

MINUTES  
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

February 5, 2024

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 February, 2024, 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 Moffatt, thus constituting a quorum.

Also attending the meeting were Susan Burns, a member of the public; Barbara Nussa of Republic Services, Inc. ("Republic Services"); JC Reno of Storm Water Solutions; Renee Butler of McLennan & Associates, L.P.; Robin Goin 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 January 8, 2024, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes of the January 8, 2024, regular meeting. Director Jaehne seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Goin 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 Crocker seconded the motion, which passed unanimously.

#### ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed the Resolution Concerning Exemptions from Taxation with the Board. After review and discussion, Director Gaylord moved to adopt the Resolution Concerning Exemptions from Taxation rejecting all exemptions. 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.

#### CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy and concurred no changes were necessary at this time. The Board then reviewed a Resolution Regarding Annual Review of Investment Policy for the Board's consideration. After review and discussion, Director Crocker moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct that it be filed appropriately and retained in the District's official records. Director Gaylord seconded the motion, which passed unanimously.

#### REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board reviewed a list of authorized Broker/Dealers provided by the District's bookkeeper. The Board then reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engagement in Investment Transactions. After review and discussion, Director Crocker moved to adopt Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engagement in Investment Transactions and direct that it be filed appropriately and retained in the District's official records. 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. Following review and discussion, Director Gaylord moved to approve the operator's report. Director Jaehne 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 Jaehne seconded the motion, which passed unanimously.

## APPROVE AMENDMENT TO UTILITY AGREEMENT WITH SHELDON ROAD MUNICIPAL UTILITY DISTRICT ("SRMUD")

Mr. Pagan reviewed an Amendment to the Utility Agreement with Sheldon Road Municipal Utility District (the "Amendment"). Following review and discussion, Director Gaylord moved to approve the Amendment, subject to finalization. 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 on Sheldon Ridge, Section 12 and recommended approval of Pay Estimate No. 2 in the amount of \$540,140.08 payable to Principal Services, Ltd.

Mr. Hajduk reviewed and recommended approval of Change Order No. 1 to the contract with Elite Construction and Engineer Services, LLC ("Elite Construction") for the civil site work to serve Sheldon Ridge Park to increase the contract in in the amount of \$2,108.64. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Hajduk stated that bids were received for the clearing and grubbing to serve Sheldon Ridge, Section 14, future sections, and the Phase IV detention facilities. Mr. Hajduk recommended that the Board award the contract to ATZ Environmental

Solutions, LLC ("ATZ") in the amount of \$226,115.00. The Board concurred that, in its judgment, ATZ was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Hajduk then reviewed and recommended approval of Change Order No. 1 to the contract with ATZ for the clearing and grubbing to serve Sheldon Ridge, Section 14, future sections, and the Phase IV detention facilities. He noted that the Change Order is a \$0.00 change to the contract. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Hajduk updated the Board on the water, sewer, and drainage facilities to serve Edgewood, Section 9 and recommended approval of Pay Estimate No. 3 and Final in the amount of \$16,951.33 payable to Fellers and Clark. Mr. Hajduk also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

After review and discussion, Director Gaylord moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 2 in the amount of \$540,140.08 for Sheldon Ridge, Section 12; (3) approve Change Order No. 1 in the amount of \$2,108.64 as an increase to the contract with Elite Construction for the civil site work to serve Sheldon Ridge Park, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (4) award the contract for the clearing and grubbing to serve Sheldon Ridge, Section 14, future sections, and the Phase IV detention facilities to ATZ in the amount of \$226,115.00, based upon the engineer's recommendation and receipt of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; (5) approve Change Order No. 1 as a \$0.00 change to the contract with ATZ for the clearing and grubbing to serve Sheldon Ridge, Section 14, future sections, and the Phase IV detention facilities, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (6) approve Pay Estimate No. 3 and Final in the amount of \$16,951.33 for the water, sewer, and drainage facilities to serve Edgewood, Section 9 and to accept the facilities. Director Nunez seconded the motion, which passed unanimously.

#### SURPLUS FUNDS

Mr. Hajduk updated the Board on potential surplus funds.

#### REPORT ON DETENTION MAINTENANCE

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

Mr. Reno reviewed a proposal to repair a swale in the District for a cost of \$23,090.00, a copy of which is attached.

Following review and discussion, Director Gaylord moved to (1) approve the monthly inspection report; and (2) approve the proposal to repair the swale for a cost of \$23,090.00. Director Jaehne seconded the motion, which passed unanimously.

#### GARBAGE AND RECYCLING MATTERS

There was no discussion on this item.

#### REPORT REGARDING DEVELOPMENT IN THE DISTRICT

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

#### SECURITY MATTERS

Mr. Alford updated the Board on security matters in the District.

#### LANDSCAPING AND PARK MATTERS

There was no discussion on this agenda item.

#### 2024 DIRECTORS ELECTION

Mr. Pagan explained that the Harris County Clerk notified the District that Harris County will not contract with political subdivisions, such as the District, to administer the District's May 2024 Directors election. He stated that, as a result, the District will not contract with Harris County, as previously authorized, but instead the District will administer its own election.

Mr. Pagan discussed exemptions from using electronic voting systems during the 2024 Directors Election. He stated that the basis of the District's exemption is cancellation of the 2022 Directors Election. Following discussion, Director Gaylord moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Crocker seconded the motion, which passed unanimously.

The Board discussed pay for election officials during the 2024 Directors Election. Following discussion, Director Gaylord moved to set the pay for election officials at \$20.00 per hour. Director Crocker seconded the motion, which passed unanimously.

Mr. Pagan discussed procedures related to the 2024 Directors Election. He reviewed an Order Calling Directors Election. Following review and discussion, Director Gaylord moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Crocker seconded the motion, which passed unanimously.

Mr. Pagan discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following discussion, Director Gaylord moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required, and to direct that the Notice be filed appropriately and retained in the District's official records. Director Crocker seconded the motion, which passed unanimously.

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



Ellen Crocker  
Secretary, Board of Directors

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