

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

September 12, 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 September 12, 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 Directors Boeckelman and Holman, thus constituting a quorum.

Also attending the meeting were, Michael Murr with Murr Incorporated, landscape architect for the District; Jeremy Roach with Apollo Consulting, web manager for the District; Officer Brent Ballard with Harris County Constable Precinct Office 4; Jeff Conti Director of Northgate Crossing Mud No. 2 (“NG2”), Christina Perry and Chris Linn with Myrtle Cruz, Inc. (“MCI”), Bookkeeper for the District; Juan Montano with Inframark, Operator for the District, Patti Mace and Angela Helfrich 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; 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 to address the Board.

**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 99.664% of its 2018 taxes.

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

**DISCUSS 2019 TAX LEVY / CALL PUBLIC HEARING FINANCIAL ADVISOR'S REPORT**

The Board recognized Mr. Blicht, who reviewed with the Board a Tax Rate Analysis in connection with the 2019 tax levy, a copy of which is on file in the official records of the District.

Upon motion duly made and seconded, the Board voted unanimously to (1) propose a 2019 debt service tax rate of \$0.46 and a maintenance and operation tax of \$0.51 for a total tax rate of \$0.97; (2) call a public hearing for Thursday, October 10, 2019 on the proposed 2019 tax rate; and (3) authorize the Tax Assessor/Collector to publish notice of the public hearing and proposed tax rate as required by law.

**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 Board concurred that funds from maturing certificates of deposit should be invested in TexPool, as TexPool is offering a higher interest rate.

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.

The Board agreed to fund \$500 to National Night Out.

Upon motion duly made and seconded, the Board voted unanimously to approve (i) the Bookkeeper's Report, (ii) the bills submitted for payment, to fund \$500 for National Night Out, and (iii) the Investment Report.

**ATTORNEY'S REPORT**

The Board recognized Ms. Parker, who presented the Attorney's Report.

**Approval of Minutes**

Proposed minutes of the meeting of the Board held August 8, 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 August 8, 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.

### **Legislative Update**

Ms. Parker then updated the Board on legislative matters.

The Board discussed:

House Bill 2706 – made revisions to the Public Funds Investment Act, updating the authorized investments for district funds. SKLaw will prepare for the Board's review and approval an amended Investment Policy, updated to reflect these changes.

Senate Bill 239 – Districts that provide water and/or sewer service must now provide on the billing to customers the following statement: "For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database or (district's website if the district maintains a website)." SKLaw will work with the district's operator to include the proper form of this statement on the water bills that will be sent to customers on or after September 1, the effective date of the law.

Senate Bill 944 – defined directors as "temporary custodians" of public information relating to district business, subjecting directors' personal accounts and devices to compliance with Texas Open Government laws. If a past or present director uses a personal device and/or email for district business, the director must now store all of such information or turn the information over to the district. In order to avoid potential complications regarding a personal device or account in connection with Texas Open Government laws, emails can be set up for each director to use for communicating all information relating to district business. SK Law is in the process of obtaining email accounts for the use by each director. SKLaw will begin directing all correspondence related to district business to these email accounts in advance of the September 1, 2019, effective date.

HB305 - To the extent a district maintains a website, House Bill 305 requires that certain information relating to the district be reflected on such website, including district contact information, directors' names, board meeting dates and locations, candidacy deadlines for election to the board, and

notices and minutes of meetings. The law does not require a district to maintain a website if it does not already have one.

Upon motion duly made and seconded, the Board voted unanimously to take any and all action necessary to comply with the legislative changes noted above, and the agreement with Off Cinco to set up District email addresses for the directors.

## **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. There are no areas in need of critical repair.

### **Spring Creek Erosion**

Erosion was 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. Harris County has repaired the erosion in the area where Harris County cut into the levee. Additional grade 2 rip-rap was placed in the area by Harris County. EHRA will monitor the retaining wall for further erosion.

### **Storm Pump Station**

Inframark has excavated the area around the sink hole and televised the sink hole to determine the source of the sink hole. Inframark will excavate a small portion of the levee face to determine the cause of the sink hole. EHRA has an alternative solution to this matter and will discuss it Inframark. There is a 3-inch pipe adjacent to the storm station that is buried in the detention basin face of the levee. The pipe will be capped and the eroded areas will be repaired.

### **Manhole and Sanitary Sewer Survey**

Inframark has completed the manhole and sanitary sewer survey. EHRA will review the survey and use the information in the Capital Projects Plan. ABS Truss pipe in the older areas of the District will likely require rehabilitation.

### **Utility Capacity**

Historical readings for the apartments and hotels indicate that the hotels and apartments are utilizing less than the original capacity committed. The excess capacity may be allocated to other developments as necessary.

### **Emergency Operations Building**

There was no report on the Emergency Operations Building.

### **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 104.08%.
- ii. There are 413 active connections in the District.
- iii. There were no accounts finalized with a balance under \$25, and one account finalized with a balance greater than \$25.
- iv. There were no excursions at the wastewater treatment plant.
- v. There are 23 accounts on the water termination list

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**

The Board recognized Mr. Roach, who presented the website and Office 365 report.

Upon motion duly made and seconded, the Board voted unanimously to approve the Website 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. Mr. Murr reported that:

1. The lighting plan for Northgate Boulevard and Springwoods Village Parkway were revised to include Creek Knoll Boulevard. CenterPoint has been contacted to provide information necessary to complete the design plans. The developer of the Hilton Hotel has several light fixtures remaining and has asked if the District would be interested in the remaining light fixtures. The Board indicated that they are interested and asked Mr. Murr to notify the developer of the District's interest. The Board reviewed the various light fixtures and agreed that the budget should be amended to provide an expenditure for the lights at \$250,000. It was noted that the HOA will pay for the electrical service cost. This project will proceed once the plans are signed, the master contract is prepared, and the agreement with CenterPoint is approved.
2. There are dry areas on Levee due to the weather.
3. Gabion blocks and large rocks were installed, and appear to be working well.
4. The fence at Homewood Suites was damaged by a District contractor. The contractor will repair the fence.

The Board agreed to go forward with a splash pad at an estimated cost of \$250,000, and asked the Bookkeeper to place the cost for it in the 2020 budget.

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

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

PASSED, APPROVED and ADOPTED this October 10, 2019.

  
Secretary, Board of Directors