

**MINUTES OF MEETING OF THE BOARD OF DIRECTORS
NORTHGATE CROSSING MUNICIPAL UTILITY DISTRICT NO. 1**

April 11, 2019

THE STATE OF TEXAS §

COUNTY OF HARRIS §

NORTHGATE CROSSING MUNICIPAL UTILITY DISTRICT NO. 1 §

The Board of Directors (the “Board”) of Northgate Crossing Municipal Utility District No. 1 (the “District”) met in regular session, open to the public, at 23800 Interstate 45 North, Spring Texas, a designated meeting place of the Board inside the boundaries of the District, on April 11, 2019, whereupon the roll was called of the members of the Board, to-wit:

Jason Williams	President
Shane Holman	Vice President
Jim Helfrich	Secretary
Michael Lopez	Assistant Secretary/Assistant Vice President
Kenny Boeckelman	Assistant Secretary

All members of the Board were present except Director Boeckelman, thus constituting a quorum.

Also attending the meeting were Mark Eyring with Roth & Eyring, PLLC, auditor for the District; Michael Murr with Murr Incorporated, Landscape architect for the District; David Solomon and Steve McCaskie with Freese and Nichols, Inc.; Jeff Conti, director with Northgate Crossing Municipal Utility District No. 2 (“NG2”); Jeremy Roach (via conference call) and Darman Chauchan with Apollo IT Consulting, LLC (“Apollo”); Patti Mace representing the Northwood Pines Homeowners Association (“HOA”); Bill Blitch with Blitch Associates, Inc. (“BAI”) and Bob Leared Interests (“BLI”), Financial Advisor and Tax Assessor/Collector, respectively to the District; Robert Atkinson with Edminster Henshaw Russ & Associates (“EH”), Engineer for the District; Christina Perry with Myrtle Cruz, Inc. Bookkeeper for the District; Juan Montano with Inframark, Inc. (“Inframark”), Operator for the District; Officers Small, Lindley and Guevara with Harris County Precinct 4 Constables Office; members of the public listed on the attached attendance Sheet; and Maria Salinas Parker and Michael R. Willis of Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SK Law”), Attorneys for the District.

CALL MEETING TO ORDER

The meeting was called to order and the following business was transacted.

CLOSED SESSION

Upon motion duly made and seconded, the Board voted unanimously to convene in closed session to discuss security devices.

OPEN SESSION

Upon motion duly made and seconded, the Board voted unanimously to re-convene in open session to discuss security devices.

HEAR FROM THE PUBLIC

The Board noted that there were no members of the public present at the meeting who wished to address the Board at this time.

PEACE OFFICER'S REPORT

The Board recognized Officer Small, who presented the Peace Officer's Report.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board next reviewed the Tax Assessor/Collector's Report, a copy of which is attached hereto. The Board noted that the District has collected 99.244% of its 2018 taxes.

Upon motion duly made and seconded, the Board voted unanimously (i) to approve the Tax Assessor/Collector's Report, and (ii) to authorize payment of the invoices presented for payment from the District's Tax Account.

FINANCIAL ADVISOR'S REPORT

There was no Financial Advisor's Report.

BOOKKEEPER'S REPORT

The Board then reviewed the Bookkeeper's Report and Investment Report. Copies of such reports are attached hereto.

The Board reviewed the balances in each of the District's accounts and noted investments in each account. The Board also reviewed the activity in each account. The Board reviewed the invoices and the checks prepared in payment thereof.

The Directors then reviewed: (1) the Cash Flow Report for the District's Operating Fund; (2) the Budget Comparison; (3) the Pledged Security Report, and (4) the Investment Report, copies of which are included with the Bookkeeper's Report.

Upon motion duly made and seconded, the Board voted unanimously to approve (i) the Bookkeeper's Report, (ii) the bills submitted for payment, and (iii) the Investment Report.

STATUS REPORT FROM SALES REVENUE INC. ("SRI")

There was no report from SRI.

ATTORNEY'S REPORT

The Board recognized Mr. Willis, who presented the Attorney's Report.

Approval of Minutes

Proposed minutes of the meeting of the Board held on March 14, 2019, previously distributed to the Board, were presented for consideration and approval.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of March 14, 2019 as submitted.

Amend Rate Order

No action was taken on amending the Rate Order.

Policy Relating to Levee

No action was taken in connection with the Levee Policy.

Consultant to Implement Emergency Preparedness Plan ("EAP")

Ms. Parker reminded the Board that at the meeting held on December 13, 2018, the Board agreed to consider accepting proposal for an administrator/coordinator of the District's EAP. Ms. Parker stated that she has reached out to several companies to submit proposals.

