

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

June 19, 2023

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, June 19, 2023, 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, thus constituting a quorum.

Also present at the meeting were: Jon Strange of JNS Consulting Engineers, Inc. (“JNS”); Bill Blich of Blich Associates, Inc., Financial Advisor for the District; Howard Wilhite of H2O Innovation Operation and Maintenance, LLC (“H2O”), Operator for the District (“Operator”); Wesley Lay of Quiddity Engineering (“Quiddity”), Engineer for the District (“Engineer”); Lina Loaiza of Bob Leared Interests (“BLI”), the District’s Tax Assessor/Collector (“TAC”); Christina Ferguson of Myrtle Cruz, Inc. (“MCI”), the District’s Bookkeeper (“Bookkeeper”); and John Cannon 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 noted that there were no members of the public wishing to address the Board.

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 May 31, 2023, 94.5% of the 2022 tax levy has been collected.

Ms. Loaiza noted that the District's 2023 preliminary value is \$176,098,043, a 13% increase from 2022, which will change as value adjustments attributable appeals and abatements are made.

Following a discussion of the report and the status of collection of delinquent taxes, upon a motion made by Director Popper, 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. Ferguson, 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."

Following review and discussion and based on a motion by Director Popper, which was seconded by Director Barton, the Board voted unanimously to approve 1) the Bookkeeper's Report and the invoices submitted for payment; and 2) ratification of the budget for fiscal year end 2024.

ATTORNEY'S REPORT

Minutes

The Board recognized Mr. Cannon, who presented minutes of the meeting held on May 15, 2023, previously distributed to the Board. Upon a motion made by Director Tallas and seconded by Director Barton, the Board voted unanimously to approve said minutes as presented.

Amended Rate Order

The Board recognized Ms. Kilgore, who presented to the Board for review and approval an Amended Rate Order addressing concerns related to Public Facility Corporations. Ms. Kilgore recommended the Board amend the Rate Order to include a capital recovery fee to be paid by non-taxable entities removed from the District's ad valorem tax roll that have not paid their pro-rata share of the cost of facilities necessary to provide District services to customers and that have been financed by tax supported bonds. Upon a motion made by Director Tallas and seconded by Director Popper, the Board voted unanimously to approve the Amended Rate Order.

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 90 connections;
- The combined billed consumption for the month was 13,567,604 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 valve survey proposal to locate and mark valves throughout the District, clean out valve stacks and straighten valve boxes, and to operate and test the valves (the "Proposal"). The estimated cost of the Proposal is expected to be \$9,000 for 75 total valves, which does not include repairs that require excavation to the main or major repair parts.

Mr. Wilhite next updated the Board that H2O plans to change providers for electronic check processing from AVR to Chase (Starnik). Mr. Wilhite requested the Board approve a Merchant Services Processing Agreement and related addendums with Chase for processing services (the "Contract").

After discussion, upon a motion brought by Director Johnston, seconded by Director Barton, the Board voted unanimously to approve the Operator's Report and the action items therein, including the Proposal and Contract.

FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Blitch who gave a general update on the status of the District's Series 2023 Utility Bond Issuance.

ENGINEER'S REPORT

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

- Coffee/Sandwich Shop within Existing Office Building at 4201 FM 1960 Road West
 - Quiddity received and provided comments on the interior plumbing plans for the proposed development, and copy of the plan review letter is included in the Engineer's Report.
- WWTP Improvements and Upgrades
 - Mr. Lay reported R&B Group, Inc. has one remaining punch list item which has still not been completed.
- WWTP MCC & Blower Replacement

- Mr. Lay presented Pay Estimate No. 5 in the amount of \$174,150 to Board for review and approval and recommended payment of same.
- Lift Station No. 1 Improvements
 - Mr. Lay reported five bids were received and McDonald Municipal and Industrial (“McDonald”) submitted the lowest bid in the amount of \$424,269.
 - Mr. Lay recommended awarding the Contract to McDonald for the Lift Station No. 1 improvement project.
- Lead and Copper Rule Revisions (LCRR) Compliance
 - Mr. Lay recommended H20 proceed with field verifications needed to prepare the service line inventory.
- Bond Application Report No. 3
 - Quiddity plans to submit the Bond Application Report to consultants for final review and requested the Board to authorize submission to the TCEQ subject to final review and comment.
- Sanitary Sewer Trunkline A and B Cleaning and Televising (NW 22 Project)
 - Pay Estimate No. 2 was presented and approved by NW22 in the amount of \$8,135.44. Manhole rehabilitation recommendations were received from JNS and Quiddity is evaluating same.
- Water Well No. 3 Proposal (NW 22 Project)
 - JNS is currently evaluating sites for the water well.

After further discussion, upon a motion brought by Director Barton, seconded by Director Barton, 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 17th of July, 2023.



Secretary, Board of Directors

(Seal)

