

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Special Meeting of Board of Directors
May 20, 2024

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in special session, open to the public on May 20, 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"); William Papadopoulos, a developer of property within the District; Shawn Pachlhofer of R.G. Miller ("RGM"); Brian Tran of D'Agostino Companies ("D'Agostino"); Summer Anseman; Alex Reyes and Arthur Russell Jones V, 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. Director Campbell addressed the Board and provided his recommendations concerning the election of officer positions.

A discussion ensued regarding changes in fire and emergency services for the District. It was noted that the Rosehill Fire Department ("RFD") is no longer servicing the District, and that such services will now be provided by Harris County Emergency Services District No. 1 (emergency services) and Harris County Emergency Services District No. 21 (fire protection). The Board noted that there was an item on the agenda to consider removing the voluntary contribution item on the water bill for RFD in light of this change. Director Campbell advised the Board may want to consider assigning the existing Consent to Installation of Paving, Parking License and Indemnity Agreement (Water Plant No. 2 Site), currently between the District and RFD, to the homeowners association.

The Board then thanked Director Campbell and Director Dudley for their years of service provided to the District.

APPROVAL OF MINUTES

The Board next reviewed the minutes of its meetings held on April 22, 2024, and May 15, 2024. A revision was noted to page one (1) of the minutes of the April 22, 2024, Board meeting. Following discussion, Director Campbell moved that the minutes of the Board's meeting held on April 22, 2024, be approved, as revised. Director Dudley seconded said motion, which unanimously carried. The Board deferred approval of the minutes of the May 15, 2024, Board meeting.

ACCEPTANCE OF QUALIFICATION STATEMENTS, AFFIDAVITS OF CURRENT DIRECTOR, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, BONDS, AND OATHS OF OFFICE

The Board next considered the acceptance of Qualification Statements, Elections Not to Disclose Certain Information, Bonds, and Oaths of Office for Alex Reyes and Arthur Russell Jones V, including the acceptance of Affidavits of Current Director. In that regard, Mr. Reyes and Mr. Jones presented their Statements of Elected Officer, Oaths of Office, Official Bonds, Elections Not to Disclose Certain Information, and Affidavits of Current Director. After discussion on the matter, it was moved by Director Dudley, seconded by Director Wildrick and unanimously carried that the Board approve said Bonds, accept said Statements of Elected Officers, Elections Not to Disclose Certain Information, Oaths, and Affidavits of Current Director and declare Alex Reyes and Arthur Russell Jones V to be duly elected and qualified Directors of the District. Directors Jones and Reyes participated in the remainder of the meeting.

ELECTION OF OFFICERS

The Board next considered re-organization of the officers of the Board of Directors. Nominations were called for the offices of President, Vice President, Secretary, and Assistant Secretary. After discussion, Director Wildrick was nominated as President, Director Heredia as Vice President, Director White as Secretary, and Directors Reyes and Jones as Assistant Secretaries. A vote was called, and upon motion duly made by Director White, seconded by Director Jones and unanimously carried, Director Wildrick was duly elected President of the Board and District, Director Heredia was duly elected Vice President of the Board and District, Director White was duly elected Secretary of the Board and the District, and Directors Reyes and Jones were duly elected as Assistant Secretaries of the Board and the District.

DISTRICT REGISTRATION FORM

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

LOCAL GOVERNMENT OFFICERS LIST

Mr. Creed next advised the Board that 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 SPH be authorized to update the District's list of local government officers as required by law. Director Wildrick seconded said motion, which unanimously carried.

TRAINING REQUIREMENTS

Mr. Creed advised Directors Reyes and Jones of the training requirements for public officials. He advised that public officials, including directors of a municipal utility district, must complete separate training courses regarding the Texas Open Meetings Act and the Texas Public Information Act. Mr. Creed presented Directors Reyes and Jones with Memoranda prepared by SPH which summarize the training requirements, copies of which Memoranda are attached hereto as **Exhibit A**. He advised Directors Reyes and Jones that the deadline to complete their training is ninety (90) days from today. Mr. Creed further advised that it is the responsibility of Directors Reyes and Jones to ensure that they complete their training by the appropriate deadline, and to provide evidence of same to SPH for the District's records.

CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS

Mr. Creed next discussed with the Board the conflicts disclosure statement reporting requirements for officers of certain local governmental entities, including water district directors, pursuant to Chapter 176 of the Local Government Code. He presented Directors Reyes and Jones with Memoranda prepared by SPH which summarize the conflicts disclosure requirements, and questionnaires for completion by Directors Reyes and Jones regarding conflict of interest disclosure reporting.

BOOKKEEPER'S REPORT

Ms. Molina next presented to and reviewed with the Board the bookkeeping report dated May 20, 2024, attached hereto as **Exhibit B**, including the disbursements presented for payment from the District's various accounts. The Board requested that MA&C hold check no. 15180 payable to RFD pending further discussion and instruction. After discussion, Director Wildrick moved that the bookkeeping report be approved and that the disbursements identified in the report be approved for payment, with the exception of check no. 15108 payable to RFD which is to be held by MA&C pending further instruction. 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 March 31, 2024, a copy of which is included with **Exhibit B**. After review of the Quarterly Investment Report and upon motion duly made by Director Wildrick, 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.

