

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 6, 2022

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 June, 2022, 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 Director Moffatt, thus constituting a quorum.

Also attending either in person were: R. Craig Rathmann of Rathmann & Associates, L.P.; Barbara Nussa of Republic Services, Inc.; Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc.; Mike Williams of Municipal Operations & Consulting, Inc.; Chad Abram of IDS Engineering Group; and Greer Pagan, Andrew Vaughan, and Melissa Padilla of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

The Board offered any members of the public attending the meeting the opportunity to make a public comment. There being no members of the public requesting to make a public comment, the Board moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the May 2, 2022, regular meeting. After review and discussion, Director Jaehne moved to approve the minutes of the May 2, 2022, regular meeting. Director Gaylord 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.

Ms. Butler reviewed check no. 1175 in the amount of \$4,572.03, for the Sheldon Ridge Outfall Channel repair. The Board agreed payments for the Sheldon Ridge Outfall Channel repair should be paid from the Capital Projects Funds. At the Board's request, Ms. Butler voided check no. 1175 and replaced it with check no. 1025 in the amount of \$187,200.00 and check no. 1026, in the amount of \$103,045.50, both payable to Double Oak Construction.

After review and discussion, Director Gaylord moved to: (1) approve the bookkeeper's report, including payment of the bills, as presented; and (2) approve the replacement of voided check no. 1175 in the amount of \$4,572.03 with check no. 1025 in the amount of \$187,200.00 and check no. 1026, in the amount of \$103,045.50, both payable to Double Oak Construction. Director Crocker seconded the motion, which passed by unanimous vote.

Ms. Butler reviewed the Agreement for Services for Bookkeeper. After review and discussion, Director Crocker moved to approve the Agreement for Services for Bookkeeper. 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. Payment of the bills: 99.23% collected. Better than 2020.

Following review and discussion, Director Jaehne 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Mr. Pagan stated the District's delinquent tax attorney can begin collection of real property taxes that remain delinquent as of July 1, 2022. After discussion, Director Jaehne moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2021 taxes, as of July 1, 2022. Director Nunez seconded the motion, which passed unanimously.

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 six delinquent accounts to the District's collection agency totaling \$1,606.57.

Following review and discussion, upon a motion made by Director Crocker and seconded by Director Jaehne, the Board voted unanimously to approve: (1) the operator's report; and (2) authorize the operator to run the recommended delinquent account 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 the reason why utility service should not be terminated for the reason of nonpayment. The Board then conducted a hearing on the termination of utility service to other customers. Following review and discussion, Director Jaehne 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 Crocker and passed by unanimous vote.

ENGINEERING MATTERS

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

Mr. Abrams updated the Board on the construction of the water, sewer, and drainage facilities to serve Sheldon Ridge, Section 11, and reviewed and recommended approval of Pay Application No. 2 in the amount of \$30,980.23, payable to Crostex Construction, Inc.

Mr. Abrams updated the Board regarding the construction of the Sheldon Ridge Phase III Detention reviewed and recommended approval of Pay Estimate No. 6 and Final in the amount of \$11,916.87, payable to Paskey Incorporated. He also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Mr. Abrams gave an update on the Sheldon Road Municipal Utility District ("SRMUD") wastewater plant and water plant capacity project.

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

Mr. Abrams reported that the advertisement for bids for the construction of the Edgewood Village, Section 10 water, sewer, and drainage is pending developer authorization.

Mr. Abrams updated the Board on the construction of the wastewater treatment plant expansion project and reviewed and recommended approval of Pay Estimate No. 11 in the amount of \$49,922.10, payable to T&C Construction, Ltd.

Mr. Abrams updated the Board on the status of the Boomerang project. He noted construction is nearing completion.

Mr. Abrams updated the Board on the status of the erosion at the Sheldon Ridge Detention Outfall and reviewed and recommended approval of Pay Application No. 2 in the amount of \$187,200.00 and Pay Application No. 3 in the amount of \$103,045.50 payable to Double Oak Construction. Additionally, he reviewed and recommended approval of Change Order No. 1 to the contract amount of \$21,500.00 for a SOX installation on the opposite side of the channel to prevent erosion. The Board determined that Change Order No. 1 is beneficial to the District. The Board requested the payment of these items are paid from the Capital Projects Funds, as discussed.

