

## **NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 15**

Minutes of Meeting of Board of Directors

January 26, 2022

The Board of Directors (the "Board") of Northwest Harris County Municipal Utility District No. 15 (the "District") met in 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"); Chris Glinde 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"); Wendy Ramirez of BKD, LLP ("BKD"); Jeff Hatgrove, Jason Atkinson and Julia Rureczka of Four Seasons; Nick Garefalos of AquaWorks; and Matthew Reed of Schwartz, Page & Harding, L.L.P. ("SPH"). Ms. Loggins entered the meeting after the roll had been called, as indicated herein.

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 December 15, 2021. After discussion, Director Dupuy moved that the Board approve said minutes, as presented. Director Turner seconded said motion, which unanimously carried.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Arellano presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended December 31, 2021, 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.

### **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 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 2021, but not a general residential homestead exemption. After further discussion of the matter, the Board concurred to defer action on exemptions from ad valorem taxes levied by the District during the calendar year 2022, and requested an exemption analysis from the District's Financial Advisor, Robert W. Baird & Co.

Ms. Loggins entered the meeting at this time.

### **DELINQUENT TAX REPORT**

The Board deferred action regarding the status of collection of delinquent taxes as it was noted a report was not due at this time from the District's Delinquent Tax Collection Attorneys, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

### **ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

Mr. Reed advised the Board that the District 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 then considered the adoption of a resolution authorizing such additional penalty. After discussion, it was moved by Director Turner, seconded by Director Anderson, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit B**, be adopted.

## **BOOKKEEPER'S REPORT**

Ms. Loggins presented to and reviewed with the Board the Bookkeeper's Report dated January 26, 2022, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment from the District's various accounts. After discussion, Director Turner moved that the Bookkeeper's Report dated January 26, 2022, be approved, and that the checks presented for payment from the District's various accounts identified in the Bookkeeper's Report be approved, except check no. 10016 from the General Operating Fund, which was voided. Director Dupuy seconded said motion, which unanimously carried.

## **ADOPTION OF RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE DISTRICT**

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Reed advised that, pursuant to the Public Funds Investment Act and the terms of the District's Investment Policy, the Board is required to review such list, and revise same if necessary 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 D**. Mr. Reed 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 that it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Turner 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 Dupuy seconded said motion, which unanimously carried.

## **REVIEW AND APPROVAL OF DISTRICT'S AUDIT REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Ms. Ramirez presented to and reviewed with the Board the District's draft annual Audit Report for the fiscal year ended September 30, 2021, and a draft Management Letter prepared by BKD, concerning the Board's internal controls over financial reporting, copies of which are attached hereto as **Exhibit E**. Ms. Ramirez advised the Board that the Management Letter is being submitted in connection with the requirements of Statement on Auditing Standards No. 115, applicable to audits for fiscal years ending on or after December 31, 2009. Ms. Ramirez then presented proposed correspondence dated January 26, 2022, from the Board to BKD regarding BKD's preparation of the Audit (the "Audit Correspondence"), a copy of which is attached hereto with **Exhibit E**. After discussion concerning the draft Audit presented, Director Anderson moved that (i) the Audit Report for the fiscal year ended September 30, 2021, be approved, subject to any comments provided to BKD by the Directors or SPH, (ii) the President be authorized to execute the Annual Filing Affidavit and the Audit Correspondence on behalf of the Board and the District, (iii) such Audit Report and Annual Filing Affidavit be filed with the

appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ"), and (iv) the draft Management Letter be approved, subject to SPH review and approval, and that same be included with the District's Audit. Director Turner seconded said motion, which unanimously carried.

### **TEXAS COMPTROLLER OF PUBLIC ACCOUNTS INFORMATION DATABASE**

Mr. Reed 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. Mr. Reed recommended that BKD, LLP ("BKD"), the District's auditor, be authorized to prepare and submit the information. After discussion on the matter, it was moved by Director Turner, seconded by Director Dupuy, and unanimously carried that BKD be authorized to prepare the required information on behalf of the District and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

### **CONTINUING DISCLOSURE REPORT**

Mr. Reed reported that upon completion of the audit report for the District's fiscal year ended September 30, 2021, the annual continuing disclosure report will be filed by McCall, Parkhurst & Horton, L.L.P. ("MPH"), continuing disclosure counsel for the District.

### **PROPOSALS FOR RENEWAL OF DISTRICT INSURANCE COVERAGES**

There was next a discussion regarding the solicitation of insurance proposals in connection with the renewal of the District's insurance coverages expiring March 31, 2022. Mr. Reed advised that the District's current insurance broker is Arthur J. Gallagher & Co. ("AJG"). Mr. Reed then queried the Board whether SPH should request written proposals from other insurance providers on the District's behalf. After discussion, Director Turner moved to authorize SPH to solicit proposals from AJG and McDonald & Wessendorff for the Board's review and consideration at the next meeting. Director Dupuy seconded said motion, which carried unanimously.

Ms. Arellano, Ms. Loggins, and Ms. Ramirez exited the meeting at this time.

### **DRAINAGE AND DETENTION FACILITIES REPORT**

The Board next reviewed the Detention and Drainage Facilities Maintenance Report from SM&M dated January 26, 2022, a copy of which is attached hereto as **Exhibit F**. It was noted that no action was required at this time.

Mr. Woodson exited the meeting at this time.

