to provide the customer with a six (6) month payment plan to satisfy their remaining balance. Director Wildrick seconded the motion, which unanimously carried.

Mr. Barr next discussed an appeal of District charges received from customer account no. 1010351511. He advised that the property owner/landlord for this account is requesting an adjustment on their bill due to a large tree root breaking a water line and causing a leak on their property. After discussion on the matter and consideration of the relevant facts and circumstances, Director Wildrick moved that the owner's request be denied, but that RWC be authorized to provide them with a three (3) month payment plan, if requested, to satisfy their remaining balance. Director Jones seconded the motion, which unanimously carried.

INSTALLATION OF ELECTRONIC METERS

Mr. Barr next advised that he would ask Mr. Lee to provide 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. No additional action was taken by the Board.

RATE ORDER

A discussion ensued regarding the decrease in Groundwater Reduction Plan fees by the North Harris County Regional Water Authority (the "Authority") effective as of October 1, 2024. The Board considered amendment of the District's Rate Order in connection with the decrease in fees by the Authority, and the status of discussions by the Authority about maintaining that decrease. Following discussion, the Board deferred amendment of the District's Rate Order at this time.

Ms. Highberger exited the meeting at this time.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for November 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 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 receipt of Pay Estimate No. 4 in the amount of \$60,003.84. Following discussion, Director Wildrick moved that the Board approve payment of Pay Estimate No. 4 to DC, as presented. Director Heredia seconded the motion, which unanimously carried.

A discussion 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. Mr. Hurtado advised that SEC has prepared a draft feasibility study, a copy of which is included as part of **Exhibit E**. Following discussion, Director Wildrick moved that SEC be authorized to forward the draft feasibility study to the developer for review and consideration. Director Heredia seconded the motion, which unanimously carried.

Mr. Hurtado next advised that the District is in receipt of a request for a utility commitment to serve a 2.33 acre tract located at the intersection of Becker Road and Highway 290 to be developed as a retail center, motel, and car wash. He further advised that SEC will need to perform a capacity analysis to determine if the District has available water and sewer capacity to serve this tract. Following discussion, Director Wildrick moved that SEC be authorized to prepare such analysis, subject to receipt of a cost deposit from the developer in the amount of \$5,000. Director Heredia seconded the motion, which unanimously carried.

Mr. Hurtado next advised that the District is in receipt of a request for out-of-district service for a 5 acre tract located along Roberts Road. The Board noted that the District is not currently accepting any new out-of-district service/annexation requests at this time. Following discussion,

Director Wildrick moved that the Board deny the request. Director Heredia seconded the motion, which unanimously carried.

Mr. Hurtado requested that RWC provide SEC with a copy of the lead service line inventory filed with the Texas Commission on Environmental Quality. Mr. Barr advised that he will make a note for Mr. Lee to do so.

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 F**. He advised that erosion repair at Cypresswood Trails detention pond has been completed. No action was taken by the Board at this time.

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. 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 ("HCCP 4") and security issues within the District, and reviewed the monthly activity report for the month of October 2024, a copy of which is attached hereto as **Exhibit G**. He advised that the District is also in receipt from HCCP 4 of a notice regarding a rate increase of \$340 per deputy to become effective on October 1, 2025, a copy of which is included within **Exhibit G**. No action was taken by the Board.

AUTHORIZE FILING OF EMINENT DOMAIN REPORT WITH THE COMPTROLLER

Mr. Creed reminded the Board of the requirements of Chapter 2206 of the Texas Government Code relative to the filing of a report of condemnation activity by the District to be included in the eminent domain database to be maintained and hosted by the Comptroller. He further advised the Board that such report must be provided to the Comptroller before February 1 of each year. Following discussion on the matter, Director Wildrick moved that SPH be authorized to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2025. Director Heredia seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In that regard, Mr. Creed reviewed with the Board a memorandum prepared by SPH concerning the Environmental Protection Agency's final National Primary Drinking Water Regulation ("NPDWR") for per and polyfluoroalkyl

substances ("PFAS"), a copy of which is attached hereto as **Exhibit H**. He advised that the NPDWR establishes maximum contaminant levels ("MCLs") for six categories of the twenty-nine PFAS chemicals that may be found in public water systems, as well as an initial testing schedule for those categories that must be followed by certain districts. Mr. Creed further advised that the applicability of the NPDWR to the District will depend, in part, on a review of the sources and disinfection treatments for the District's water supply. For example, districts which receive treated water from another water system through an interconnect for distribution without further treatment, except any treatment necessary to maintain water quality within the receiving district's distribution system, are not required to monitor that water under the NPDWR. Mr. Creed noted that, for applicable districts, initial water supply monitoring is required to be completed by April 26, 2027. He stated that, depending on initial monitoring results, further monitoring will be established and a solution must be implemented to reduce PFAS levels for these six categories below the MCLs by April 26, 2029.

Following discussion, Director Heredia moved that RWC and SEC be authorized to (i) determine whether the District is subject to the testing requirements of the NPDWR and, if so, (ii) develop an initial monitoring schedule which complies with the deadlines set forth in the attached memorandum. Director Wildrick seconded the motion, which unanimously carried.

Mr. Creed next reminded the Board that the next meeting is scheduled to be held on December 16, 2024.

PROPOSAL FOR LEASE AGREEMENT CONCERNING FOOD TRUCK OPERATION

The Board next considered a proposal for a lease agreement concerning food truck operation within the old Water Plant No. 1 tract and related issues. In that regard, Mr. Creed presented and reviewed a draft Site Lease Agreement between the proposed tenant and the District and discussed the terms and conditions contained therein. A discussion ensued concerning whether the Board wished to further pursue a lease arrangement for the food truck. Following discussion, Director Wildrick moved that the Board no longer consider approval of a lease agreement for food truck operation within the old Water Plant No. 1 tract. Director White seconded the motion, which carried with Directors Wildrick, White, and Reyes voting in favor of the motion, and Directors Heredia and Jones voting no. Director Heredia advised that he would notify the food truck owners of the Board's decision.

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 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.

A handwritten signature in blue ink, reading "William L. White". The signature is written in a cursive style and is positioned above a horizontal line.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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| Exhibit A | Bookkeeper's Report |
| Exhibit B | Tax Assessor-Collector 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 | Security Report; Correspondence from Harris County Constable's Office, Precinct 4 |
| Exhibit H | Memorandum prepared by SPH concerning the Environmental Protection Agency's final National Primary Drinking Water Regulation for per and polyfluoroalkyl substances |
| Exhibit I | Communications Meeting Report |