

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

April 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, on April 9, 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, thus constituting a quorum.

Also attending the meeting were Jeremy Roach with Apollo IT Consulting, LLC (“Apollo”); Mark Eyring with Mark L. Eyring, PLLC, auditor for the District; Bill Blich with Blich Associates, Inc. (“BAI”) and Bob Leared Interests (“BLI”), Financial Advisor and Tax Assessor/Collector, respectively to the District; Officer Brent Ballard with Harris County Constable Precinct Office 4; 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 98.613% 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.

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 March 12, 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 March 12, 2020, 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.

Resolution Regarding Annual Review of Red Flags Policy

Consideration was next given to a proposed Resolution Regarding Red Flags Policy.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Red Flags Policy, subject to the Operator providing certification as to the efficient operation of the Red Flags Policy. A copy of said Resolution is on file in the official records of the District.

Resolution Regarding Payment of Expenses

Consideration was next given to a proposed Resolution Regarding Payment of Expenses.

Upon motion duly made and seconded, the Board approved the Resolution Regarding Payment of Expenses, thereby authorizing, as provided by law for District checks to be signed only by the Bookkeeper or one director in the event of an emergency such as COVID-19. Mr. Willis noted that this Resolution will automatically terminate upon the expiration of the COVID-19 disaster declaration. A copy of said Resolution is on file in the official records of the District.

Resolution Adopting Electronic Bidding Rules

Consideration was then given to a Resolution Adopting Electronic Bidding Rules.

Upon motion duly made and seconded, the Board unanimously approved the Resolution Adopting Electronic Bidding Rules. A copy of said Resolution is on file in the official records of the District.

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.

Order Canceling Election and Declaring Unopposed Candidates Elected to Office

Consideration was then given to a proposed Order Canceling Election and Declaring Unopposed Candidates Elected to Office. The Board noted that Candidates Holman and Boeckelman are unopposed for the May 7, 2020 Directors Election. Mr. Willis stated that pursuant to Section 2.053 of the Texas Election Code, as amended, the Board is authorized to cancel the election and declare the unopposed candidates elected to office.

Upon motion duly made and seconded, the Board voted unanimously to adopt the Order Canceling Election and Declaring Unopposed Candidates Elected to Office thereby cancelling the Directors Election called for May 2, 2020 and declaring Kenny Boeckelman and Shane Holman elected to the Board for a four (4) year term which expires May 2024. 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 on March 26, 2020. There are no areas in need of critical repair.

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 and some piping replacement. Mr. Atkinson stated that the lift station piping should be included in a rehabilitation project.

Water Plant Inside the District

The water plant located in the District was inspected by the Texas Commission on Environmental Quality ("TCEQ"). Several items were requested by the TCEQ which were provided by EHRA.

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 105.04%.
- ii. There are 409 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 32 accounts on the water termination list.
- vi. Inframark will obtain an estimate of cost for heat jackets for the engines at the Storm Station, the heat jackets will require a new electrical panel.
- vii. Re-working of the sluice gates is in progress.
- viii. There is a leak on the hydraulic hose on one of the pumps at the Storm Station that will be repaired.
- ix. It is estimated that it will cost \$40,000 to repair the storm sewer line.
- x. the water interconnect line with NG2 is now continuously open.
- xi. With regard to the siren, the Board discussed removing the current siren as it is not operational. Mr. Montano stated that he will contact the siren vendor to determine if the current siren can be repaired or if replacement is necessary.
- xii. Spare parts and inventory for the Storm Station will be purchased by Inframark with the radiator given top priority.
- xiii. The customer at 906 Colchester had a water leak and is requesting an adjustment to his highwater bill which was caused by the water leak. The Board noted that the smart meters provide notification to the customer when there appears to be a leak. In this case, the customer has not registered to receive alerts for his smart meter. Based on the information presented, the Board agreed to grant a \$100 credit to the customer's account.

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 under twenty-five dollars, as presented, (3) authorize Inframark to purchase spare parts for the Storm Pump Station at a cost not to exceed \$15,000, with top priority given to a radiator, and (4) issue a credit of \$100 on the account of the customer located at 906 Colchester.

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.

WEBSITE/OFFICE 365

Mr. Roach then presented the 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. Lights for the trail will cost \$13,200 plus \$36,600 to install.
2. Two bids were received for mowing the strip on the backside of the levee. Seaback submitted a bid of \$8,600 for the first mowing, and a cost of \$5,800 for each quarterly mowing thereafter. Texas Ground Work submitted a bid of \$8,900 for the initial mowing and \$1,250 for quarterly mowings thereafter.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Landscape Architect's Report, (2) approve the proposal for the lights and (3) accept the bid from Texas Ground Work for mowing the backside of the levee.

AUDIT FISCAL YEAR END DECEMBER 31, 2019

Consideration was then given to a draft audit for fiscal year ended December 31, 2019. The Board recognized Mr. Eyring, who submitted to and reviewed with the Board said audit.

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

ANNUAL MEETING OF STORM PUMP STATION

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

EQUIPMENT FOR STORM PUMP STATION

Consideration was then given to the purchase of a computer, webcam and printer for the Storm Pump Station.

Upon motion duly made and seconded, the Board voted unanimously to authorize the purchase of a computer, webcam and printer for the Storm Pump Station at a cost not to exceed \$2,500.

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

PASSED, APPROVED and ADOPTED this May 14, 2020.


Secretary, Board of Directors