

NORTHWEST FREEWAY MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
January 24, 2022

The Board of Directors (the "Board") of Northwest Freeway Municipal Utility District (the "District") met in regular session, open to the public on January 24, 2022, 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
Morris Harmon, Jr., Secretary
Charles "Kendrick" Dudley, Assistant Secretary
Dixie Babineaux, Director

and all of said persons were present, with the exception of Director Babineaux, thus constituting a quorum.

Also attending the meeting were Jessica Preston of Municipal Accounts & Consulting, L.P. ("MA&C"); Lonnie Lee of Regional Water Corporation ("RWC"); Stephanie Dorrrough of Wheeler & Associates, Inc. ("Wheeler"); René Hurtado of Sander Engineering Corporation ("SEC"); Michael Willet of Touchstone District Services, LLC ("Touchstone"); Barbara Nussa of Republic Services, Inc. ("Republic"); William White, 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 December 20, 2021. Certain revisions were noted to page two (2) of said minutes. Following discussion, Director Wildrick moved that the minutes of the Board's meeting held December 20, 2021, be approved, as revised. Director Harmon seconded said motion, which unanimously carried.

ACCEPT RESIGNATION OF DIRECTOR BABINEAUX

The Board next discussed the resignation of Director Babineaux from the Board of Directors, effective as of January 1, 2022. Upon motion duly made by Director Harmon, seconded by Director Dudley 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 Dixie Babineaux. Mr. White expressed a desire to serve on the Board. Discussion ensued concerning same. After discussion on the matter, Director Campbell moved that Mr. White be appointed as a member of the Board of the District to fill the unexpired term of Dixie Babineaux. Director Harmon 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 White. In that regard, Director White presented his Qualification Statement, Official Bond, and Affidavit of Current Director, and took his Oath of Office. It was then moved by Director Campbell, seconded by Director Harmon and unanimously carried that the Board accept said Qualification Statement, Official Bond, Oath of Office, and Affidavit of Current Director and declare William White to be a duly appointed and qualified director of the District. Director White 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 White. In that regard, Director White presented his Election Not to Disclose Certain Information. After discussion on the matter, it was moved by Director Campbell, seconded by Director Harmon 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. A nomination was called for the office of Assistant Secretary. After discussion, Director White was nominated for that office. A vote was called, and upon motion duly made by Director Harmon, seconded by Director Dudley and unanimously carried, Director White 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 Harmon moved that the Board authorize SPH to complete the District Registration Form and file same with the TCEQ. Director Wildrick 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 Harmon moved that the District update its list of local government officers as required by law. Director Wildrick seconded said motion, which unanimously carried.

DIRECTOR TRAINING REQUIREMENTS

Mr. Creed discussed with Director White 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 ("OMA") and the Texas Public Information Act ("PIA"). He advised the Board that Director White had been provided with a Memorandum prepared by SPH which summarizes the training requirements. Mr. Creed advised that the deadline for public officials to complete their training is the 90th day after they either take their oath of office or otherwise assume their responsibilities as a public official. He noted that the Texas Attorney General has prepared an online course which satisfies the training requirements for both the OMA and PIA. Mr. Creed further noted that it is the responsibility of Director White to ensure that he completes the training prior to the deadline.

DISCUSSION OF CONFLICTS DISCLOSURE REPORTING REQUIREMENTS

Mr. Creed next advised the Board that Director White had also been provided with a Memorandum prepared by SPH and a questionnaire regarding conflict of interest disclosure reporting requirements. Mr. Creed further advised that Director White has completed the conflict of interest questionnaire.

BOOKKEEPER'S REPORT

Ms. Preston presented to and reviewed with the Board the bookkeeping report dated January 24, 2022, attached hereto as **Exhibit A**, including the disbursements presented for payment from the District's various accounts. After discussion, Director Wildrick moved that the bookkeeping report be approved and that the disbursements identified in the report be approved for payment. Director Harmon seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTION WITH DISTRICT

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Creed advised that pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Mr. Creed further noted that the broker list presented is a list of potential institutions with which the District may engage

in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Wildrick moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) that the President and Secretary be authorized to execute same: Director Harmon seconded said motion, which unanimously carried.

AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Creed next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Harmon moved that the District's auditor, BKD, LLP, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database. Director Dudley seconded the motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Dorrrough next presented to and reviewed with the Board the tax assessor-collector report and delinquent collections listing prepared by Wheeler for the month of December 2021, copies of which are attached hereto as **Exhibit C**. After discussion, Director Campbell moved that the tax assessor-collector's report be approved and that the disbursements identified in the report be approved for payment. Director Dudley 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 report, received by the District from Ted A. Cox, P.C. dated January 17, 2022, a copy of which is attached hereto as **Exhibit D**. No action was taken by the Board at this time.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Creed 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 the Texas 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. After further discussion of the matter, Director Wildrick moved that the District (a) not grant the residential homestead exemption and (b) 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 2022, and that the Resolution attached hereto as **Exhibit E** relative to same be approved and adopted by the Board and District. Director Campbell seconded said motion, which carried unanimously.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Creed advised the Board it is authorized pursuant to Section 33.07 of the Property Tax Code to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes, in accordance with Section 33.11 of the Property Tax Code, as amended. The Board next considered the adoption of a resolution authorizing such additional penalty. After discussion on the matter, it was moved by Director Wildrick, seconded by Director Dudley and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit F**, be adopted by the Board.

