

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

December 6, 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 6th day of December, 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, thus constituting a quorum.

Also present at the meeting were: Barbara Nussa of Republic Services, Inc. ("Republic"); R. Craig Rathmann of Rathmann & Associates, LP; Aaron Alford of Woodmere Development Company, Ltd ("Woodmere"); Renee Butler of McLennan & Associates, L.P. ("McLennan"); Patty Rodriguez of Bob Leared Interests, Inc.; Mike Williams of Municipal Operations & Consulting, Inc.; Jason Hajduk of IDS Engineering Group; Greg McGrath of McGrath & Company, PLLC; and Greer Pagan, Frances Blake, 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. There being no members of the public requesting to make public comment, the Board moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the November 1, 2021, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes of the November 1, 2021, regular meeting. Director Jaehne seconded the motion, which passed by unanimous vote.

ISSUANCE OF BOND ANTICIPATION NOTE ("BAN"), INCLUDING: ADOPT RESOLUTION AUTHORIZING THE ISSUANCE AND EXECUTION OF BAN SERIES 2021; AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BAN AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BAN TO THE PURCHASER; ACCEPT AND EXECUTE PURCHASERS' INVESTMENT AND BID LETTER; EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE; AND DEVELOPER REIMBURSEMENT REPORT AND DEVELOPER RECEIPT AND AUTHORIZE DISBURSEMENT OF BAN PROCEEDS

Mr. Rathmann reported the District received two bids for the District's BAN. He recommended awarding the BAN to Trustmark National Bank with a net effective interest rate of 0.98%.

The Board considered adopting a Resolution Authorizing the Issuance and Execution of the District's BAN. Mr. Pagan reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the BAN, the payment of the BAN from a future bond issue by the District, and certain District covenants regarding the tax-exempt status of the BAN.

Mr. Pagan next explained that there will be various documents related to the issuance of the BAN requiring execution by the Board prior to closing.

The Board considered accepting and authorizing execution of the Purchasers' Investment and Bid Letter from Trustmark National Bank for the purchase of the District's BAN, and related certificates and documents.

Mr. Pagan presented and reviewed the Certificate with the Board.

The Board reviewed the Developer Reimbursement Report for the BAN ("DRR").

After discussion, Director Crocker moved to: (1) award the BAN to Trustmark National Bank; (2) adopt the Resolution Authorizing the Issuance and Execution of the District's BAN; (3) authorize the Board to sign all the documents relating to the BAN and authorize the District's attorney and financial advisor to take all necessary action to deliver the BAN to the purchaser; (4) accept and authorize execution of the Purchasers' Investment and Bid Letter and various certificates and documents related to the issuance of the BAN; (5) authorize execution of the Certificate; and (6) approve DRR, and to authorize reimbursement to Woodmere from the proceeds of the BAN, pending receipt of an executed reimbursement receipt. Director Nunez seconded the motion, which passed by unanimous vote.

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 Jaehne moved to approve the bookkeeper's report, including payment of the bills, as presented. Director Gaylord 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 Gaylord moved to approve the tax assessor/collector's report and the payment of the bills contained in the tax assessor/collector's report. Director Nunez seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

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

Mr. Williams presented and recommended turning two delinquent accounts to the District's collection agency totaling \$555.53.

Mr. Williams updated the Board regarding the Coldport tap connection.

Following review and discussion, upon a motion made by Director Moffatt and seconded by Director Nunez, the Board voted unanimously to: (1) approve the operator's report; and (2) authorize the operator to turn the recommended delinquent accounts over for collections.

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 Moffatt moved to suspend termination of delinquent accounts until January, 2022 and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Nunez 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 regarding construction of the Sheldon Ridge Phase III Detention and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$93,443.41, payable to Paskey Incorporated.

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 reported IDS is working with McLennan on the preparation of a surplus funds application.

Mr. Hajduk reported on the Boomerang project and said construction is nearly complete. He reported that the punchlist items are being finalized.

Mr. Hajduk reported that IDS has been working with Double Oak on a solution for the erosion at the Sheldon Ridge detention outfall. He stated that after IDS and Double Oak has determined the total cost of construction, including 10% for contingencies, is estimated to be \$330,000.00. Mr. Hajduk said that IDS will continue to work on the matter. Additionally, he noted that the District's erosion repair will not be affected by Harris County's repair work.

After review and discussion, Director Gaylord moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 1 in the amount of \$93,443.41. Director Crocker seconded the motion, which passed by unanimous vote.

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.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Mr. Pagan reported that ABHR has filed the District's Eminent Domain Authority Annual Reports for 2021 with the Comptroller of the State of Texas pursuant to Senate Bill 1812. Mr. Pagan discussed with the Board an ongoing case related to the use of eminent domain authority by a governmental entity against another governmental entity, *Hidalgo County Water Improvement District No. 3 v. Hidalgo County Water Irrigation District No. 1*. The Board discussed details of the pending case. Following discussion, there was no action on this matter.

AMEND RATE ORDER

There was no report on this item.

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



Allen Crocker

Secretary, Board of Directors

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