

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 3, 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 3rd day of June, 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 Craig Rathmann and Loren Morales of Rathmann and Associates L.P.; 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 ("IDS"); 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 6, 2024, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes of the May 6, 2024, regular meeting. Director Jaehne 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. 1636 in the amount of \$10,133.16 for tax reimbursements. Mr. Williams then updated the

Board on the invoice from Sheldon Road Municipal Utility District (“SRMUD”), stating that they have adjusted the current invoice to the correct amount. Ms. Butler noted check no. 1635 will be in an amount not to exceed \$42,000.00 payable to SRMUD for the corrected invoice amount. Following review and discussion, Director Gaylord moved to approve the bookkeeper’s report, including payment of the bills, as discussed. 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 Jaehne 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.

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, 2024. After discussion, Director Jaehne moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2023 taxes, as of July 1, 2024. Director Crocker 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 three delinquent accounts to the District’s collection agency in the total amount of \$873.66. Following review and discussion, Director Gaylord moved to approve the operator’s report. Director Crocker 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 on the monthly wastewater capacity from Sheldon Municipal Utility District ("Sheldon MUD").

Mr. Hajduk updated the Board on the civil site work to serve Sheldon Ridge Park and recommended approval of Pay Estimate No. 3 and Final in the amount of \$21,534.43 payable to Elite Construction and Engineer Services, LLC ("Elite Construction"). Mr. Hajduk also presented a Certificate of Completion and Acceptance and recommended the Board accept the project.

Mr. Hajduk updated the Board on the architect work to serve Sheldon Ridge Park and recommended approval of Pay Estimate No. 3 in the amount of \$317,072.85 payable to WCI Services, Inc. ("WCI Services"). Mr. Hajduk then recommended approval of Change Order No. 2 to the contract with WCI Services as a \$0.00 change for additional days to complete the project. The Board determined that Change Order No. 2 is beneficial to the District.

Mr. Hajduk updated the Board on the clearing and grubbing to serve Sheldon Ridge, Section 14, future sections, and the Phase IV detention facilities and recommended approval of Pay Estimate No. 2 and Final in the amount of \$77,527.50. Mr. Hajduk also presented a Certificate of Completion and Acceptance and recommended the Board accept the project.

Mr. Hajduk updated the Board on the Edgewood wastewater treatment plant discharge permit and stated that IDS is preparing the renewal package. He noted that the cost for the renewal package is approximately \$32,000.00.

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 Pay Estimate No. 3 and Final in the amount of \$21,534.43 for the civil site work to serve Sheldon Ridge Park, and to accept the project; (3) approve Pay Estimate No. 3 in the amount of \$317,072.85 for the architect work to serve Sheldon Ridge Park; (4) approve Change Order No. 2 as a \$0.00 change to the contract with WCI services 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 (5) approve Pay Estimate No. 2 and Final in the amount of \$77,527.50 for the clearing and grubbing

to serve Sheldon Ridge, Section 14, future sections, and the Phase IV detention facilities, and to accept the facilities. Director Crocker seconded the motion, which passed unanimously.

BOND APPLICATION NO. 14

Mr. Hajduk discussed bond application no. 14 and requested authorization to begin preparation. Following review and discussion, Director Jaehne moved to authorize the engineer to begin preparing bond application no. 14. Director Crocker seconded the motion.

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

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

UNLIMITED TAX BONDS, SERIES 2024

Mr. Rathmann stated that bond application Series 2024 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 \$6,530,000 Unlimited Tax Bonds, Series 2024 Unlimited Tax Bonds (the "Bonds"). Mr. Rathmann then discussed engaging a rating agency to perform a credit rating analysis for the Series 2024 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 1, 2024.

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

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



Ellen Cicola
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Tax assessor/collector's report	2
Operator's report.....	2
Engineer's report.....	3
Mowing and maintenance report	4