

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

Minutes of Meeting of Board of Directors

February 23, 2022

The Board of Directors (the "Board") of Northwest Harris County Municipal Utility District No. 15 (the "District") met in regular session, open to the public, at 17707 Old Louetta Road, Spring, Texas 77070, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Lawrence E. LaHaie, Jr., President
Timothy Anderson, Vice President
Joseph Turner, Secretary
George Dupuy, Assistant Secretary
Royce Beam, Assistant Secretary

and all of said persons were present, except Director Beam, thus constituting a quorum.

Also present were Debra Loggins of L & S District Services, L.L.C. ("L&S"); Jason Johnson and Marco Montes of R.G. Miller Engineers, Inc. ("RGM"); Sarah Rowe and Chris Townsend of Water District Management Company, Inc. ("WDM"); Debbie Arellano of Bob Leared Interests, Inc. ("BLI"); Glenn Woodson of Storm Maintenance and Monitoring, Inc. ("SM&M"); and Matthew Reed 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 it.

PUBLIC COMMENTS

The Board deferred consideration of comments from the public, as no comments were offered.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its meeting held on January 24, 2022. After discussion, Director Turner moved that the Board approve said minutes, as presented. Director Dupuy seconded said motion, which unanimously carried.

ACCEPTANCE OF RESIGNATION OF DIRECTOR BEAM

The Board next considered the resignation letter from Director Beam to be effective February 23, 2022. Upon motion duly made by Director Turner, seconded by Director Dupuy and unanimously carried, said resignation letter was accepted. The Board next discussed potential candidates to fill the vacancy on the Board.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Arellano presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended January 31, 2022, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for payment, as listed therein. After discussion, Director Turner moved that the Tax Assessor-Collector's Report, and the disbursements listed therein for payment from the Tax Account, be approved. Director Dupuy seconded said motion, which carried unanimously.

CONSIDER ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR

Mr. Reed next reminded the Board of the tax rate adoption procedures for special districts under Senate Bill 2 and noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Reed then reviewed with the Board a Resolution Concerning Developed District Status for the 2022 Tax Year. Following discussion, the Board concurred to defer action on said Resolution until next month's Board meeting.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Reed 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 Section 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 2022, 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 2022, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Mr. Reed reminded the Board that it granted (i) an exemption for persons under a disability or sixty-five years of age or older in the amount of \$20,000 from ad valorem taxes levied, and (ii) a 10% general residential homestead exemption from ad valorem taxes levied by the District during the calendar year 2021. He then presented to and reviewed with the Board a Homestead Exemption Analysis prepared by the District's Financial Advisor, a copy of which is attached hereto as **Exhibit B**. After further discussion of the matter, Director Turner moved that the District (i) grant a 15% general residential homestead exemption, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$20,000 from ad valorem taxes levied by the District during the calendar year 2022, and (iii) that the Resolution attached hereto as **Exhibit C** relative to same be approved and adopted by the Board and District. Director Anderson seconded said motion, which carried unanimously.

DELINQUENT TAX REPORT

Mr. Reed presented to and reviewed with the Board a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Collections

Attorneys, dated February 23, 2022, a copy of which is attached hereto as **Exhibit D**. Mr. Reed advised that there was no action required of the Board at this time.

PROPOSALS FOR RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board considered the renewal of the District's insurance coverages which expire March 31, 2022. Mr. Reed advised that SPH received a renewal proposal from Arthur J. Gallagher ("Gallagher") and reviewed same with the Board, a copy of which is attached hereto as **Exhibit E**. After discussion, Director Turner moved that the Board accept Gallagher's proposal and that the President be authorized to execute same on behalf of the Board and District. Director Dupuy seconded said motion, which unanimously carried.

CONTINUING DISCLOSURE REPORT

The Board next considered the review and approval of the Continuing Disclosure Report (the "Disclosure Report"). Mr. Reed presented the Board with copies of the Disclosure Report prepared by McCall, Parkhurst & Horton L.L.P., the District's continuing disclosure counsel; a copy of the Disclosure Report is attached hereto as **Exhibit F**. Mr. Reed advised that an Annual Continuing Disclosure Report relative to the District's outstanding bonds is required to be filed with the appropriate authorities by March 31, 2022. He further advised that the Disclosure Report provides for an update of the District's latest Official Statement and includes the District's most recent audited financial statements. After review, Director Anderson moved that the Disclosure Report be approved and that the District's continuing disclosure counsel be authorized to file such Disclosure Report with the appropriate repositories. Director Turner seconded the motion, which was unanimously carried.