REPUBLIC SERVICES, INC.

Ms. Nussa addressed the Board on behalf of Republic and presented a verbal report. She then reviewed and presented correspondence with the Board, a copy of which is attached hereto as **Exhibit G**, regarding labor and service issues Republic has experienced due to the COVID-19 pandemic, and advised that Republic will unfortunately be unable to renew its contract with the District at the end of April 2022. Following discussion, Director Dudley moved that SPH be authorized to coordinate with Director Campbell to request proposals for solid waste collection services for the District to begin following April 2022. Director Harmon seconded the motion, which unanimously carried.

OPERATIONS REPORT

Mr. Lee next presented and reviewed the Operations Report for December 2021, a copy of which Report is attached hereto as **Exhibit H**, and discussed same with the Board. No action was taken by the Board at this time.

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. Mr. Lee explained that no action would be required by the Board in connection with this matter as the District did not provide water to another district during the prior year.

INSTALLATION OF ELECTRONIC WATER METERS

Mr. Lee next addressed the Board regarding the status of phase I of installation of electronic meters in the District by Accurate Meter & Supply, L.L.C ("AMS"). He advised that he is coordinating with AMS with regard to installation of the meters, and that RWC is keeping a record of which homes have received new meters.

ENGINEERING REPORT

Mr. Hurtado presented and reviewed a written engineering report for January 24, 2022, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various projects within the District, and discussed same with the Board. No action was taken by the Board at this time.

ISSUANCE OF UTILITY COMMITMENT(S)

It was noted that this matter was addressed earlier in the meeting, under the engineering report.

DEVELOPER'S REPORT

As the next order of business, the Board considered the Developer's report. It was noted that there was nothing to discuss under this item other than what was addressed earlier in the 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 and security issues within the District, and reviewed the monthly activity report for the month of December 2021, a copy of which is attached hereto as **Exhibit J**. No action was taken by the Board.

The Board next discussed approval of the Interlocal Agreement for Law Enforcement Services between Harris County and the District for security patrol services beginning March 1, 2022 to September 30, 2022. Following discussion, Director Harmon moved that the Interlocal Agreement for Law Enforcement Services by and between Harris County and the District be approved, and that, the President be authorized to execute and the Secretary to attest same on behalf of the Board and District. Director Wildrick seconded the motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE COVERAGES AND AUTHORIZE SOLICITATION OF PROPOSALS FOR SAME

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. In that regard, Mr. Creed advised the Board that the District's current insurance policies are provided through Arthur J. Gallagher & Co. and that such policies will expire on March 31, 2022. He queried whether the Board desired to have SPH request written proposals from other insurance providers. After discussion, Director Wildrick authorized SPH to solicit a one year term renewal proposal from only Arthur J. Gallagher & Co. for consideration at the next Board meeting. Director Campbell seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Creed advised the Board that he had nothing additional to discuss with the Board of a legal nature which was not covered under a specific agenda item.

STATUS OF DISTRICT WEBSITE

Mr. Willet next presented and reviewed a Communications Meeting Report prepared by Touchstone, a copy of which is attached hereto as **Exhibit K**. 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.

SUPPLEMENTAL AGENDA

The Board considered the calling of a Directors Election in accordance with the requirements of the Texas Water Code. There was presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit L** calling such election to be held on May 7, 2022. It was noted that the terms of office of Directors Wildrick, White, and Harmon expire in May of this year. In reviewing the Order with the Board, Mr. Creed advised that the Order provides for the conduct of the Directors Election by Harris County, Texas (the "County"), jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. Although the County will conduct the Directors Election, he advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Directors Election, and that the Order named Kris Eddlemon as such agent (the "Election Agent"). Mr. Creed further advised the Board that notice of the Directors Election must be given in accordance with the requirements of the Texas Election Code. Mr. Creed advised the Board that notice of the Directors Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) days before the election. Following discussion of the options, the Board concurred that notice of the Directors Election be given by posting same at a public place in each County election precinct that overlaps the District and on the District's website. After discussion on the matter, Director Dudley moved that said Order be passed and adopted, that the President or Vice President and Secretary or Assistant Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Directors Election in accordance with the Order. Director Wildrick seconded said motion, which unanimously carried. Mr. Creed advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 22, 2022, the Board may thereafter cancel the Directors Election in accordance with the Texas Election Code.

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 Harmon moved that the meeting be adjourned. Director Dudley seconded the motion, which unanimously carried.


Secretary, Board of Directors

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LIST OF ATTACHMENTS TO MINUTES

Exhibit A	Bookkeeper's Report
Exhibit B	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
Exhibit C	Tax Assessor-Collector's Report
Exhibit D	Delinquent Tax Report
Exhibit E	Resolution Concerning Exemptions From Taxation
Exhibit F	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
Exhibit G	Correspondence provided by Republic Services, Inc.
Exhibit H	Operations and Maintenance Report
Exhibit I	Engineering Report
Exhibit J	Security Report for the month of December 2021
Exhibit K	Communications Meeting Report
Exhibit L	Order Calling Directors Election