

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

May 6, 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 6th day of May, 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 Nunez, thus constituting a quorum.

Also attending the meeting were Aaron Alford of Woodmere Development Company Ltd.; Barbara Nussa of Republic Services; JC Reno of Storm Water Solutions; Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Mike Williams and Ryan Vaughan of Municipal Operations & Consulting, Inc. ("MOC"); Jason Hajduk of IDS Engineering Group; 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 April 1, 2024, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes of the April 1, 2024, regular meeting. Director Jaehne seconded the motion, which passed unanimously.

APPROVE LETTER REQUESTING COPY OF FISCAL YEAR END AUDIT FOR SHELDON ROAD MUNICIPAL UTILITY DISTRICT ("SHELDON MUD")

Mr. Pagan stated per the District's agreement with Sheldon MUD, Sheldon MUD is required to send the District its audit each year. He then presented a letter requesting Sheldon MUD's audit for Board consideration. After review and discussion, Director

Gaylord moved to approve the letter and direct that it be filed appropriately and retained in the District's official records. Director Jaehne seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MAY 31, 2023

The Board reviewed an evergreen engagement letter with McGrath and Co. PLLC ("McGrath") for conducting the District's fiscal year end May 31, 2024 audit. Mr. Pagan noted that the estimated fee for preparing the District's audit for the fiscal year ending May 31, 2024, will be approximately \$17,500. After review and discussion, Director Gaylord moved to authorize McGrath to conduct the District's audit for the fiscal year ending May 31, 2024. 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. She noted additional check no. 1621 in the amount of \$258.36 payable to Republic Services.

Ms. Butler then presented and reviewed a draft of the District's budget for the fiscal year ending May 31, 2025.

Following review and discussion, Director Gaylord moved to (1) approve the bookkeeper's report, including payment of the bills, as presented; and (2) approve the budget for the fiscal year ending May 31, 2025. Director Crocker seconded the motion, which passed unanimously.

RESOLUTION REGARDING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board considered approval of a Resolution Requesting Appraisal of Property and Certificate of Assessed Value from Harris Central Appraisal District as of May 1, 2024. The Board discussed authorizing BLI to request a Certificated of Assessed Value as of January 1 from Harris Central Appraisal District. Following review and discussion, Director Jaehne moved to (1) approve the Resolution Requesting Appraisal of Property and Certificate of Assessed Value from Harris Central Appraisal District as of May 1, 2024; and (2) authorize BLI to request a Certificate of Assessed Value as of January 1, 2024, from Harris Central Appraisal District. Director Crocker 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 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. He presented and recommended turning over one delinquent to the District's collection agency account in the total amount of \$340.52.

Mr. Vaughan then reviewed the Consumer Confidence Report ("CCR"), a copy of which is attached, regarding the quality of the District's water and stated that it will be filed with the Texas Commission on Environmental Quality ("TCEQ") and distributed to District residents by July 1, 2024.

Following review and discussion, Director Crocker moved to (1) approve the operator's report; and (2) approve the CCR and authorize it to be distributed to the District's residents. Director Gaylord 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 Crocker 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 Gaylord 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 the monthly wastewater capacity from Sheldon Municipal Utility District ("Sheldon MUD"). He stated that Sheldon MUD will be renting three flow meters, one of which will be located in the District. Mr. Hajduk stated that Sheldon MUD is requesting that the District finance the meter that is located within the District for a cost of \$12,300.00 for a 12-month lease.

Mr. Hajduk updated the Board on Sheldon Ridge, Section 12 and recommended approval of Pay Estimate No. 3 in the amount of \$117,191.05 payable to Principal Services, Ltd. ("Principal Services").

Mr. Hajduk updated the Board on the civil site work to serve Sheldon Ridge Park and recommended approval of Pay Estimate No. 2 in the amount of \$139,622.81 payable to Elite Construction and Engineer Services, LLC ("Elite Construction").

Mr. Hajduk updated the Board on the architect work to serve Sheldon Ridge Park and recommended approval of Pay Estimate No. 1 in the amount of \$180,755.51 and Pay Estimate No. 2 in the amount of \$134,888.65 payable to WCI Services, Inc. ("WCI Services"). Mr. Hajduk then recommended approval of Change Order No. 1 to the contract with WCI Services to increase the contract in the amount of \$79,942.08. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Hajduk stated that bids were received for the water, sewer, and drainage facilities to serve Edgewood Village, Section 10. Mr. Hajduk recommended that the Board award the contract to Fellers and Clark, LP ("Fellers and Clark") in the amount of \$521,000.00. The Board concurred that, in its judgment, Fellers and Clark 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 updated the Board on the surplus funds application and stated that has been declared administratively complete.

After review and discussion, Director Jaehne moved to (1) approve the engineer's report; (2) approve the 12-month lease for a meter in the District for a cost of \$12,300.00; (3) approve Pay Estimate No. 3 in the amount of \$117,191.05 for Sheldon Ridge, Section 12; (4) approve Pay Estimate No. 2 in the amount of \$139,622.81 for the civil site work to serve Sheldon Ridge Park; (5) approve Pay Estimate No. 1 in the amount of \$180,755.51 and Pay Estimate No. 2 in the amount of \$134,888.65 for the architect work to serve Sheldon Ridge Park; (6) approve Change Order No. 1 as an increase to the contract with WCI services in the amount of \$79,942.08 for the architect work to serve Sheldon Ridge Park based upon the engineer's recommendation and the Board's finding that the Change Order is beneficial to the District; and (7) award the contract for the water, sewer, and drainage facilities to serve Edgewood Village, Section 10 to Fellers and Clark in the amount of \$521,000.00, 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. 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 updated the Board on garbage and recycling matters in the District.

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 item.

2024 DIRECTORS ELECTION

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Ted Gaylord and Tonya Nunez to the Board of Directors of the District each for a four-year term. After review and discussion, Director Crocker moved to approve the Certificate of Election and the distribution of same to Directors Gaylord and Nunez and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Jaehne seconded the motion, which passed unanimously.

DIRECTORS' SWORN STATEMENTS AND OATHS OF OFFICE

Mr. Pagan reviewed the Sworn Statements and Oaths of Office for Directors Gaylord and Nunez. After review and discussion, Director Crocker moved that the Board approve the Sworn Statements and Oaths of Office and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Jaehne seconded the motion, which passed unanimously.

REORGANIZE THE BOARD

The Board concurred to retain their current positions.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly elected directors and the organization of the Board. Following review and discussion, Director Crocker moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Jaehne seconded the motion, which passed unanimously.

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



Ben Crocker
Secretary, Board of Directors

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