BOOKKEEPER'S REPORT

Ms. Loggins presented to and reviewed with the Board the Bookkeeper's Report dated February 23, 2022, a copy of which is attached hereto as **Exhibit G**, including the disbursements presented for payment from the District's various accounts. The Board next considered (i) the current balances of developer deposits made in connection with various pending annexation requests, and (ii) the current balances due from participants in the Northpointe Regional Wastewater Treatment Plant Operating Fund ("NPRWWTP Operating Fund").

After discussion, Director Turner moved (i) that the Bookkeeper's Report dated February 23, 2022, be approved, and that the checks presented for payment from the District's various accounts identified in the Bookkeeper's Report be approved, (ii) to authorize L&S to refund the remaining unused deposit for annexation costs to (a) Guefen Development Partners, and (b) Lovett Industrial, (iii) to authorize SPH to prepare and send a demand letter to the Umanzors for unpaid and outstanding Annexation Costs, and (iv) to authorize L&S and SPH to prepare and send an invoice to Harris County Municipal Utility District No. 273 regarding its current balance due as a participant in the NPRWWTP Operating Fund. Director Dupuy seconded said motion, which unanimously carried.

APPROVAL OF LETTER AGREEMENT BY AND AMONG THE DISTRICT, CANYON GATE AT NORTHPOINTE OWNERS ASSOCIATION INC., HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NOS. 280, NO. 281 AND NO. 282 FOR COST SHARING FOR SECURITY PATROL SERVICES

Mr. Reed presented to the Board a Cost Sharing Agreement by and among the District, Harris County Municipal Utility District Nos. 280, 281 and 282, and the Canyon Gate at NorthPointe Owners Association, Inc., in connection with the payment of certain costs for security patrol services with the Harris County Sheriff's Office pursuant to the Agreement for Law Enforcement Services, including patrol of the No. 281 Joint Water Plant ("No. 281 JWP"). Mr. Reed reviewed the details of the Agreement, reporting that the annual total is \$43,381, with the District's pro rata share of the costs of patrol services for the No. 281 JWP for the period of March 1, 2022 through February 28, 2023 being \$1,061, due on or before June 1, 2022. After discussion, it was moved by Director Turner, seconded by Director Dupuy, and unanimously carried that such Cost Sharing Agreement, a copy of which is attached hereto as **Exhibit H**, be approved by the Board, and that the President and Secretary be authorized to execute same on behalf of the Board and the District.

ANNUAL REVIEW OF WAGE RATE SCALE

Mr. Reed next presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit I**. He reviewed various provisions of the Resolution with the Board. Mr. Reed informed the Board that the District previously adopted the Department of Labor's wage rates, and noted that SPH is recommending that the District adopt the Department of Labor's updated wage rates and discussed same in detail with the Board. After discussion and consideration of the proposed Resolution, Director Anderson moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the updated wage rates for the Department of Labor and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Turner seconded said motion, which unanimously carried.

DRAINAGE AND DETENTION FACILITIES REPORT

The Board next reviewed the Detention and Drainage Facilities Maintenance Report from SM&M dated February 23, 2022, a copy of which is attached hereto as **Exhibit J**. It was noted that no action was required at this time.

ENGINEER'S REPORT

Mr. Johnson presented to and reviewed with the Board an Engineering Report dated February 23, 2022, a copy of which is attached hereto as **Exhibit K**. In connection therewith, he advised the Board that bids were received for the Water Plant No. 1 generator, and recommended that the Board accept the bid from McDonald Municipal and Industrial in the amount of \$298,469. Following discussion, Director Turner moved to accept said bid, as recommended by RGM. Director Anderson seconded said motion, which carried unanimously.

REQUEST BY PAUL EVANS FOR ANNEXATION OF PLAZA ONE INTO THE DISTRICT

The Board next considered the status of the annexation feasibility study in connection with the proposed annexation of Plaza One into the boundaries of the District, at the request of Paul Evans. No Board action was required related to this matter.

