

**MINUTES OF MEETING
OF THE BOARD OF DIRECTORS**

April 18, 2022

STATE OF TEXAS §

COUNTY OF HARRIS §

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 21 §

The Board of Directors (the “Board”) of **Northwest Harris County Municipal Utility District No. 21** (the “District”) met in regular session, open to the public, at 6330 West Loop South, Suite 150, Bellaire, Texas 77401, on Monday, April 18, 2022, whereupon roll was called of the members of the Board, to-wit:

Rand R. Wall	-	President
Bill Tallas	-	Vice President
Bruce Popper	-	Secretary
Andy Johnston	-	Assistant Secretary
Matthew Barton	-	Assistant Secretary

All members of the Board were present, except Director Johnston and Director Wall, thus constituting a quorum.

Also present at the meeting were Pawan Kapoor of Torrey Chase Apartments, LP; Jon Strange of JNS Consulting Engineers, Inc. (“JNS”); Howard Wilhite of H2O Innovation Operation and Maintenance, LLC (“H2O”), Operator for the District (“Operator”); Bradley Jenkins, Wesley Lay, and William Sagastizado of Quiddity Engineering (“Quiddity”), Engineer for the District (“Engineer”); Lina Loaiza of Bob Leared Interests (“BLI”), the District’s Tax Assessor/Collector (“TAC”); Christina Cole of Myrtle Cruz, Inc. (“MCI”), the District’s Bookkeeper (“Bookkeeper”); and Laken Jenkins Kilgore of Coats|Rose, P.C. (“Coats|Rose”), the District’s legal counsel.

Whereupon, the meeting was called to order in accordance with notice posted pursuant to Texas law, and the following action was conducted. A copy of the posted agenda notice is attached hereto as Exhibit “A.”

HEAR FROM PUBLIC

The Board recognized Mr. Kapoor who requested the Board consider alternative options for the tax-exempt tap fee for Torrey Chase Development, LP.

The Board thanked him for his attendance and deferred action.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board reviewed the TAC's Report and a list of delinquent tax accounts, copies of which are attached hereto as Exhibit "B." As of March 31, 2022, 92.773% of the 2021 tax levy has been collected.

Following a discussion of the report and the status of collection of delinquent taxes, upon a motion made by Director Barton, seconded by Director Popper, the Board voted unanimously to approve the TAC's Report and the action items therein.

BOOKKEEPER'S REPORT

The Board recognized Ms. Cole, who submitted to and reviewed with the Board the Bookkeeper's Report, including invoices for payment, a copy of which is attached hereto as Exhibit "C."

Approve Budget for FYE May 31, 2023

The Board deferred action on this item.

Following review and discussion and based on a motion by Director Barton, which was seconded by Director Popper, the Board voted unanimously to approve the Bookkeeper's Report and invoices submitted for payment.

AUTHORIZE AUDITOR TO PREPARE AUDIT FOR FISCAL YEAR END MAY 31, 2022

The Board next considered authorizing McCall Gibson Swedlund Barfoot PLLC to prepare the District's audit for fiscal year ending May 31, 2022. Following discussion and based on a motion by Director Barton, seconded by Director Popper, the Board voted unanimously to authorize McCall Gibson Swedlund Barfoot PLLC to prepare the District's audit for fiscal year ending May 31, 2022.

ATTORNEY'S REPORT

Minutes

The Board recognized Ms. Kilgore, who presented minutes of the meetings held on March 21, 2022 and March 30, 2022, previously distributed to the Board. Upon a motion made by Director Barton and seconded by Director Tallas, the Board voted unanimously to approve the minutes of the meetings of March 21, 2022 and March 30, 2022, as presented.

Approve Payment in Lieu of Taxes Agreement for Torrey Chase Apartment Complex

Ms. Kilgore then presented a Payment in Lieu of Taxes Agreement (“PILOT Agreement”) for the Board’s consideration. Ms. Kilgore noted the PILOT Agreement is between the District, Houston Housing Authority, and Torrey Chase Apartments, LP (“Torrey Chase”) and advised that it outlines the terms by which Torrey Chase agrees to pay i) a tap fee of \$515,720.42, which includes the cost of the tap; and ii) \$60,000 per year with the first payment due December 1, 2024, in lieu of paying any other ad valorem real property or personal property taxes with reference to the Torrey Chase Apartments project. After discussion and upon a motion by Director Barton, seconded by Director Popper, the Board voted unanimously to approve the PILOT Agreement.