Annual Review of Red Flag Policy

Consideration was then given to a proposed Resolution Regarding Annual Review of Red Flag Policy. At this time, the Board conducted a review of the Red Flag Program.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of the Red Flag Policy. A copy of said Resolution is on file in the official records of the District.

Legislative Update

Mr. Willis then updated the Board on legislative matters.

Order Adopting Code of Ethics and Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional Services, Financial accounting Annual Operating Budget, Audit Committee and Meeting Conduct

Consideration was then given to a proposed Order Adopting Code of Ethics and Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional Services, Financial accounting Annual Operating Budget, Audit Committee and Meeting Conduct.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Adopting Code of Ethics and Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional Services, Financial accounting Annual Operating Budget, Audit Committee and Meeting Conduct, a copy of which is on file in the official records of the District.

AUDIT FISCAL YEAR END DECEMBER 31, 2018

Consideration was then given to a draft audit for fiscal year ended December 31, 2018. The Board recognized Mr. Eyring, who submitted to and reviewed with the Board said audit.

Upon motion duly made and seconded, the Board voted unanimously to approve said audit, a copy of which is on file in the official records of the District.

ENGINEER'S REPORT

The Board recognized Mr. Atkinson, who presented the Engineer's Report, a copy of which is on file in the official records of the District.

Levee Inspection

EHRA performed the monthly maintenance inspection of the levee earlier in the month. No critical issues were noted.

Levee Inspection Report

Freese and Nichols ("FN") has completed a draft Inspection Report.

Emergency Operations Building

The contractor has been notified that the door was leaking and there is a small hydraulic leak in unit 3. The District is holding final payment pending correction of these items.

Capital Projects

A Capital Projects Study is being prepared including rehabilitation of the wastewater collection system, rehabilitation of the lift station and manholes. Also included, will be rehabilitation of shared facilities with NG2.

District Map

The District map was updated with an aerial photograph.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report.

OPERATIONS REPORT/TERMINATION OF SERVICE

The Board next recognized Mr. Montano, who submitted to and reviewed with the Board the Operations Report, a copy of which is attached hereto.

Mr. Montano also presented a report on the Storm Station, which report is attached to the Operations Report.

Mr. Montano reported as noted below.

- i. The billed to pumped ratio was 104.3%.
- ii. There are 403 active connections in the District.
- iii. There were no accounts finalized with a balance under \$25, and two accounts finalized with a balance greater than \$25.
- iv. There were no excursions at the wastewater treatment plant.
- v. There are 22 accounts on the water termination list.
- vi. Certain commercial accounts were billed incorrectly. The irrigation meters were billed at the non-profit rate rather than the commercial rates, consequently resulting in the accounts being underbilled for water usage. Inframark will send a corrected bill to the commercial accounts.

Upon motion duly made and seconded, the Board voted unanimously to (1) turn over the accounts finalized with a balance in excess of twenty-five dollars, if any, for collection, if any; (2) write off of the District's books the accounts finalized with a balance over twenty-five dollars, as presented, and (3) approve the Operations Report, including the Storm Water Pump Station Report.

Termination of Water Service

Consideration was then given to the termination of water service to the accounts listed on the Termination List. The Board noted that there were no customers present at the meeting who wished to address the Board regarding their water bills or to protest termination of water service.

Upon motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate service to the accounts listed on the Termination List with the assistance of a peace officer, if necessary.

WEBSITE/OFFICE 365/AMENDED CONTRACT

Mr. Roach then presented the website or Office 365 report.

Upon motion duly made and seconded, the Board voted unanimously to approve the website and Office 365 Report.

LANDCAPE ARCHITECT REPORT/ PARK RANGERS LEVEE MAINTENANCE REPORT

The Board recognized Mr. Murr, who presented the Landscape Architect's Report, a copy of which is on file in the official records of the District. He reported that (1) work is in progress for the lighting plan, (2) 150 trees received from Trees of Houston were planted in the District in February, and (3) the storage unit will be pressure washed and painted (cost of \$1,400).

Ms. Mace requested clarification on whether the Board agreed to pay the water bill for the HOA irrigation system. The Board noted that they agreed to maintain the irrigation system, but the monthly water bill is the responsibility of the HOA. Ms. Mace then asked the Board to consider replacing certain fences in the District. The Board noted that the fences are individually and privately owned; therefore outside the District jurisdiction.

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THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

PASSED, APPROVED and ADOPTED this May 9, 2019


Secretary, Board of Directors