REQUEST BY UMANZORS FOR ANNEXATION OF ONE ACRE TRACT OF LAND INTO THE DISTRICT

The Board next considered the status of the proposed annexation of a certain one-acre tract of land at 11710 Spring Cypress Road into the boundaries of the District, as requested by Michelle Umanzor. In connection therewith, he advised the Board that there is nothing more to report which was not already reported on during the Bookkeeper's Report.

REQUEST BY FOUR SEASONS FOR ANNEXATION REGARDING 25 ACRE TRACT

The Board next considered the status of the proposed annexation of a 25 acre tract of land located along the east side of State Highway 249 into the boundaries of the District, at the request of Mr. Efrain and Mr. Kubeczka, on behalf of Four Seasons, and potentially additional land owned by the "District 249" representatives, also east of Highway 249. In connection therewith, Mr. Johnson reminded the Board that it previously authorized RGM to proceed with a combined feasibility study of the annexation of said 25 acre tract combined with the adjacent property owned by District 249. He then advised the Board that a site visit was conducted and a cost estimate would be prepared for the Boards review at its next meeting.

REQUEST FOR UTILITY COMMITMENT LETTER

The Board deferred the issuance of any other utility commitments after noting that no other requests for utility commitments had been received during the month.

OPERATIONS AND MAINTENANCE REPORT

Ms. Rowe and Mr. Townsend presented to and reviewed with the Board the Operations Report dated February 23, 2022, a copy of which is attached hereto as **Exhibit L**. Ms. Rowe advised the Board of the current status of various projects and responded to the inquiries of the Board concerning same. In connection therewith, she presented to and reviewed with the Board a quote from NTS to repair lift pump no. 2 at Lift Station No. 1 in the amount of \$8,783, or in the alternative to replace said pump in the amount of \$21,531, a copy of which quote is attached to the Operations Report. Ms. Rowe then requested that the Board consider replacing the fencing on the south side of the WWTP.

The Board next considered authorizing WDM to provide the required information to other districts receiving water from the District through emergency interconnects or otherwise relative to the recipients' preparation of their Consumer Confidence Reports.

Following discussion, Director Turner moved to authorize WDM to (i) repair lift pump no. 2 at Lift Station No. 1, (ii) solicit bids from at least three (3) contractors on uniform specifications for the replacement of the fencing on the south side of the WWTP, and (iii) provide the required information to districts receiving water from the District relative to Consumer Confidence Reports. Director Dupuy seconded said motion, which unanimously carried.

Mr. Reed next advised the Board that he requested a draft contract from AquaWorks for the new polymer electric water meters with leak-detection technology made by Kamstrump.

ATTORNEY'S REPORT

The Board deferred consideration of amending the District's Current Records Retention Schedules.

A discussion ensued regarding resuming efforts in connection with amending the Detention Pond and Drainage Reserves Maintenance Agreement between the District and the Trails of Cypress Lake Community Association, as discussed at prior meetings. The Board concurred to proceed with said efforts, as discussed.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board concurred that a Closed Session would not be required in connection the today's meeting.

FUTURE AGENDA ITEMS

Other than as discussed earlier in the meeting and reflected earlier in the meeting and reflected above, no additional agenda items were requested.

ADJOURN

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

Secretary
Board of Directors

(SEAL)

**NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 15
LIST OF ATTACHMENTS TO MINUTES
BOARD OF DIRECTORS MEETING**

- Exhibit A Tax Assessor-Collector's Report
- Exhibit B Homestead Exemption Analysis
- Exhibit C Resolution Concerning Exemptions from Taxation
- Exhibit D Delinquent Tax Report
- Exhibit E 2022 Insurance Proposal
- Exhibit F Continuing Disclosure Report prepared by McCall, Parkhurst & Horton, L.L.P.
- Exhibit G Bookkeeper's Report
- Exhibit H Cost Sharing Agreement for Law Enforcement Services
- Exhibit I Resolution Adopting Prevailing Wage Rate Scale
- Exhibit J Detention and Drainage Facilities Maintenance Report
- Exhibit K Engineer's Report
- Exhibit L Operations Report