After review and discussion, Director Gaylord moved to: (1) approve the engineer's report; (2) approve Pay Estimate No. 2 in the amount of \$30,980.23; (3) approve Pay Estimate No. 6 and Final in the amount of \$11,916.87, payable to Paskey Incorporated, and accept the facilities; (4) approve Pay Estimate No. 11 in the amount of \$49,922.10, payable to T&C Construction, Ltd; (5) approve Pay Application No. 2 in the amount of \$187,200.00 and Pay Application No. 3 in the amount of \$103,045.50 payable to Double Oak Construction; and (6) approve Change Order No. 1 to the contract amount of \$21,500.00 to the contract with Double Oak Construction and the engineer's recommendation. Director Nunez seconded the motion, which passed by unanimous vote.

UNLIMITED TAX BONDS, SERIES 2022, INCLUDING REVIEW BIDS AND AWARD SALE OF DISTRICT'S SERIES 2022 BONDS; RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$5,540,000 UNLIMITED TAX BONDS, SERIES 2022; APPROVE PAYING AGENT/REGISTRAR AGREEMENT; APPROVE OFFICIAL STATEMENT; EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE; AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE THE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER; APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW; AMENDMENT TO THE INFORMATION FORM

Mr. Rathmann presented and reviewed a bid sheet reflecting the bids received for the District's \$5,540,000 Unlimited Tax Bonds, Series 2022 Bonds (the "Series 2022 Bonds"), a copy of which is attached.

The Board next considered awarding the sale of the District's Series 2022 Bonds. Mr. Rathmann stated he verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate of 4.164619% submitted by Robert W. Baird & Co., Inc.

Mr. Rathmann distributed an update to Credit Analysis from Moody's Investors Service, a copy of which is attached. He reported Moody's Investors Service affirmed Baa3 as the District's rating.

Mr. Pagan reviewed a Resolution Authorizing the Issuance of the District's Series 2022 Bonds.

Mr. Pagan then reviewed the Paying Agent/Registrar Agreement between the District and The Bank of New York Mellon Trust Company, N.A.

Mr. Pagan stated that the Preliminary Official Statement will be updated to include information regarding the bond sale.

Mr. Pagan presented and reviewed a Certificate Regarding Provision of Financial Advice.

Mr. Pagan stated that it will be necessary for the Board of Directors to sign certain documents relating to the sale of the District's Series 2022 Bonds, and for the attorney to submit a transcript of the bond proceedings to the Attorney General of Texas. He added that the financial advisor also will take necessary action in connection with the delivery of the bonds to the purchaser.

The Board discussed approving payment to the Attorney General of Texas ("AG") for the \$5,540,000 Unlimited Tax Bonds, Series 2022 transcript review.

Mr. Pagan stated that the Texas Water Code requires the District to file an Amendment to the Information Form with Harris County and the Texas Commission on Environmental Quality in order to reflect the bonds issued by the District. He then reviewed the Amendment to the Information Form with the Board.

After review and discussion, Director Jaehne moved to: (1) award the sale of the District's \$5,540,000 Unlimited Tax Bonds, Series 2022 to Robert W. Baird & Co., whose bid contained the lowest net effective interest rate; (2) adopt the Resolution Authorizing the Issuance of the District's \$5,540,000 Unlimited Tax Bonds, Series 2022, and direct that the Resolution be filed appropriately and retained in the District's official records; (3) approve the Paying Agent/Registrar Agreement between the District and The Bank of New York Mellon Trust Company, N.A. and direct that the Agreement be filed appropriately and retained in the District's official records; (4) approve the Official Statement for the \$5,540,000 Unlimited Tax Bonds, Series 2022 and direct that the Statement be filed appropriately and retained in the District's official records; (5) approve the Certificate Regarding Provision of Financial Advice and direct that the Certificate be filed appropriately and retained in the District's official records; (6) authorize the Board of Directors to sign the documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser; (7) approve payment to the AG for the \$5,540,000 Unlimited Tax Bonds, Series 2022 transcript review; and (8) authorize execution of the Amendment to the Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Crocker seconded the motion, which passed by unanimous vote.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

LANDSCAPING AND PARK MATTERS

There was no discussion on this agenda item.

DISCUSSION REGARDING JULY MEETING DATE

The Board discussed having its next regular meeting on Monday, July 11, 2022, at 11:30 am, at ABHR.

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



Ellen Crocker
Secretary, Board of Directors

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