

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

May 9, 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 May 9, 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 Michael Murr with Murr Incorporated, Landscape architect for the District; Patti Mace representing the Northwood Pines Homeowners Association (“HOA”); Bill Blich with Blich 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; Officer Brent Ballard 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.

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 Ballard, 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 99.3% 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 meetings of the Board held on April 11, 2019, and April 24, 2019, previously distributed to the Board, were presented for consideration and approval. A change to the minutes of April 24, 2019, was noted

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of April 11, 2019 as submitted, and the minutes of April 24, 2019, as revised.

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.

Legislative Update

Mr. Willis then updated the Board on legislative matters.

Annual Review of Emergency Preparedness Plan (“EPP”)

Consideration was then given to a proposed Resolution Regarding Annual Review of Emergency Preparedness Plan. At this time the Board reviewed its EPP.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Emergency Preparedness Plan subject to verification by the Engineer that all information contained in the EPP is up to date and accurate. A copy of said Resolution is on file in the official records of the District.

Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures

Consideration was then given to a proposed Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures, 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. It was noted that a trailer was parked one the levee from the residence at 902 Shirefield. The Board asked the Attorney to contact the homeowner to remove to the fence.

Levee Inspection Report

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

Spring Creek Erosion

Erosion has been detected on the concrete cantilever retaining wall along Spring Creek that cuts into the levee. The wall was erected to repair damage sustained to the park trail owned by Harris County as a result of Hurricane Harvey. At the time the wall was being erected, the District expressed its concern with the scope of the repairs. LJA Engineers, Inc. ("LJA"), as agent for Harris County, was notified that the easement granted to Harris County did not convey or grant to Harris County the right to cut into the levee. LJA, engineer for Harris County, issued a letter on May 2, 2018, assuring the District that the area where the retaining wall cuts into the levee meets and passes prescribed design criteria to maintain stability. The District conducted a recent inspection of the levee which revealed substantial erosion in the area where Harris County cut into the levee. The Board noted that with inclement weather a possibility at any time (the tax-day flood, Memorial Day flood and Hurricane Harvey), it is imperative that the erosion which threatens the integrity of the levee be repaired immediately. Mr. Atkinson met with representatives of LJA and Harris County earlier in the week. Harris County assured Mr. Atkinson that the erosion will be repaired.

Emergency Operations Building

The contractor has been notified that the door is leaking. The contractor discovered the source of the leak in the area where the wall meets the floor. Also, 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 99.16%.
- ii. There are 405 active connections in the District.
- iii. There were no accounts finalized with a balance under \$25, and no accounts finalized with a balance greater than \$25.
- iv. There were no excursions at the wastewater treatment plant.
- v. There are 26 accounts on the water termination list

- vi. No. 4 pump at the Storm Station has a crack next to the area where it was recently welded. Inframark will have the crack repaired.
- viii. Certain commercial accounts were billed incorrectly. The irrigation meters were billed at the non-profit rate rather than the commercial rates, resulting in the accounts being underbilled for water usage. Inframark sent corrected bills to the commercial accounts. The Board agreed to allow the commercial customers to pay the back bills over a period of eighteen months.

The manhole survey is substantially complete.

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.

CONSUMER CONFERENCE REPORT ("CCR")

Consideration was next given to the CCR.

Upon motion duly made and seconded, the Board voted unanimously to approve the CCR subject to review by the Attorney and the Board.

WEBSITE/OFFICE 365/AMENDED CONTRACT

There was no website or Office 365 report.

LANDSCAPE 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, and (2) the storage unit was pressure washed and painted. The Board instructed Mr. Murr to include lights on Creek Knoll as part of the lighting plan.

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.

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

PASSED, APPROVED and ADOPTED this June 6, 2019.


Secretary, Board of Directors