

MINUTES  
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

September 11, 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 11<sup>th</sup> day of September, 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 except Directors Moffatt and Jaehne, thus constituting a quorum.

Also attending the meeting were Craig Rathmann of Rathmann and Associates L.P.; Renee Butler of McLennan & Associates, L.P.; Barbara McLaughlin of Bob Leared Interests, Inc. ("BLI"); Mike Williams and Ryan Vaughan of Municipal Operations & Consulting, Inc. ("MOC"); Jason Hajduk of IDS Engineering Group; 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 August 7, 2023, regular meeting. After review and discussion, Director Crocker moved to approve the minutes of the August 7, 2023, regular meeting. Director Gaylord seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2023

There was no discussion on this item.

## 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.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a renewal insurance proposal from Brown & Brown Insurance Services for the District's insurance policies expiring November 1, 2023. After review and discussion, Director Gaylord moved to approve the renewal insurance proposal and direct that it be filed appropriately and retained in the District's official records. Director Crocker seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. McLaughlin 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 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 two delinquent accounts totaling \$191.75 to the District's collection agency.

Following review and discussion, Director Gaylord moved to (1) approve the operator's report; and (2) authorize the operator to turn over the two recommended delinquent accounts over for collections. Director Nunez 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 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. Director Nunez seconded the motion, which passed 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 wastewater plant and water plant capacity project.

Mr. Hajduk reviewed and recommended approval of Change Order No. 1 to the contract with Fellers and Clark, LP ("Fellers and Clark") for the water, sewer, and drainage facilities to serve Edgewood Village, Section 9 and noted that this is a \$0.00 change to the contract to remove and replace a sanitary sewer manhole. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Gaylord moved to (1) approve the engineer's report; and (2) approve Change Order No. 1 as a \$0.00 change to the contract with Fellers and Clark, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Crocker seconded the motion, which passed unanimously.

### BOND APPLICATION NO. 13

Mr. Hajduk updated the Board on Bond Application No. 13.

### DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Mr. Rathmann distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 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 2, 2023; and (2) authorize the tax assessor/collector to publish notice in the *Houston Chronicle* of the District's meeting on October 2, 2023, to set the proposed 2023 total tax rate of \$1.14 per \$100 of assessed valuation, with \$0.68 allocated

for debt service on water, sewer, and drainage bonds, and \$0.46 allocated for operations and maintenance. Director Crocker seconded the motion, which passed unanimously.

REPORT ON DETENTION MAINTENANCE

The Board 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 service in the District. The Board considered entering into an Interlocal Agreement with Harris County to provide one Sheriff for patrolling in the District. Following review and discussion, Director Gaylord moved to approve the Interlocal Agreement with Harris County for patrolling in the District. Director Crocker seconded the motion, which passed unanimously.

LANDSCAPING AND PARK MATTERS

There was no discussion on this agenda item.

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



*Ellin Crocker*  
\_\_\_\_\_  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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