

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

July 11, 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 11th day of July, 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 the above were present, thus constituting a quorum.

Also attending either in person were: Greg McGrath of McGrath & Co, LLP; 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; Aaron Alford of Woodmere Development ("Woodmere"); David Beyer of Storm Water Solutions ("SWS"); and Greer Pagan 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 June 6, 2022, regular meeting. After review and discussion, Director Jaehne moved to approve the minutes of the June 6, 2022, regular meeting. Director Gaylord seconded the motion, which passed by unanimous vote.

UNLIMITED TAX BONDS, SERIES 2022, INCLUDING APPROVE DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2022 BONDS; AND AUTHORIZE DISBURSEMENT OF BOND PROCEEDS

Mr. McGrath presented a developer reimbursement report in connection with the Series 2022 Bonds, a copy of which is attached. After review and discussion, Director Crocker moved to approve the developer reimbursement report and authorize the disbursement of the bond proceeds in accordance with the report. 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 Gaylord moved to approve the bookkeeper's report, including payment of the bills, as presented. Director Jaehne 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.

Ms. Rodriguez presented an amendment to the tax assessor/collector services and discussed the services provided by her firm.

Following review and discussion, Director Crocker moved to: (1) approve the tax assessor/collector's report and the payment of the bills contained in the tax assessor/collector's report; and (2) approve the amendment to the tax assessor/collector services. Director Gaylord seconded the motion, which passed by unanimous vote.

DISCUSSION OF DEVELOPMENT STATUS FOR 2022 TAX YEAR

Mr. Pagan discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2022 tax year.

Following review and discussion, Director Jaehne moved adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developing district for the 2022 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gaylord 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 four delinquent accounts to the District's collection agency totaling \$578.64.

Mr. Williams informed the Board of the wastewater treatment plant disaster plan and noted the disaster plan is in place. Mr. Williams discussed security issues occurring at the plant and stated security measures have been added to mitigate further security issues.

Mr. Williams updated the Board on the operator's new billing software which may cause minor disruptions to customer billing accounts during the transition. He asked the Board for leniency for possible late payments by the customers during the transition to the new billing software.

Following review and discussion, upon a motion made by Director Nunez and seconded by Director Crocker, the Board voted unanimously to: (1) approve the operator's report; (2) authorize the operator to run the recommended delinquent account over for collections; and (3) approve leniency for possible late payments by the customers during the transition to the new billing software.

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 Nunez 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. Beyer presented and reviewed the SWS's monthly maintenance and mowing report, a copy of which is attached.

Mr. Hajduk stated the bond application will be provided for the August meeting. Mr. Pagan asked Mr. Hajduk to review if Terra Grezza is eligible for reimbursement.

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

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

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

Mr. Hajduk updated the Board on the construction of the wastewater treatment plant expansion project.

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

Mr. Hajduk updated the Board on the status of the erosion at the Sheldon Ridge Detention Outfall.

After review and discussion, Director Jaehne moved to: (1) approve the maintenance and mowing report; and (2) approve the engineer's report. Director Gaylord seconded the motion, which passed by unanimous vote.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Alford updated the Board regarding development in the District. Discussion ensued regarding the expansion of the wastewater treatment plant with regards to the building of section 12 and section 13. The Board requested Mr. Alford to reanalyze the capacity of the plant to include section 13.

LANDSCAPING AND PARK MATTERS

This agenda item was covered in the engineer's report.

DISCUSSION REGARDING AUGUST MEETING DATE

The Board discussed having its next regular meeting on Monday, August 1, 2022, at 11:30 am, at ABHR.

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




Secretary, Board of Directors
Asst. V.P.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Developer Reimbursement Report.....	2
Bookkeeper's report.....	2
Tax assessor/ collector's report	2
Operator's report.....	3
Maintenance and mowing report.....	4
Engineer's report.....	4