

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

October 18, 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 special session, open to the public, at 6330 West Loop South, Suite 150, Bellaire, Texas 77401, on Wednesday, October 18, 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 thus constituting a quorum.

Also present at the meeting were: Jon Strange of JNS Consulting Engineers, Inc. (“JNS”); Howard Wilhite of H2O Innovation Operation and Maintenance, LLC (“H2O”), Operator for the District (“Operator”); Wesley Lay and Alyvia McEwen of Quiddity Engineering (“Quiddity”), Engineer for the District (“Engineer”); Bill Blich of Blich Associates, Inc., Financial Advisor for the District; Lina Loaiza of Bob Leared Interests (“BLI”), the District’s Tax Assessor/Collector (“TAC”); Jim Davis of Myrtle Cruz, Inc. (“MCI”), the District’s Bookkeeper (“Bookkeeper”); and John Cannon, attorney, and Beth Van Doren, paralegal, 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.

CONDUCT HEARING ON TAX RATE AND ADOPT ORDER SETTING TAX RATE

The Board opened the meeting to a public hearing on the proposed 2023 tax rate and confirmed that notice of such hearing was published according to applicable law. It was noted that no members of the public were in attendance to address the matter of the tax rate. The public hearing was closed, and the Board meeting resumed.

Having conducted a hearing on the tax rate and following discussion, Director Johnston made a motion to levy a proposed tax rate of \$0.4731 per \$100 of assessed value 2023 tax rate consisting of \$0.2061 per \$100 of assessed valuation for maintenance and operation purposes and \$0.2670 of assessed valuation for debt service, and to adopt an Order Setting Tax Rate and Levying Tax for 2023 (the "Order") evidencing the same, a copy of which is attached hereto as Exhibit "B". The motion was seconded by Director Barton and passed unanimously by the Board.

AMENDED NOTICE TO SELLERS AND PURCHASERS

The Board next considered approving an Amended Notice to Sellers and Purchasers of Real Estate Situated in the District (the "Notice"). Mr. Cannon stated that the Notice needs to be updated to reflect the adoption of the tax rate. Mr. Cannon continued that the Notice will be filed in the Harris County Real Property Records and with the Texas Commission on Environmental Quality (the "Commission"). Upon a motion made by Director Johnston, seconded by Director Popper, the Board by unanimous vote approved the Notice and authorized the District's attorney to file the Notice in the Harris County Real Property Records and with the Commission, a copy of which is attached hereto as Exhibit "C".

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Loaiza who reviewed the TAC's Report and a list of delinquent tax accounts, copies of which are attached hereto as Exhibit "D." As of September 30, 2023, 00.0% of the 2023 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 Popper, seconded by Director Johnston, the Board voted unanimously to approve the TAC's Report and the action items therein.

BOOKKEEPER'S REPORT

The Board recognized Mr. Davis, 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 "E."

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

OPERATOR'S REPORT

The Board recognized Mr. Wilhite, who presented the Operator's Report, a copy of which is attached hereto as Exhibit "F." Mr. Wilhite reported as follows:

- The District has a total of 91 connections;
- The combined billed consumption for the month was 21,183,390 gallons of water;
- There were no cut-offs; and
- Attached to the Operator's Report is a list of charges over \$500.

After discussion, upon a motion brought by Director Tallas, seconded by Director Johnston, the Board voted unanimously to approve the Operator's Report.

FINANCIAL ADVISOR'S REPORT

RECEIPT OF BIDS AND AWARD SALE OF WATERWORKS AND SEWER SYSTEM COMBINATION UNLIMITED TAX AND REVENUE BONDS, SERIES 2023 (THE "BONDS")

The Board recognized Mr. Blich who presented the receipt of bids for the District's \$7,150,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2023 (herein the "Bonds"). Mr. Blich informed the Board that the Bonds received five (5) bids, a copy of which are attached hereto as Exhibit "6".

The bids were as follows:

<u>Bidder</u>	<u>Net Effective Interest Rate</u>
Raymond James & Associates, Inc.	5.099149%
Loop Capital	5.130164%
Robert W. Baird & Co., Inc.	5.165558%
SAMCO Capital Markets	5.193779%
BOK Financial	5.357809%

Mr. Blich recommended that the Board accept the bid submitted Raymond James & Associates, Inc. as it was the low bidder with a net effective interest rate of 5.099148%.

Upon a motion made by Director Johnston, seconded by Director Barton, after full discussion and the question being put to the Board, the Board voted unanimously to accept the bid on the Bonds submitted by Raymond James & Associates, Inc. (the "Underwriter") with a net effective interest rate of 5.099149%. A copy of the accepted bid on the bonds is attached hereto as Exhibit "H".

APPROVAL AND AUTHORIZATION OF DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

The Board recognized Mr. Cannon who presented to the Board the following documents in connection with the sale of the Bonds:

- a. Order Authorizing Issuance of the Bonds;
- b. Resolution Approving Official Statement;
- c. General Certificate;
- d. Signature Identification and No-Litigation Certificate;
- e. Tax Exemption Certificate;
- f. Bond Registrar, Paying Agency, and Transfer Agency Agreement;
- g. Letters addressed to Attorney General of Texas and Coats|Rose P.C. regarding dating of the Signature Identification and No-Litigation Certificate and the General Certificate and Letter to the Comptroller regarding delivery of the Initial Bonds;
- h. Rule 15c2-12 Certificate;
- i. IRS Form 8038-G; and
- j. Take such other actions and execute such other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas.

