

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

September 12, 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 12th day of September, 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 except Director Jaehne thus constituting a quorum.

Also attending either in person were: JC Reno of Storm Water Solutions ("SWS"); Mr. R. Craig Rathmann of Rathmann & Associates, LP ("Rathmann"); Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc.; Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"); Jason Hajduk of IDS Engineering Group ("IDS"); Aaron Alford of Woodmere Development ("Woodmere"); 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 August 1, 2022, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes of the August 1, 2022, regular meeting. Director Nunez seconded the motion, which passed by unanimous vote.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Mr. Rathmann distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District

to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.68 per \$100 of assessed valuation. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Rathmann discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Gaylord moved to: (1) set the public hearing date for October 3, 2022; and (3) authorize the tax assessor/collector to publish notice in the *Houston Chronicle* of the District's meeting on October 3, 2022, to set the proposed 2022 total tax rate of \$1.23 per \$100 of assessed valuation, with \$0.68 allocated for debt service on water, sewer, and drainage bonds, and \$0.55 allocated for operations and maintenance. Director Crocker seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a renewal insurance proposal from HARCO Insurance Services for the District's insurance policies expiring November 1, 2022. After review and discussion, Director Crocker moved to approve the renewal insurance proposal and direct that it be filed appropriately and retained in the District's official records. Director Gaylord 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.

Ms. Butler reported that fraudulent activity with the District's account was reported. She stated that McLennan has credited the District for the affected checks.

After review and discussion, Director Gaylord moved to approve the bookkeeper's report, including payment of the bills, as presented. Director Moffatt 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 Gaylord seconded the motion, which passed by unanimous vote.

Mr. Rathman requested the Board consider adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of September 1, 2022, from the Harris County Appraisal District. Following review and discussion, Director Gaylord moved to adopt the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from the Harris County Appraisal District and

direct that the Resolution be filed appropriately and retained in the District's official records. Director Crocker 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 requested adding an agenda item related to a fuel surcharge request on next month's agenda.

Following review and discussion, upon a motion made by Director Gaylord and seconded by Director Moffatt, the Board voted unanimously to: (1) approve 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 Gaylord 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 Moffatt 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, and reviewed and recommended approval of Pay Estimate No. 3 and Final in the amount of \$6,079.51, payable to Crostex Construction, Inc. He also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Mr. Hajduk gave an update on the Sheldon Road Municipal Utility District ("SRMUD") wastewater plant and water plant capacity project. He reviewed the accepted bid for the installation of the 20,000-gallon hydrotank. Mr. Hajduk

recommended a payment in the amount of \$25,000.00 payable to SRMUD for the District's cost share of the hydrotank.

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 and reviewed and recommended approval of Pay Estimate No. 12 in the amount of \$42,165.00, payable to T&C Construction, Ltd.

Mr. Hajduk reviewed a summary of cost for Bond application No. 12.

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 and reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$19,350.00, payable to Double Oak Construction, Inc.

Mr. Hajduk updated the Board on the status of the Bond Issue No. 12.

Mr. Reno presented and reviewed Stormwater Solution's ("SWS") monthly inspection report, a copy of which is attached. He requested the Board allow him a proposal for the installation of reflective material around manholes and a proposal for the installation of "No Motorized Vehicles" signage at the detention facilities.

After review and discussion, Director Gaylord moved to: (1) approve the engineer's report; (2) approve Pay Estimate No. 3 and Final in the amount of \$6,079.51, payable to Crostex Construction, Inc. and accept the facilities; (3) approve payment of \$25,000.00 payable to SRMUD for the District's cost share of the hydrotank; (4) approve Pay Estimate No. 12 in the amount of \$42,165.00, payable to T&C Construction, Ltd.; (5) approve Pay Estimate No. 4 in the amount of \$19,350.00, payable to Double Oak Construction, Inc.; and (6) approve the mowing and maintenance report. Director Crocker seconded the motion, which passed by unanimous vote.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no update on this item.

DISCUSSION ON INTERLOCAL AGREEMENT FOR SECURITY SERVICES

Mr. Pagan

LANDSCAPING AND PARK MATTERS

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

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



Ellen Crocker
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
Debt service tax rate analysis	2
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Operator's report.....	3
Engineer's report.....	3
Mowing and maintenance report	4