

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

May 14, 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, on May 14, 2020. Due to the concerns regarding the Coronavirus (COVID-19), the Board met via video conference. The video conference meeting is authorized by the suspension of certain provisions of Chapter 551, Texas Government Code as described below. 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 Jeff Conti, Director Northgate Crossing MUD No. 2, (“NG2”); Jeremy Roach with Apollo IT Consulting, LLC (“Apollo”); Bill Blich with Blich Associates, Inc. (“BAI”) and Bob Leared Interests (“BLI”), Financial Advisor and Tax Assessor/Collector, respectively to the District; Michael Murr with Murr Incorporated, landscape architect for the District; Chris Linn with Myrtle Cruz, Inc. (“MCI”), Bookkeeper for the District; Juan Montano with Inframark, Operator for the District, Robert Atkinson with Edminster Henshaw Russ & Associates (“EH”), Engineer for the District; 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

The Board recognized Officer Ballard, who presented the Peace Officer’s Report.

Upon motion duly made and seconded, the Board voted unanimously to approve 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 99.010% of its 2019 taxes. The preliminary 2020 value has been set at \$245,000,000.

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 also reviewed a five-year budget for financial planning with regard to projected park projects and capital improvements.

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 April 9, 2020, 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 April 9, 2020, as submitted.

Amend Rate Order

No action was taken on amending the Rate Order.

Annual Levee Meeting

The Board noted that the annual levee meeting will be held Wednesday, May 28, 2020.

Surplus Funds Application

No action was taken on the Surplus Funds Application.

Legislative Update

Ms. Parker updated the Board on legislation filed that affects water districts and stated that Directors are required to take cyber security training annually. The 2020 deadline to obtain cyber security training is June 14, 2020.

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.

Actions Related to COVID-19

The Board took no action related to COVID-19.

QUALIFICATION OF DIRECTORS

Consideration was then given to the qualification of directors Holman and Boeckelman. At this time Directors Holman and Boeckelman executed their Oaths of Office and Statements of Elected Officers for their new term of office.

Upon motion duly made and seconded, the Board voted unanimously to accept the Oaths of Office and Statements of Elected Officers of Directors Holman and Boeckelman, thus qualifying them to serve their new term of office.

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 on April 29, 2020. There are no areas in need of critical repair.

Storm Sewer Inspection

The annual storm station inspection will take place on May 28, 2020. EHRA will be present.

Bond Election

EHRA is working on the amount of bond authorization necessary for future maintenance and rehabilitation of the District's water, sanitary sewer and drainage facilities. This item is also covered under Capital Projects.

Capital Projects

EHRA has prepared a capital projects bond election cost summary that includes proposed joint capital projects with Northgate Crossing MUD No. 2 ("NG2") as well as proposed capital projects for the District. Projected capital projects include rehabilitation of the water and sanitary sewer lines, rectification of the detention lake, and rehabilitation of the wastewater lift station.

Shared Capital Projects

Projected shared projects with Northgate Crossing MUD No. 2 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.

Wastewater Lift Station Inspection

EHRA inspected the lift station wet well piping and electrical systems. The lift station wet well needs recoating, upgrading of the electrical system and pipe replacement. Mr. Atkinson stated that the lift station piping should be included in a rehabilitation project.

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 125.85%.
- ii. There are 410 active connections in the District.
- iii. There were four 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 21 accounts on the water termination list.
- vi. Inframark has ordered the heat jackets for the engines at the Storm Station. The heat jackets will require a new electrical panel.

- vii. With regard to the siren, Mr. Montano will meet on site with the contractor to ascertain the necessary repairs.
- vii. Spare parts and inventory for the Storm Station are on order, including the radiator.
- viii. the fence contractor will be contacted to re-align the fences.
- ix. There was an issue with the alarms at the Storm Station. The electrician noticed a dislodged pin, reset it, and connected the alarm to the auto dialer.

The Board asked Mr. Montano to check the air conditioner at the Storm Station. It is very loud, making it difficult to hear at meetings.

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; and (2) write off of the District's books the accounts finalized with a balance under twenty-five dollars, as presented.

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 defer termination of water service during the pending COVID-19 emergency.

CONSUMER CONFERENCE REPORT ("CCR")

Consideration was then given to the CCR.

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

WEBSITE/OFFICE 365

Mr. Roach then presented the Website/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. Lights for the trail will cost \$13,200 plus \$36,600 to install. All materials have been ordered.
2. Clean up of the fence line at the Storm Station is complete.
3. Newly planted trees received from Trees of Houston are doing well.

The Board then discussed the splash pad. They also discussed entering into an interlocal agreement with NG2 to share park facilities.

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

ANNUAL MEETING OF STORM PUMP STATION

The Board agreed to meet on May 28, 2020 for the annual review of the Storm Pump Station.

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

PASSED, APPROVED and ADOPTED this June 11, 2020.


Secretary, Board of Directors