

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

February 13, 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 February 13, 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 Director Boeckelman, thus constituting a quorum.

Also attending the meeting were Robin Humphries with HDL Companies; 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, Angela Helfrich representing the Northwood Pines Homeowners Association (“HOA”); 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

There was no 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.

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 January 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 January 9, 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.

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 stated that Directors are required to take cyber security training annually. The 2020 deadline to obtain cyber security training is June 14, 2020.

Authorize Attorney To Collect Delinquent Taxes

Consideration was then given to authorizing Perdue, Brandon, Fielder & Mott, LLP (pursuant to its contract with the District) to proceed with collecting the District's 2019 delinquent taxes on July 1, 2020.

Upon motion duly made and seconded, the Board voted unanimously to authorize Perdue, Brandon, Fielder & Mott, LLP to proceed with collecting the District's 2019 delinquent taxes on July 1, 2019.

Resolution Regarding 20% Penalty

Consideration was next given to a proposed Resolution Concerning 20% Penalty.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning 20% Penalty, thereby imposing an additional 20% penalty on the 2019 taxes delinquent on July 1, 2020, and thereafter. A copy of said Resolution is on file in the official records of the District.

Resolution Concerning Tax Exemptions For 2020

Consideration was next given a proposed Resolution Concerning Tax Exemptions for 2020.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning Tax Exemptions for 2020. A copy of said Resolution is on file in the official records of the District.

DIRECTORS ELECTION

No action was taken on the Directors Election.

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.

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.

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.

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.

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 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 94.25%.
- 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 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.
- 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 agreed that Homewood Suites should pay the entire outstanding balance as per originally agreed.
- ix. There is a leak on the hydraulic hose on one of the pumps at the Storm Station that will be repaired.
- x. Customer Kasprantina Simmons requested a waiver of the returned check fee charged to her account. She inadvertently used the wrong routing number on her electronic check.

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, and (3) waive the nonsufficient check fee to above stated fees charged to Customer Chacon's account.

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 on levee is looking good.
3. Paver repairs are complete.
4. The District received 150 trees from Trees of Houston which have now been planted.
5. The Survey of the Park to determine a good location of the proposed splash pad is complete.

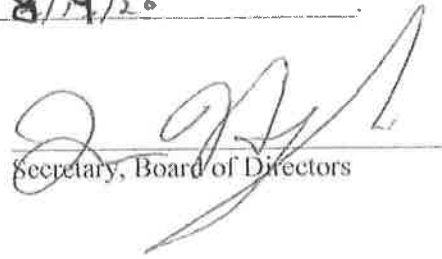
Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architect's Report.

SALES TAX AGREEMENT

The Board recognized Ms. Humphries, who submitted to and reviewed with the Board an analysis on sales tax collection in the District. The Board noted that no action was required on said report. She added that while HDL Companies would like to contract with the District for reporting on sales tax collections, the District has so few accounts that formal reporting is not necessary. The Board thanked Ms. Humphries for the report.

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

PASSED, APPROVED and ADOPTED this 8/19/20.


Secretary, Board of Directors