

MINUTES
NORTHEAST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

February 2, 2026

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 2nd day of February, 2026, by teleconference and 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, thus constituting a quorum.

Also attending the meeting in person or by teleconference were Rick Moffatt, a member of the public; Loren Morales of Rathmann and Associates; Barbara Nussa of Republic Services; Marie Newsome of Storm Water Solutions; Renee Butler and Mara Baeza of McLennan & Associates, L.P.; Patty Rodriguez of Bob Leared Interests, Inc.; Mike Williams of Municipal Operations & Consulting, Inc.; Jason Hajduk of IDS Engineering Group; and Elizabeth Cone and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There were no public comments.

MINUTES

The Board considered approving the minutes of the January 5, 2026, regular meeting. After review and discussion, Director Crocker moved to approve the minutes, as submitted. Director Gaylord seconded the motion, which passed unanimously.

2026 DIRECTORS ELECTION

Ms. Cone discussed procedures related to the 2026 Directors Election. She 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.

Ms. Cone 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.

Ms. Cone discussed exemptions from using electronic voting systems during the 2026 Directors Election. She stated that the basis of the District's exemption is cancellation of the 2024 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 2026 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.

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 Crocker moved to approve the bookkeeper's report, including payment of the bills. Director Gaylord seconded the motion, which passed unanimously.

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.

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 Engage 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 Engage 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.

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.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed the Resolution Concerning Exemptions from Taxation with the Board. After review and discussion, Director Nunez moved to adopt the Resolution Concerning Exemptions from Taxation, rejecting all exemptions. Director Jaehne seconded the motion, which passed unanimously.

DISCUSSION OF DEVELOPMENT STATUS FOR 2026 TAX YEAR

Ms. Cone discussed the “truth-in-taxation” property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district’s development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District’s category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District’s development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2026 tax year.

Following review and discussion, Director Gaylord moved to adopt a Resolution Regarding Development Status for 2026 Tax Year establishing the District as a Developing District for the 2026 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District’s official records. Director Crocker seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Williams presented and reviewed the operator’s report, a copy of which is attached. Following review and discussion, Director Crocker moved to approve the operator’s report. Director Gaylord seconded the motion, which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Williams reviewed the termination list reflecting delinquent water and sewer accounts, a copy of which is filed in the District’s records. Mr. Williams 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 why utility services should not be terminated for 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 regarding the Sheldon Road Municipal Utility District ("Sheldon Road MUD") Wastewater Treatment Plant, and reviewed and recommended approval of Pay Estimate No. 7 to HDR Engineering, Inc. in the amount of \$250,132.50.

Mr. Hajduk provided an update regarding the Sheldon Ridge Lift Station water, sewer, and drainage facilities and reviewed and recommended approval of Pay Estimate No. 2 to Fellers and Clark, LP in the amount of \$73,005.65.

Mr. Hajduk provided an update of the potential annexation of the 63-acre tract. He stated that the owner representative is submitting the feasibility payment and, upon receipt, he will prepare a feasibility study.

Mr. Hajduk updated the Board on the use of surplus bond funds.

After review and discussion, and based on the engineer's recommendation, Director Jaehne moved to (1) approve the engineer's report; and (2) approve the recommended pay estimates. Director Crocker seconded the motion, which passed unanimously.

SURPLUS FUNDS

No action was taken on this item.

ANNEXATION OF LAND INTO THE DISTRICT

There was no further discussion regarding this matter.

REPORT ON DETENTION MAINTENANCE

Ms. Newsome reviewed the 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.

SECURITY MATTERS

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

LANDSCAPING AND PARK MATTERS

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

ATTORNEY'S REPORT INCLUDING REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2015 BONDS

The Board reviewed the Arbitrage Rebate Report for the District's Series 2015 Bonds, prepared by Omnicap Group LLC. Ms. Cone stated no payment is owed to the Internal Revenue Service. There being no further business to conduct, the meeting was adjourned.



Ellen Crocker
Secretary, Board of Directors

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