

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

October 4, 2021

The Board of Directors (the "Board") of Northeast Harris County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 4th day of October, 2021, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Jim Moffatt	President
Keith Jaehne	Vice President
Tonya Nunez	Asst. Vice President
Ellen Crocker	Secretary
Ted Gaylord	Assistant Secretary

and all of the above were present, except Directors Nunez and Jaehne, thus constituting a quorum.

Also present at the meeting were: Barbara Nussa of Republic Services, Inc. ("Republic"); Greg McGrath of McGrath & Co., PLLC; R. Craig Rathmann of Rathmann & Associates, LP; Aaron Alford of Woodmere Development Company, Ltd; Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc.; Mike Williams of Municipal Operations & Consulting, Inc.; Jason Hajduk of IDS Engineering Group; and Greer Pagan and Arlene Catalan of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

The Board offered any members of the public attending the meeting the opportunity to make public comment.

Ms. Nussa addressed the Board regarding the option of doing an annual document shred event for the fall sponsored and coordinated by Republic. The Board instructed Ms. Nussa to coordinate with the District's Homeowners Association on whether this is something the District Residents would be interested in.

MINUTES

The Board considered approving the minutes of the August 30, 2021, regular meeting. After review and discussion, Director Crocker moved to approve the minutes of the August 30, 2021, regular meeting. Director Gaylord seconded the motion, which passed by unanimous vote.

ISSUANCE OF BOND ANTICIPATION NOTE ("BAN"), INCLUDING ENGAGEMENT OF THE PLACEMENT AGENT; AND AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

Mr. Rathmann reviewed a letter from RBC Capital Markets containing disclosures relating to RBC Capital Markets' engagement as the Placement Agent for the Bond Anticipation Note, pursuant to Municipal Securities Rulemaking Board Rule G-17. After discussion, Director Gaylord moved to acknowledge the disclosures provided by RBC Capital Markets. Director Crocker seconded the motion, which passed by unanimous vote. The Board directed all documents discussed above be filed appropriately and retained in the District's official records.

Mr. McGrath requested authorization to prepare the Developer Reimbursement Report for the BAN. After review and discussion, Director Gaylord moved to authorize McGrath to prepare the Developer Reimbursement Report for the BAN. Director Crocker seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2021

Mr. McGrath presented and reviewed the District's audit for the fiscal year ending May 31, 2021. After review and discussion, Director Moffatt moved to approve the audit for the fiscal year ending May 31, 2021, subject to attorney review, and direct that it be filed appropriately and retained in the District's official records. Director Crocker seconded the motion which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Butler presented and reviewed the bookkeeper's report, a copy of which is attached, and presented the District's bills for payment. After review and discussion, Director Gaylord moved to approve the bookkeeper's report, including payment of the bills, as presented. Director Crocker seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Rodriguez presented and reviewed the tax assessor/collector's report with the Board, a copy of which is attached. Following review and discussion, Director Crocker moved to approve the tax assessor/collector's report and the payment of the bills contained in the tax assessor/collector's report. Director Moffatt seconded the motion, which passed by unanimous vote.

DISCUSS NEW TREASURY MANAGEMENT SERVICES FOR ALLEGIANCE BANK

The Board reviewed the Treasury Management Services documents with Allegiance Bank for banking services. After review and discussion, Director Gaylord

moved to authorize the Board President to execute the Treasury Management Services documents with Allegiance Bank. Director Crocker seconded the motion, which passed unanimously.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, GOVERNMENT CODE, AND RELATED CONTRACT AGREEMENT

Mr. Pagan discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. He said the new requirements apply to districts that levy a property tax, are required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. The Board reviewed a summary of the new requirements, a copy of which is attached.

The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements. Ms. Rodriguez discussed the services currently provided by BLI to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. She presented a proposed amendment to the District's contract with BLI to incorporate the new posting requirements on the existing website.

After review and discussion, Director Crocker moved to approve the amendment to the contract between the District and BLI as presented and direct that the amendment be filed appropriately and retained in the District's official records. Director Gaylord seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Rodriguez stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2021 total tax rate of \$1.34.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Mr. Pagan presented an Order Levying Taxes reflecting the proposed 2021 tax rate. He then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Harris County.

