

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

January 9, 2020

**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 January 9, 2020, 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 Williams and Boeckelman, 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; 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 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 wished to address the Board.

## **PEACE OFFICER'S REPORT /PEACE OFFICER CONTRACT**

The Board recognized Officer Ballard, who presented the Peace Officer's Report. Officer Ballard also reviewed with the Board statistics for the last ten years. He added that Northgate Crossing MUD No. 2 ("NG2") would like for the District and NG2, each, to take on an additional officer for 2021 as the criminal activity in the districts has increased significantly. The Board concurred that an additional officer would be in the best interest of the District. Officer Ballard will present additional information concerning this matter at the next meeting.

Consideration was then given to a proposed Interlocal Agreement with Harris County for the services of two peace officers with Harris County Precinct 4 for 2020.

Upon motion duly made and seconded, the Board voted unanimously to accept the Peace Officer's Report; and to approve the Interlocal Agreement with Harris County for the services of the peace officers with Harris County Precinct 4 for 2020.

## **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 28.5612% of its 2019 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.

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 Mr. Willis, who presented the Attorney's Report.

## **Approval of Minutes**

Proposed minutes of the meeting of the Board held December 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 December 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")**

No action was taken on this matter.

### **Legislative Update**

Ms. Parker updated the Board on legislation filed that affects water districts; and reviewed with the Board the SB2 requirements for posting certain information concerning the District to a website. To ensure compliance with the new law, SKLaw created a District Data Base containing the SB2 information for each of the districts it represents. Ms. Parker provided the web address for the Data Base. Ms. Parker stated that the District Data Base will be monitored monthly and updates posted as necessary.

### **ORDER CALLING DIRECTORS ELECTION**

Consideration was then given to a proposed Order Calling Directors Election.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Calling Directors Election, thereby calling an election for May 2, 2020, to elect two (2) directors to the Board. A copy of said Order 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. It was noted that the turf of the Levee near IH-45 is diminishing.

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

Inframark has completed the manhole and sanitary sewer survey. EHRA has reviewed the survey. No major deficiencies were noted; however, some rehabilitation of the system will be necessary.

### **Shared Capital Projects**

EHRA met with the Engineer for NG2 to review proposed joint facilities, including water well 3 and expansion of the wastewater treatment plant. Projected shared projects include:

1. Recoating and replacement of steel at unit 1 of the wastewater treatment plant at an estimated cost of \$200,000.
2. Additional pressure tank at water plant 1 at an estimated cost of \$130,000.
3. Additional pressure tank at water plant 2 at an estimated cost of \$130,000.
4. Construction of water plant 3 with cost to be determined.

Inframark has completed the manhole and sanitary sewer service surveys. EHRA has reviewed the surveys and prepared exhibits indicating the condition of the sanitary sewer. EHRA is preparing a cost estimate for the Truss Pipe rehabilitation.

### **Lift Station Inspection**

EHRA will schedule an inspection of the lift station to determine if any rehabilitation is necessary.

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 119.11%.
- ii. There are 414 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 was an excursion at the wastewater treatment plant due to an ammonia violation.
- v. There are 34 accounts on the water termination list.
- vi. Inframark will obtain an estimate of cost for heat jackets for the engines at the Storm Station.
- vii. Re-working of the sluice gates is in progress.
- viii. Homewood Suites was reached concerning the remaining \$18,000 owed by Homewood Suites and the District's offer approved at the meeting on November 14, 2019. Homewood Suites rejected the offer. The Board deferred action on this matter.
- ix. There is a leak on the hydraulic hose on one of the pumps at the Storm Station that will be repaired.
- x. Customer Joyner McAllister requested a waiver of the disconnect and reconnect fee as well as the additional deposit fee charged to her account when service was terminated. The Board noted that said customer has consistently been current in payments, but due to unforeseeable circumstances payment this month was not timely made.
- xi. Repairs are scheduled for the storm drain at the sluice gates. It would be beneficial to repair that surrounding concrete when the drain is repaired, Mr. Montano stated.
- xii. Mr. Montano will coordinate the installation of the light poles at the storm station with Mr. Murr.

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) waive the above stated fees charged to Customer McAllister's account, and (4) authorize repairs to the storm drain at the sluice gates as well as the surrounding concrete.

### **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**

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

1. Mr. Murr is negotiating with CenterPoint concerning the lights at the entrance of the District.
2. Rye grass has been planted and fertilized.
3. Paver repairs are in progress.
4. The District will receive approximately 150 trees from Trees of Houston this month.
5. It will be necessary to perform a survey of the Park to determine a good location of the proposed splash pad.
6. The Board asked Mr. Murr to look into trimming the trees and brush at the Storm Station. Mr. Murr stated that he will bring an estimate of cost for such project to the February meeting.

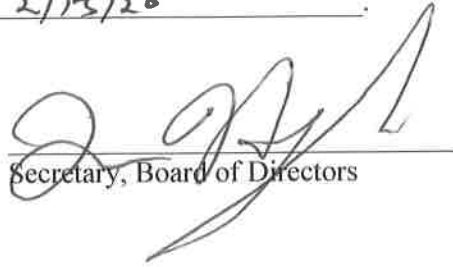
Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architect's Report; and to authorize a survey of the Park at an estimated cost between \$12,000 to \$13,000.

### **ELECTRICAL CONTRACT**

The Board reviewed proposals provided by Tradition Energy for renewing the electrical contract on March 1, 2020. The Board noted Tradition Energy recommended that the Board accept the offer from Direct Energy for a five-year term at \$0.05520, which is the lowest rate.

Upon motion duly made and seconded, the Board voted unanimously to accept the proposal from Direct Energy for a five-year term at \$0.05520, and to authorize the President or Vice President to execute a contract relating thereto.

PASSED, APPROVED and ADOPTED this 2/13/20.



Secretary, Board of Directors