

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 5, 2023

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 5th day of June, 2023, 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 the meeting were: Barbara Nussa of Republic Services; Craig Rathman of Rathmann and Associates L.P.; Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Ryan Vaughan and Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"); Jason Hajduk of IDS Engineering Group; JC Reno of Storm Water Solutions; Aaron Alford of Woodmere Development Company Ltd.; and Greer Pagan and Kerri Houck 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 1, 2023, regular meeting. After review and discussion, Director Jaehne moved to approve the minutes of the May 1, 2023, regular meeting. 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. Following review and discussion, Director Gaylord moved to approve the bookkeeper's report, including

payment of the bills, as presented. Director Nunez seconded the motion, which passed unanimously.

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 Jaehne seconded the motion, which passed unanimously.

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, 2023. After discussion, Director Crocker moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2022 taxes, as of July 1, 2023. Director Jaehne seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

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

Mr. Vaughan presented and recommended turning three delinquent accounts totaling \$614.97 to the District's collection agency.

Mr. Vaughan updated the Board on MOC's payment processing and recommended termination of Service Agreement with T-Tech, Inc., and termination of Card Services Agreement and related Addendum with Global Payments Director, Inc., HSBC Bank USA N.A., Century Bankcard Services, Inc., and AVR, Inc. He then reviewed and recommended approval of electronic payment processing agreements with Paymentech, LLC, and Addendum to Professional Services Agreement with Operator.

Mr. Vaughan reviewed the District's CCR. He then presented a copy of the 2023 CCR Provider Certification of Delivery, which is filed in the District's official records. Mr. Vaughan stated the CCR will be sent to residents and filed with the appropriate parties.

Ms. Nussa discussed with the Board garbage matters at the water plant. She stated that the current Customer Service Agreement with Republic Services requires updating to include pickup of the garbage container at the water plant. Ms. Nussa noted that the new additional charge will be \$199.81 per month.

Following review and discussion, Director Jaehne moved to (1) approve the operator's report; (2) authorize the operator to turn over the three recommended delinquent accounts over for collections; (3) authorize termination of Service Agreement with T-Tech, Inc., and termination of Card Services Agreement and related Addendum with Global Payments Director, Inc., HSBC Bank USA N.A., Century Bankcard Services, Inc., and AVR, Inc.; (4) approve the electronic payment processing agreements with Paymentech, LLC; (5) approve the Addendum to Professional Services Agreement with Operator; (6) approve the District's CCR and direct that it be filed appropriately and retained in the District's official records; and (7) approve the new Customer Service Agreement with Republic Services to include pickup at the water plant for a cost of \$199.81 per month. Director Crocker seconded the motion, which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Vaughan reviewed the termination list reflecting delinquent water and sewer accounts, a copy of which is attached to the operator's report. Mr. Vaughan 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. Director Crocker seconded the motion, which unanimously.

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

Mr. Hajduk updated the Board regarding the construction of Edgewood Village, Section 9 water, sewer, and drainage.

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.

After review and discussion, Director Crocker moved to approve the engineer's report. Director Nunez seconded the motion, which passed unanimously.

UPDATE ON THE UNLIMITED TAX BONDS, SERIES 2023

Mr. Rathmann stated that bond application Series 2023 Unlimited Tax Bonds has been reviewed and approved by the Texas Commission on Environmental Quality (the "TCEQ"), and he discussed the expected timeline of the upcoming bond sale. He then distributed and reviewed the Preliminary Official Statement and Official Notice of Sale for the \$6,570,000 Unlimited Tax Bonds, Series 2023 Unlimited Tax Bonds (the "Bonds"). Mr. Rathmann then discussed engaging a rating agency to perform a credit rating analysis for the Series 2023 Bonds.

Mr. Pagan said the District's current paying agent/registrar, The Bank of New York Mellon Trust Company, N.A. ("Bony"), should serve as paying agent/registrar for the Bonds.

The Board considered authorizing the District's financial advisor to advertise the sale of the Bonds and concurred to hold the bond sale on July 10, 2023.

The Board considered authorizing McGrath & Co., PLLC ("McGrath") to prepare the developer reimbursement report for amounts to be reimbursed to the developers from the proceeds of the Bonds.

Following review and discussion, Director Crocker moved to (1) approve the Preliminary Official Statement and Notice of Sale, subject to final review; (2) appoint Bony as the paying agent/registrar for the Bonds; (3) authorize the District's financial advisor to advertise the sale of the Bonds; (4) apply for a rating of the Bonds; and (5) authorize McGrath to prepare the developer reimbursement report. Director Jaehne seconded the motion, which passed unanimously.

REPORT ON DETENTION MAINTENANCE

Mr. Reno presented and reviewed Stormwater Solution's monthly inspection report, a copy of which is attached.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

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

CONSIDER AGREEMENT WITH HARRIS COUNTY FOR SECURITY SERVICE AND APPROVE APPROPRIATE ACTION

Mr. Alford updated the Board on security matters in the District and the Board concurred to discuss this further at the next meeting.

LANDSCAPING AND PARK MATTERS

There was no discussion on this agenda item.

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




Secretary, Board of Directors

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