After review and discussion, Director Gaylord moved to: (1) adopt the Order Levying Taxes reflecting a total 2021 tax rate of \$1.34 per \$100 of assessed valuation, comprised of \$0.66 to pay debt service on water, sewer, and drainage bonds, and \$0.68 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Crocker seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Mr. Mike Williams presented and reviewed the operator's report, a copy of which is attached.

Mr. Williams presented and recommended turning four delinquent accounts to the District's collection agency totaling \$556.70.

Mr. Williams presented the proposed quotes for Houston Coldport's tap and inspection fees and the 16-inch waterline invert.

Following review and discussion, upon a motion made by Director Crocker and seconded by Director Gaylord, the Board voted unanimously to: (1) approve the operator's report; (2) authorize the operator to turn the four recommended delinquent account over for collections; and (3) authorize the transmittal of the proposed quotes for Houston Coldport.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Williams reviewed the termination list reflecting delinquent water and sewer accounts, a copy of which is attached to the operator's report. Mr. Williams reported the customers on the termination list were mailed written notice prior to today's meeting in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment. The Board then conducted a hearing on the termination of utility service to other customers. Following review and discussion, Director Crocker moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Gaylord and passed by unanimous vote.

ENGINEERING MATTERS

Mr. Hajduk presented and reviewed the engineer's report, a copy of which is attached, and reviewed the status of construction projects in the District.

Mr. Hajduk updated the Board on the construction of the water, sewer and drainage facilities to serve Sheldon Ridge, Section 11.

Mr. Hajduk updated the Board on the construction of Sheldon Ridge Section 12, 13, and Phase III Detention clearing and grubbing.

Mr. Hajduk updated the Board on the construction of Sheldon Ridge, Phase II Detention.

Mr. Hajduk gave an update on the Sheldon Road Municipal Utility District water plant and wastewater plant capacity project.

Mr. Hajduk updated the Board regarding the construction of the Edgewood Village, Section 8 water, sewer and drainage.

Mr. Hajduk reported that advertisement for bids for the construction of the Edgewood Village, Section 9 water, sewer and drainage is pending developer authorization.

Mr. Hajduk updated the Board regarding the construction of the Edgewood Village Phase III Detention.

Mr. Hajduk updated the Board regarding the construction of the Wastewater Treatment Plant Expansion and reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$60,750.00 and Pay Estimate No. 6 in the amount of \$310,911.75, payable to T&C Construction.

Mr. Hajduk stated that Bond Application No. 11 is being finalized.

Mr. Hajduk reported on the Boomerang project and said construction is nearly complete.

Mr. Hajduk reported on the finding of the Stormwater Solution's monthly inspection report. He stated IDS is working with Harris County on the matter.

After review and discussion, Director Crocker moved to: (1) approve the engineer's report; (2) approve Pay Estimate No. 5 in the amount of \$60,750.00; and (3) approve Pay Estimate No. 6 in the amount of \$310,911.75. Director Moffatt seconded the motion, which passed by unanimous vote.

DISCUSS AGREEMENT WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 421 ("HCMUD 421") FOR SERVICES TO THE TERRA GREZZA TRACT

Mr. Pagan gave an update on the agreement with HCMUD 421 for sanitary sewer services to the Terra Grezza Tract.

DISCUSS AGREEMENT FOR PAYMENT IN LIEU OF TAXES FOR POTENTIAL
FEDERAL FOREIGN TRADE ZONE DESIGNATION FOR DEVELOPMENT OF
TERRA GREZZA TRACT

Mr. Pagan gave an update on the agreement for payment in lieu of taxes for development of the Terra Grezza Tract.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Alford updated the Board regarding development in the District.

LANDSCAPING AND PARK MATTERS

Mr. Alford updated the Board regarding landscaping and park matters.

There being no further business to conduct, the meeting was adjourned.



Ellen Cocker

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Tax assessor/collector's report	2
GOVERNMENT CODE 2051.202 INTERNET POSTING REQUIREMENTS	3
Operator's report.....	4
Engineer's report.....	4