## **ENGINEER'S REPORT**

Mr. Glinde presented to and reviewed with the Board an Engineering Report dated January 26, 2022, a copy of which is attached hereto as **Exhibit G**. In connection therewith, he advised the Board that the NorthPointe Regional Wastewater Treatment Plant Operations Committee ("WWTP Operations Committee") met on January 25, 2022. He further advised the Board that the WWTP Operations Committee elected to authorize RGM to accept the bids from Tidal Construction, Inc. ("Tidal"). Mr. Glinde then recommended that the Board authorize RGM to (i) accept the bid from Tidal in the amount of \$782,524 for the new fine screen project at the NorthPointe Regional Wastewater Treatment Plant, and (ii) accept the bid from Tidal in the amount of \$346,570 for the generator and VFD addition at the Wastewater Treatment Plant. Mr. Reed then advised the Board of the agreement made between the WWTP Operations Committee members concerning payment for said projects. Following discussion, Director Turner moved to authorize RGM to proceed, as requested. Director Anderson seconded said motion, which carried unanimously.

Mr. Glinde next presented to and reviewed with the Board an updated Capital Improvement Plan for the District, a copy of which is attached to the Engineer's Report. In connection therewith, the Board requested that RGM work with WDM on chlorination equipment in connection with the Wastewater Treatment Plant and have quotes available for the Board's review at its next meeting.

## **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. Mr. Reed reminded the Board that there is a high outstanding balance due from the property owner. He further reminded the Board that it previously authorized SPH to proceed with the proposed annexation upon receipt of a positive response to RGM from the Umanzors. He noted he recently received an email from Ms. Umanzor, but the status is the same as last month. No Board action was required related to this matter.

## **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. In connection therewith, Mr. Glinde requested that the Board authorize 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. Following discussion, Director Turner moved to authorize RGM to proceed as requested. Director Dupuy seconded said motion, which carried unanimously.

### **REQUEST FOR UTILITY COMMITMENT LETTER**

Mr. Reed next reminded the Board of a utility commitment request the District received for proposed office condominiums on a one-acre tract located in front of the Northpointe Meadows offices, near the intersection of Northpointe Boulevard and North Eldridge. He requested that the Board ratify its previous authorization for RGM and SPH to prepare the utility commitment for said development for 672 gallons per day average daily flow sanitary sewer service capacity, and related water capacity. Mr. Glinde further reminded the Board that the requested capacity is available. Following discussion, Director Turner moved to ratify its previous approval of the Utility Commitment. Director Anderson seconded said motion, which carried unanimously.

Mr. Hatgrove, Mr. Atkinson, and Ms. Rureczka exited the meeting at this time.

Mr. Reed next advised the Board of an annexation request the District received from Canterbury Development for proposed multifamily development near the intersection of North Eldridge and Gregson Road. Following discussion, the Board concurred to deny said request.

### **OPERATIONS AND MAINTENANCE REPORT**

Ms. Rowe and Mr. Townsend presented to and reviewed with the Board the Operations Report dated January 26, 2022, a copy of which is attached hereto as **Exhibit H**. 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, Ms. Rowe requested that the Board consider authorizing WDM to send two accounts to collections in the amount of \$258.52, as detailed in said Report. Following discussion, the Board concurred to authorize WDM to proceed as requested.

The Board next recognized Mr. Garefalos, who presented to and reviewed with the Board an updated proposal for new polymer electric water meters with leak-detection technology made by Kamstrump, a copy of which is included with the Operator's Report. He noted that the leak-detection service may be terminated after the six-month free trial, and for the propagation study he also presented, his company will install a 70-foot pole/antenna for free at Water Plant No. 2 for better remote data collection. Following discussion, Director Turner moved to authorize SPH to negotiate a contract with AquaWorks based on said proposal. Director Dupuy seconded said motion, which carried unanimously.

### **ATTORNEY'S REPORT**

Mr. Reed next advised the Board of the status of its Records Retention Schedules for General, Election, Public Works, Property Taxation and Utility Service (collectively, the "Current Records Retention Schedules"). In connection therewith, he recommended that the

Board consider amending its Current Records Retention Schedules to be in compliance with applicable law. He then presented to and reviewed with the Board a Resolution Concerning Records Retention Schedules. Following discussion, the Board concurred to defer consideration of said Resolution at this time.

Mr. Reed next presented to the Board a disclosure provided by Robert W. Baird & Co. relative to Municipal Securities Rulemaking Board Rule G-10, a copy of which is attached hereto as **Exhibit I**.

The Board deferred consideration of the status of 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.

### **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 J** calling such election to be held on May 7, 2022. It was noted that the terms of office of Directors Turner and Beem expire in May of this year. In reviewing the Order with the Board, Mr. Reed 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 Sabrina Johnston as such agent (the "Election Agent"). Mr. Reed further advised the Board that notice of the Directors Election must be given in accordance with the requirements of the Texas Election Code. Mr. Reed 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. 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. After discussion on the matter, Director Anderson moved that said Order be passed and adopted, that the President and 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 Turner seconded said motion, which unanimously carried. Mr. Reed 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.

**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**

The Board next considered items for placement on future agendas. In connection therewith, Mr. Glinde requested that an item be added to the next agenda to discuss the re-rating of the NorthPointe Regional Wastewater Treatment Plant. Mr. Reed next advised the Board that the District received the resignation of Director Beam. In connection therewith, he requested that an item be added to the next agenda to accept said resignation, and consider filling the vacancy on the Board.

**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.

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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 Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit C Bookkeeper's Report
- Exhibit D Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transaction with the District
- Exhibit E Independent Auditor's Report and Financial Statements Calling Directors Election
- Exhibit F Detention and Drainage Facilities Maintenance Report
- Exhibit G Engineer's Report
- Exhibit H Operator's Report
- Exhibit I Disclosure regarding MSRB Rule G-10
- Exhibit J Order Calling Directors Election