

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

September 9, 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 9th day of September, 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 in person or by teleconference were Jenny Rankin, Darius Provost-Evans, and Danielle Hurt, residents of the District; Aaron Alford of Woodmere Development Company Ltd.; Craig Rathmann of Rathmann and Associates L.P.; Marie Newsome of Storm Water Solutions; Renee Butler of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); John Taylor 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.

Ms. Rankin discussed her concerns regarding security patrolling in Edgewood Village.

Mr. Provost-Evans then discussed his concerns regarding security patrolling in Sheldon Ridge.

There being no further 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 5, 2024, regular meeting. After review and discussion, Director Gaylord moved to approve the minutes

of the August 5, 2024, regular meeting. Director Crocker seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2024

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. Ms. Butler noted additional check no. 1691 in the amount of \$26.98 payable to Bee-Line Delivery. Following review and discussion, Director Crocker moved to approve the bookkeeper's report, including payment of the bills, as discussed. Director Jaehne 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, 2024. 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. 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 Jaehne 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 architect work to serve Sheldon Ridge Park and recommended approval of Pay Estimate No. 4 in the amount of \$310,023.54 payable to WCI Services, Inc. ("WCI Services").

Mr. Hajduk updated the Board on the wastewater treatment plant generator replacement and requested approval to begin design. He stated the estimated cost for the generator replacement is \$375,000.00 and that the engineering fees are approximately \$61,000.00.

Mr. Hajduk then updated the Board on a potential water interconnect agreement with Harris County Municipal Utility District No. 285 and requested approval to obtain the Texas Commission on Environmental Quality's ("TCEQ") approval of the interconnect.

Mr. Hajduk reviewed and recommended approval of a Fifth Amendment to the Utility Agreement with Sheldon Ridge.

After review and discussion, Director Gaylord moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 in the amount of \$310,023.54 for the architect work to serve Sheldon Ridge Park; (3) authorize the engineer to begin design on the wastewater treatment plant generator replacement, as discussed; (4) authorize the engineer to obtain approval from the TCEQ for a new interconnect; and (5) approve the Fifth Amendment to the Utility Agreement with Sheldon Ridge as recommended. Director Jaehne seconded the motion, which passed unanimously.

BOND APPLICATION NO. 14

Mr. Hajduk updated the Board on bond application no. 14 and reviewed a summary of costs, a copy of which is attached to the engineer's report.

SURPLUS FUNDS

Mr. Hajduk updated the Board on potential surplus funds.

OPERATION OF DISTRICT FACILITIES

Mr. Taylor presented and reviewed the operator's report, a copy of which is attached. He presented and recommended turning over one delinquent account to the District's collection agency in the total amount of \$180.24. Following review and discussion, Director Jaehne moved to approve the operator's report; Director Crocker the motion, which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Taylor reviewed the termination list reflecting delinquent water and sewer accounts, a copy of which is attached to the operator's report. Mr. Taylor 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 Jaehne 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.

DISCUSS EMERGENCY MESSAGING SYSTEM, AND AUTHORIZE APPROPRIATE ACTION, IN NECESSARY

The Board discussed emergency messaging in the District.

REPORT ON DETENTION MAINTENANCE

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

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.

LANDSCAPING AND PARK MATTERS

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

SECURITY MATTERS

Mr. Alford updated the Board on Security matters in the District and stated that a second deputy has been added to the interlocal agreement with Harris County. Discussion ensued regarding concerns of the deputies that patrol Edgewood Village and Sheldon Ridge. Ms. Rankin and Ms. Hurts discussed additional security concerns with the Board. Mr. Alford requested authorization to meet with Sergeant Stensland to discuss the needs of the District. Following discussion, the Board concurred to authorize Mr. Alford to meet with Sergeant Stensland and/or the officers who patrol the District.

Mr. Alford noted that the homeowners association is obtaining proposals for Flock Cameras in the District.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Rathmann distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 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. Pagan 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 7, 2024; and (2) authorize the tax assessor/collector to publish notice in the *Houston Chronicle* of the District's meeting on October 7, 2024, to set the proposed 2024 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.

ACCLAIM ENERGY MANAGEMENT AGREEMENT AND AUTHORIZE APPROPRIATE ACTION

There was no discussion on this item.

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



Ellen Crocker
Secretary, Board of Directors

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