Mr. Cannon explained that the Order Authorizing Issuance of the Bonds is the contract between the District and the bondholders and provides, among other things: (1) the legal authority for the District to issue the Bonds, (2) the interest rates on the Bonds, (3) the District's obligation to levy ad valorem taxes to pay the principal and interest due on the Bonds, (4) the designation of the Paying Agent/Registrar for the Bonds, and (5) the covenant by the Board to maintain the tax-exempt status of the Bonds.

Mr. Cannon then introduced the Order Adopting Execution and Distribution of Official Statement and Ratifying Distribution of Official Notice of Sale, Preliminary Official Statement, and Official Bid Form, explaining that relevant information from the sale of the Bonds will be included in the Official Statement prior to its printing. He further stated that the Official Statement will be provided by the Underwriter to prospective purchasers of the Bonds.

Mr. Cannon then introduced the General Certificate and explained that this Certificate gives a brief history of the District, including the directors and terms of office, information on previous bond sales, current tax rate, and the District's current assessed valuation.

Mr. Cannon next presented the Signature Identification and No-Litigation Certificate, explaining that said Certificate represents that there is no litigation pending against the District affecting the Bonds and that the signatures of the President and Secretary are genuine.

Mr. Cannon then presented the Certificate as to Tax Exemption. He explained that this Certificate will be dated the day of closing on the sale of the Bonds. Mr. Cannon further stated that the Certificate states, in addition to other facts, that the District has met certain conditions pursuant to the Internal Revenue Code of 1986 which allows the Bonds to be qualified as tax-exempt obligations.

Mr. Cannon next presented a Bond Registrar, Paying Bank of UMB Bank N.A., Houston, Texas. Mr. Cannon explained that all tax-exempt municipal bonds are required to be fully registered with registry books maintained by a registrar on behalf of the District. The books reflect the names, addresses and principal amounts of bonds registered in the name of the owner. Mr. Cannon further explained that the Agreement sets forth the duties, responsibilities and fees involved for maintaining this information and making payments to registered owners.

Mr. Cannon then presented (i) the letter to the Attorney General for the State of Texas which authorizes the execution of the General Certificate and the Signature Identification and No-Litigation Certificate as of the date of the Approving Opinion for the Bonds, (ii) the letter to the Comptroller of Public Accounts which authorizes the Comptroller of Public Accounts to deliver the bonds to Coats|Rose, P.C. once they are approved by the Attorney General and registered and (iii) the letter to Coats|Rose, P.C. which authorizes the dating of the General Certificate, the Signature Identification and No-Litigation Certificate and the Certificate as to Tax Exemption and provides that the District will immediately notify Coats|Rose P.C. if any of the facts contained in those documents change prior to the date of closing and delivery of the bonds.

Mr. Cannon next presented the Rule 15c2-12 Certificate in connection with the issuance of the Bonds. Mr. Cannon noted that the purpose of this Certificate is to enable the Underwriter for the Bonds to comply with the Securities Exchange Act of 1934 in connection with the offering and sale of the Bonds.

The Board next considered authorizing the President to execute IRS Form 8038-G. Mr. Cannon explained that this form provides information about the Bonds to the IRS for recordkeeping purposes.

Consideration was then given to authorizing additional action in connection with obtaining approval of the Attorney General of Texas of the Bonds. Mr. Cannon informed the Board that once the Attorney General's office has received and reviewed the Transcript of Proceedings for the Bonds, it is possible they will request additional information and/or documents and requested the Board's authority to prepare and have executed any requested documents or amendments to the existing documents.

Upon a motion made by Director Barton that all the foregoing documents be approved, which motion was seconded by Director Johnston, the Board, after due discussion, passed such motion, which prevailed and was carried by unanimous vote.

ENGINEER'S REPORT

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

- **Lift Station No. 1 Improvements**
 - Mr. Lay presented Change Order No. 1 in the amount of \$10,000 and Pay Estimate No. 1 in the amount of \$18,000 to McDonald Municipal and Industrial.
- **Water Well No. 4 & Well Supply Line**
 - Consider Request for Funds Letter for NW21's share of the final engineering funds in the amount of \$126,968 subject to Quiddity's review of the cost-sharing breakdown.
 - Authorize Quiddity to send a final engineering funds request letter to Fountainhead MUD for the Water Well No. 3 and Well Supply Line Project.
- **Sanitary Sewer Trunkline A and B Manhole Rehabilitation Project**
 - Consider Request for Funds Letter for NW21's share of the construction funds in the amount of \$301,886.11 subject to Quiddity's review of the cost-sharing breakdown.

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

ATTORNEY'S REPORT

Minutes

The Board recognized Mr. Cannon, who presented minutes of the meeting held on September 18, 2023, previously distributed to the Board. Upon a motion made by Director Tallas and seconded by Director Popper, the Board voted unanimously to approve said minutes with corrections.

Discuss and consider adopting policy on per diems and expenses

Mr. Cannon reviewed what the District currently accepts as proper per diem and expense reimbursements. Per diems are authorized for AWBD conferences, monthly meetings, committee meetings, activities which benefit the District. Reimbursements are for hotel and travel for attending such conferences and meetings and up to \$50 reimbursement per meal with receipts. After further discussion and based on a motion by Director Barton, seconded by Director Johnston, the Board requested Mr. Cannon present an Amended and Restated Resolution Regarding Expenses to be Reimbursed by the District at the next meeting.

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

[execution page follows]

PASSED, APPROVED and ADOPTED this 18th day of October, 2023.


Secretary, Board of Directors

(Seal)

