

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

November 6, 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 6th day of November, 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 Director Jaehne and Nunez, thus constituting a quorum.

Also attending the meeting were Deputy Leslie Tovar and Sergeant Walter Stensland of the Harris County Sheriff's Office ("HCSO"); Barbara Nussa of Republic Services, Inc. ("Republic Services"); Craig Rathmann of Rathmann & Associates, L.P.; Greg McGrath of McGrath & Co. PLLC ("McGrath"); JC Reno of Storm Water Solutions; Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); 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 Sydney Durham 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.

SECURITY MATTERS

Deputy Tovar and Sergeant Stensland introduced themselves to the Board and updated the Board on security matters in the District. Discussion ensued regarding the schedule of coverage in the District and the frequency at which HCSO will attend meetings. The Board concurred to defer discussion of changes to the schedule of patrol in the District.

MINUTES

The Board considered approving the minutes of the October 2, 2023, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes of the October 2, 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 Crocker seconded the motion, which passed unanimously.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Mr. Pagan stated the District's audit, which contains updated financial and operating data, needs to be filed in accordance with the continuing disclosure provisions contained in the district's bond resolutions. He stated that the District also is required to file certain financial and operating data with the Electronic Municipal Market Access System ("EMMA"). Following review and discussion, Director Crocker moved to authorize filing of the District's audit to comply with the continuing disclosure provisions contained in the bond resolutions, through EMMA. Director Gaylord seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES OF CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Mr. Pagan stated that no changes are required at this time.

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 Gaylord moved to approve the tax assessor/collector's report and the payment of the bills contained in the tax assessor/collector's report. Director Moffatt 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 over two delinquent accounts to the collection agency totaling \$132.47 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 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 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 Crocker 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 updated the Board regarding construction of the Edgewood Village Section 9 Water, Sewer, and Drainage and reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$95,705.19, payable to Fellers and Clark and Change Order No. 2 to the contract with Fellers & Clark for construction of the Edgewood Village Section 9 Water, Sewer, and Drainage to alter work items. He noted that Change Order No. 2 is a \$0.00 net change. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, Director Gaylord moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 2 in the amount of \$95,705.19; and (3) to approve Change Order No. 2 to alter work items of 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.

SURPLUS FUNDS

There was no discussion on this agenda item.

ISSUANCE OF BOND ANTICIPATION NOTE ("BAN")

Mr. Rathmann reported the District received two bids for the District's BAN. He recommended awarding the BAN to Trustmark National Bank with a net effective interest rate of 5.260%.

The Board considered adopting a Resolution Authorizing the Issuance and Execution of the District's BAN. Mr. Pagan reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the BAN, the payment of the BAN from a future bond issue by the District, and certain District covenants regarding the tax-exempt status of the BAN.

Mr. Pagan next explained that there will be various documents related to the issuance of the BAN requiring execution by the Board prior to closing.

The Board considered accepting and authorizing execution of the Purchasers Investment and Bid Letter from Trustmark National Bank for the purchase of the District's BAN, and related certificates and documents.

Mr. Pagan presented and reviewed the Certificate Regarding Provision of Financial Advice (the "Certificate") with the Board.

Mr. McGrath presented and reviewed the Developer Reimbursement Report ("DRR") for the BAN.

After review and discussion, Director Gaylord moved to (1) award the BAN to Trustmark National Bank; (2) adopt the Resolution Authorizing the Issuance and Execution of the District's BAN; (3) authorize the Board to sign all the documents relating to the BAN and authorize the District's attorney and financial advisor to take all necessary action to deliver the BAN to the purchaser; (4) accept and authorize execution of the Purchasers Investment and Bid Letter and various certificates and documents related to the issuance of the BAN; (5) authorize execution of the Certificate; and (6) approve the DRR, and authorize reimbursement to the developers from the proceeds of the BAN, pending receipt of an executed reimbursement receipt. Director Crocker seconded the motion, which passed unanimously.

REPORT ON DETENTION MAINTENANCE

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

GARBAGE AND RECYCLING MATTERS

Ms. Nussa reviewed a letter from Republic Services providing notice of the annual Consumer Price Index ("CPI") adjustment to the District's rate for garbage collection services, a copy of which is attached. She noted the letter reflects a CPI adjustment of

5.34% resulting in an increase in the monthly fee for garbage collection services from \$16.05 to \$16.90 per residence, effective for the billing cycle beginning in December 2023 and continuing through November 2024. Ms. Nussa requested the Board's authorization to allow residents to independently request and pay for a second cart. The Board concurred that Republic Services may offer residents the opportunity to obtain an additional cart at a monthly cost to be paid by the resident.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

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

LANDSCAPING AND PARK MATTERS

There was no discussion on this agenda item.

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



Allen Locke

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
Mowing and maintenance report	4
Notice of the annual CPI adjustment	4