UNCLAIMED PROPERTY REPORT(S)

The Board next considered the approval of Unclaimed Property Report(s) as of March 1, 2024, and authorizing the bookkeeper and/or tax assessor-collector to file same with the State Comptroller prior to July 1, 2024. Ms. Molina advised that MA&C is in possession of \$584.61 which will be reported to the state. Ms. Highberger advised that Wheeler does not have any unclaimed property to report for the applicable reporting period. Following discussion, Director Heredia moved that the Unclaimed Property Report be approved, and that MA&C be authorized to file the report with the State Comptroller prior to the July 1, 2024, deadline. Director White seconded the 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 April 2024, copies of which are attached hereto as **Exhibit C**. 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 Jones 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 D**. No action was taken by the Board at this time.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for April 2024, a copy of which Report is attached hereto as **Exhibit E**, and discussed same with the Board. He advised that he will coordinate with Directors Reyes and Jones to schedule a tour of District facilities.

Mr. Lee advised that the flow meter needs to be replaced at the Wastewater Treatment Plant ("WWTP") at a cost of approximately \$8,000. Following discussion, Director Heredia moved that RWC be authorized to replace the flow meter at the WWTP, as discussed. Director White seconded the motion, which unanimously carried.

A discussion ensued regarding removal of the RFD contribution item on customer water bills. Following discussion, Director Heredia moved that said line item be removed from future water bills and that no further contributions be accepted by the District. Director White seconded the motion, which unanimously carried.

CONSUMER CONFIDENCE REPORT ("CCR")

As the next order of business, the Board considered the approval of the District's CCR and authorization of the distribution of same to customers of the District, a copy of which is attached as part of **Exhibit E**. Mr. Creed advised the Board that, pursuant to CCR requirements promulgated by the Environmental Protection Agency and the TCEQ, the District is required to provide a report to all customers of the District by July 1 of each year, containing various

information regarding the District's water supply. After discussion on the matter, Director Heredia moved that such CCR be approved by the Board, subject to SPH's final review and approval, and that RWC be authorized to distribute same to the District's consumers prior to the July 1, 2024, deadline. Director White seconded said motion, which carried unanimously.

Mr. Creed addressed the Board at this time regarding the Consent to Installation of Paving, Parking License and Indemnity Agreement (Water Plant No. 2 Site) (the "Agreement") between the District and RFD. A discussion ensued regarding the options of terminating the Agreement or assigning the Agreement to the homeowners association. Following discussion, the Board requested an item be included on the June agenda for consideration of same.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for May 20, 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. He addressed the Board regarding the status of the contract with Paradalis Industrial Enterprises, Inc. ("Paradalis") for the Water Plant No. 3 recoating project. In that regard, he advised that the District is receipt of Pay Estimate No. 2 and Final in the amount of \$23,991. Following discussion, Director Heredia moved that the Board approve payment of Pay Estimate No. 2 and Final to Paradalis, as presented. Director White seconded the motion, which unanimously carried.

Mr. Pachlhofer addressed the Board with regard to the Detention Basin, Storm Sewer and Pump Station project to serve Ranch Country (the "Project"). He advised that three (3) bids were received for the Project, and that the lowest bid was submitted by DC Contracting Services, LLC ("DC") in the amount of \$1,364,935, and is being recommended for approval by RGM. A copy of the bid tabulation and recommendation of award are attached hereto as **Exhibit G**. He further advised that RGM is awaiting receipt of plan approval from Harris County. Following discussion, Director Wildrick moved that the Board award the contract for the Project to DC, as discussed and in accordance with the recommendation by RGM, subject to receipt of final plan approval from Harris County. Director Heredia seconded the motion, which unanimously carried.

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 H**. No action was taken by the Board at this time.

ISSUANCE OF UTILITY COMMITMENT(S)

The Board next considered re-approval of the prior Utility Commitment issued to Red Mercury, LLC for the 108.097 acre tract located at the northwest corner of Highway U.S. 290 and Roberts Road, (the "Utility Commitment"), which has expired by its terms. Mr. Creed reviewed the revised terms of the Utility Commitment with the Board. Following discussion, Director Heredia moved that the Board (i) re-approve the Utility Commitment, (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 ("TEC") 1295 Form. Director Wildrick seconded the motion, which unanimously carried.

DEVELOPER'S REPORT

The Board next considered the developer's report. In connection therewith, the Board considered approval of an Assignment of Utility Development Agreement (the "Assignment") by and among Roberts Road – 290 Logistics LLC, Red Mercury, LLC, and the District. Mr. Creed reviewed the terms of the Assignment with the Board. Following discussion, Director Heredia moved that the Board (i) approve the Assignment, (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 TEC 1295 Forms. 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 and security issues within the District, and reviewed the monthly activity report for the month of April 2024, a copy of which is attached hereto as **Exhibit I**.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Creed presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding the use of social media by public officials. In connection therewith, Mr. Creed advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

STATUS OF DISTRICT WEBSITE

The Board deferred review of Communications Meeting Report upon noting that a representative of Touchstone District Services, LLC was not present at the 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. The Board requested that an item be included on the June agenda to consider amendment of the District's Rate Order.

ADJOURNMENT

There being no further business to come before the Board, Director Heredia moved that the meeting be adjourned. Director White seconded the motion, which unanimously carried.


Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Memoranda – Open Government Training
- Exhibit B Bookkeeper's Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Operations and Maintenance Report; Draft Consumer Confidence Report
- Exhibit F Engineer's Report
- Exhibit G Recommendation of Award and Bid Tabulation – Detention, Basin, Storm Sewer and Pump Station project to serve Ranch Country
- Exhibit H Report provided by Storm Water Solutions, L.P.
- Exhibit I Security Report
- Exhibit J Memorandum provided by Schwartz, Page & Harding, L.L.P.