

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

October 10, 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 October 10, 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 Williams, thus constituting a quorum. Director Boeckelman entered the meeting in progress.

Also attending the meeting were, Michael Murr with Murr Incorporated, landscape architect for the District; Officer Brent Ballard with Harris County Constable Precinct Office 4; Jeff Conti Director of Northgate Crossing Mud No. 2 (“NG2”), Chris Linn with Myrtle Cruz, Inc. (“MCI”), Bookkeeper for the District; Juan Montano with Inframark, Operator for the District, 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 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.

PUBLIC HEARING ON PROPOSED 2019 TAX RATE

The Board opened the meeting to a public hearing on the proposed 2019 tax rate, asking members of the public if they wished to comment on the proposed tax rate. Noting there were no comments, the public hearing was adjourned.

ORDER SETTING TAX RATE AND LEVYING TAX FOR 2019

Consideration was next given to a proposed Order Setting Tax Rate and Levying Tax for 2019. Having conducted the public hearing as required by law and publishing notice thereof, the Board deemed it appropriate to proceed with setting the 2019 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to (1) set and levy a debt service tax of \$0.46 per \$100 assessed valuation and a maintenance and operation tax of \$0.518 per \$100 assessed valuation, for a total tax rate of \$0.978 per \$100 assessed valuation; and (2) adopt the Order Setting Tax Rate for 2019, a copy of which is on file in the Official Records of the District.

AMENDED NOTICE TO SELLERS AND PURCHASERS

Consideration was given to the proposed Amended Notice to Sellers and Purchasers, which Notice sets forth the 2019 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is on file in the Official Records of the District.

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 99.663% 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.

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, except for the maturing certificate of deposit at Spirit of Texas which will be rolled over, as said Bank is offering an interest rate higher than TexPool.

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.

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 September 12, 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 September 12, 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.

Amended and Restated Investment Policy

Consideration was then given to a proposed Amended and Restated Investment Policy.

Upon a motion duly made and seconded, the Board by unanimous vote approved the Amended and Restated Investment Policy, 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. There are no areas in need of critical repair.

Spring Creek Erosion

The Spring Creek erosion area was reviewed after Tropical Storm Imelda. There were no areas of concern noted.

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 109.95%.
- ii. There are 418 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 26 accounts on the water termination list.
- vi. The injectors on all four pumps at the Storm Station were inspected, and repaired. Heat jackets for the engines should be obtained. Inframark recommends that a diesel specialist routinely inspect the pumps.
- vii. The sinkhole at the Storm Station has been repaired.
- viii. Re-working of the sluice gates is in progress.
- ix. Bids were received from Right Solutions (\$49,950.00) and Texas Overall (\$37,250) to repair the storm pipe inside the detention pond.
- x. Homewood Suites has asked that the District waive the remaining \$10,000 owed by Homewood Suites due to an error in billing by the District. The Board was reminded that Homewood Suites was billed the park rate for irrigation water usage rather than the commercial rate. The Board deferred action on this matter.
- xi. There was a break in the water main lie on Northgate Crossing Boulevard resulting in major repairs.

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, (3) approve the Operations Report, including the Storm Water Pump Station Report, and (4) to accept the bid from Texas Overall to repair the storm pipe in the detention pond.

Termination of Water Service

Service terminations were deferred.

WEBSITE/OFFICE 365

There was no Website or 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. Mr. Murr reported that:

1. The lighting plan for Northgate Boulevard and Springwoods Village Parkway is ready to implement and construct. The total cost is \$276,700. Hilton Hotel has confirmed that there are six (6) light fixtures available to the District at \$2,230 per fixture (not inclusive of installation costs). It was noted that the HOA will pay for the electrical service cost, and will add the lights to the HOA existing electrical contract.
2. There are dry areas on the levee due to the weather.
3. The controllers were vandalized.
4. Mr. Murr has provided for the website a rendering of proposed and possible projects in the next few years.
5. The fence at Homewood Suites was damaged by a District contractor. The contractor will repair the fence.

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 November 14, 2019



Secretary, Board of Directors