OPERATOR’S REPORT

The Board recognized Mr. Wilhite, who presented the Operator’s Report, a copy of which is attached hereto as Exhibit “D.” Mr. Wilhite reported as follows:

- The District has a total of 87 connections;
- The combined billed consumption for the month was 16,912,370 gallons of water;
- There were no cut-offs; and
- Attached to the Operator’s Report is a list of charges over \$500.

Mr. Wilhite presented a customer request to waive the late penalties noting that the customer stated that they received the bills late due to a delay in mail delivery.

After discussion, upon a motion brought by Director Barton, seconded by Director Popper, the Board voted unanimously to: (i) approve the Operator’s Report and the action items therein; and (ii) authorize Mr. Wilhite to waive the late penalties for the customer account.

ENGINEER’S REPORT

The Board recognized Mr. Lay of Quiddity, who presented the Engineer’s Report attached hereto as Exhibit “E.”

- 10.78-Acre Torrey Chase Multifamily Development
 - Mr. Lay has reviewed and provided comments on the PILOT Agreement prepared by Coats Rose.
- Starbucks at FM 1960 Road and Veterans Memorial Drive
 - Included in the Engineer’s Report is a capacity reservation letter received for a Starbucks at FM 1960 Road and Veterans Memorial Drive.

- Mr. Lay advised that the District has sufficient capacity to serve this development and recommended the Board approve the request for 2,100 gallons per day average flow for water capacity and 1,5000 gallons per day average daily flow for sanitary sewer capacity.
- WWTP MCC & Blower Replacement
 - Included in the Engineer's Report is a copy of the bid tabulation and recommendation of award letter for the project. Mr. Lay noted that two bids were received and recommended award to the second lowest bidder, noting the lowest bidder has not completed any projects in the municipal plant field in the last five years.
 - Mr. Lay requested the Board's authorization to award the contract to Sustanite Support Service, LLC in the amount of \$3,704,000 with a 546-calendar day contract period of performance.
- Renewal Application for TDPES WWTP Discharge Permit Renewal
 - Mr. Lay advised that the District's wastewater treatment plant discharge permit (TPDES Permit) for the WWTP is scheduled to expire April 26, 2023 and the renewal application must be submitted a minimum of 180 days prior to expiration.
 - Mr. Lay requested the Board's authorization for Quiddity to prepare the TPDES WWTP Discharge permit renewal application at a cost of \$25,000 to be shared with NW22.
- 2021 Sanitary Sewer Rehabilitation
 - A pre-construction meeting was held on April 5, 2022 and the Notice to Proceed was issued at that time. The contract period of performance will begin April 15, 2022.
- Winter Plant Winterization
 - A draft copy of the checklist is included in the Engineer's Report.
- Lift Station No. 1 Inspection
 - Quiddity plans to present the findings of the lift station inspection completed April 7, 2022 at the next Board meeting.
- Annual Water Plant Inspection
 - The inspection was completed February 23, 2022 and a finalized water plant inspection report is included in the Engineer's Report.
- Water Well No. 2
 - Mr. Lay presented to the Board a revised engineer's estimate of probable costs of construction for the Water Well No. 2 rework construction project.
 - The total project is estimated to cost \$382,000 and a copy of the proposal is included in the Engineer's Report. Mr. Lay requested the Board's authorization for Quiddity to proceed with design of Water Well No. 2 Rework.
- TxDOT FM 1960 Sidewalk Extension Project
 - No updates were presented for this project.

After further discussion, upon a motion brought by Director Barton, seconded by Director Popper, the Board voted unanimously to approve the Engineer's Report and the action items therein.

There being no further business to come before the Board, the meeting was adjourned.

[execution page follows]

PASSED, APPROVED and ADOPTED this 16th day of May, 2022.


Secretary, Board of Directors

