

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

May 16, 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, May 16, 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 thus constituting a quorum.

Also present at the meeting were John Taylor of Cardinal Contractors; 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 John Cannon, Laken Jenkins Kilgore and Barry Rabon 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. Taylor of Cardinal Contractors who were present to protest the award of contract for the District’s wastewater treatment plant upgrades and improvements.

After discussion, and upon a motion made by Director Barton, seconded by Director Tallas, the Board voted unanimously to enter executive session at 12:14 pm under Section 551.071, Texas Government Code, to consult with their attorneys for legal advice.

The Board convened executive session and entered open session at 12:25 pm.

The Board thanked Mr. Taylor for his bids on the District's projects but did not reverse its award of the last contract on which Cardinal Contractors bid.

The Board recognized Mr. Kapoor who requested the Board consider alternative options for the tax-exempt tap fee for Torrey Chase Development, LP. After discussion, upon a motion made by Director Barton, seconded by Director Tallas, the Board voted 4 in favor, and 0 against, to approve a tax-exempt tap fee of \$1,500,000, as calculated under the District's Rate Order, for the Torrey Chase Apartment Complex. Director Popper abstained from the vote.

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 April 30, 2022, 94% 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 Johnston, seconded by Director Barton, 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 Budgets for FYE May 31, 2023

The Board reviewed the proposed budgets for fiscal year ended May 31, 2023, copies of which are included in the Bookkeeper's Report.

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, budgets for fiscal year ended May 31, 2023, and invoices submitted for payment.

ATTORNEY'S REPORT

Minutes

The Board recognized Ms. Kilgore, who presented minutes of the meeting held on April 18, 2022, previously distributed to the Board. Upon a motion made by Director Tallas and seconded by Director Barton, the Board voted unanimously to approve the minutes of the meeting of April 18, 2022, as presented.

Oaths and Statements

Mr. Cannon noted that Directors Tallas, Johnston and Barton were unopposed in the Director's election called for May 7, 2022 and therefore acknowledge their appointment as Directors of the District by executing their Oaths of Office and Statements of Office.

The Board next considered filing an Amended District Registration Form with the Texas Commission on Environmental Quality ("TCEQ") updating the new terms for the newly elected Directors.

After discussion and the question being put to the Board, upon a motion by Director Barton, seconded by Director Tallas, the Board voted unanimously to (i) accept the Oaths and Statements of Directors Tallas, Johnston and Barton and (ii) approve filing an Amended District Registration Form with the TCEQ.

Payment in Lieu of Taxes Agreement for Torrey Chase Apartment Complex

No action was taken.

Discuss Bid Protest for WWTP and MCC & Blower Replacement

No action was taken.

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 26,391,363 gallons of water;
- There were no cut-offs; and
- Attached to the Operator's Report is a list of charges over \$500.

Mr. Wilhite reviewed the Consumer Confidence Report (the "CCR") which outlines the District's drinking water quality for the 2021 year.

Mr. Wilhite further requested the Board approve an Amended Rate Order which reflects the increase in operator fees to approved at the upcoming June regular meeting.

Additionally, the Board discussed increasing the District's water and sewer rates at the upcoming meeting. Mr. Wilhite agreed to provide an analysis of the market water rates for surrounding areas for the Board's consideration.

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) adopt the Amended Rate Order.

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 updated the Board on the status of development.
- Starbucks at FM 1960 Road and Veterans Memorial Drive
 - Quiddity provided comments on the civil site and interior plumbing plans and is awaiting revised plans.
- WWTP MCC & Blower Replacement
 - Mr. Lay provided a copy of the bid protest letter received from Cardinal Contractors, as discussed under the public comment section of the agenda.
- Renewal Application for TDPES WWTP Discharge Permit Renewal
 - Quiddity is preparing the TDPES permit renewal package for the District, NW22 and NW23.
 - A funds request letter has been sent to NW 22 and NW23 for their share of the project.
- 2021 Sanitary Sewer Rehabilitation
 - The contractor has mobilized and plans to begin precleaning and televising this week.
- Lift Station No. 1 Inspection
 - Mr. Lay plans to present the inspection report at the June regular meeting.
- Annual Water Plant Inspection
 - Mr. Lay requested the Board's authorization to complete a structural evaluation of the booster pump hoist at an estimated cost of \$2,000.
- Water Well No. 2
 - Quiddity is proceeding with the water well no. 2 rework design this month and plans to have a bid package ready for advertisement in August 2022.

After further discussion, upon a motion brought by Director Tallas, 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.

PASSED, APPROVED and ADOPTED this 20th day of June, 2022.


Secretary, Board of Directors

(Seal)

