

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

September 9, 2021

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 September 9, 2021, at the Storm Water Pump Station, 710 Creek Knoll, Spring, Harris County, Texas and the roll was called of the members of the Board, to-wit:

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| 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 Lopez and Boeckelman, thus constituting a quorum.

Also attending the meeting were Lieutenant Brent Ballard with Harris County Precinct 4 Constables Office; Anamaria Lashomb and Angela Helfrich, residents of the District; Brian Desilets and Nicole Arrazolo with Clarity Consulting Corporation, representing the Northwood Pines Homeowners Association ("HOA"); Jeff Conti, director of 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.

HONORING MICHAEL D. LOPEZ

The President noted that Director Lopez passed away on August 15, 2021. The Board paid tribute to Directors Lopez's service to the District over the many years. At this time a moment of silence was observed honoring Director Lopez.

HEAR FROM THE PUBLIC

The Board recognized Mr. Conti who addressed the Board regarding trash receptacles on the walking trail.

PEACE OFFICER'S REPORT/ADDITIONAL DEPUTY

The Board received the Peace Officer's Report, a copy of which is on file in the official records of the District.

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 99.692% of its 2020 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.

DISCUSS 2021 TAX LEVY/CALL PUBLIC HEARING/FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Blich, who reviewed with the Board a Tax Rate Analysis in connection with the 2021 tax levy, a copy of which is on file in the official records of the District. The Board noted that the District is a developing district as defined in Senate Bill 2.

Upon motion duly made and seconded, the Board voted unanimously to (1) propose a 2021 debt service tax rate of \$0.430 and a maintenance and operation tax of \$0.539 for a total tax rate of \$0.969; (2) call a public hearing for Thursday, October 7, 2021 on the proposed 2021 tax rate; and (3) authorize the Tax Assessor/Collector to publish notice of the public hearing and proposed tax rate as required by law.

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.

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

Approval of Minutes

Proposed minutes of the meeting of the Board held August 12, 2021, 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 August 12, 2021 as presented.

Amend Rate Order

No action was taken on amending the Rate Order.

Interlocal Agreement with Northgate Crossing MUD No. 2

No action was taken on an Interlocal Agreement with Northgate Crossing MUD No. 2 (“NG2”).

Legislative Update

Mr. Willis updated the Board on legislative matters.

Bond Election

No action was taken on the Bond 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

The levee was inspected on July 28, 2021. There were minor deficiencies noted which will be handled by Inframark. The drainage channel from the Hardy Toll Road to the detention basin has some erosion and sink holes. Spring Creek will continue to be monitored, and if any erosion is present, it will be immediately reported to HCFCO.

Bond Election Report

Mr. Atkinson reviewed with the Board the Bond Election Engineering Report.

Water Plant 3 / Wastewater Plant Expansion

EHRA had a meeting with the Engineer for NG2 regarding the wastewater plant expansion and Water Plant 3. New wastewater plant utilization was calculated utilizing the plant rating value of 200 GPD/ESFC. The District has an adequate supply of wastewater capacity for the existing development. It has been determined that the District lease requirements have dropped to 50,000 GPD from NG2. A cost estimate and analysis of the wastewater treatment plant expansion will be prepared by the Engineer for NG2. NG2 will lease wastewater capacity to the District as necessary until the construction of the wastewater treatment plant expansion is completed.

The NG2 Engineer will prepare a cost estimate for Water Plant 3. This water plant project will include another interconnection across the Hardy Toll Road between the Districts. The additional interconnect will provide additional redundancy for District interconnect and supply purposes.

Levee Analysis and Certification

EHRA continues to work with Freese and Nichols in preparation of the Levee Analysis Report. A meeting was held on June 17, 2021 to discuss the scope of the analysis. Harris County Flood Control District has provided the 100-year Base Flood Elevations as well as the hydrology model. It was determined additional topographic survey information is necessary.

Northwood Pines Park

EHRA is preparing the plans for the parking lot adjacent to the splash pad.

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 on file in the official records of the District.

Mr. Montano also presented a report on the Storm Station, which report is attached to the Operations Report.

Mr. Montano reported as noted below.

- The billed to pumped ratio was 97.14%.
- There are 413 active connections in the District.
- There was one account finalized with a balance under \$25, and one account finalized with a balance greater than \$25.
- There were no excursions at the wastewater treatment plant.
- There are 21 accounts on the water termination list.
- The siren installation is complete.
- Inframark obtained estimates from Texas Hot Tap ("THT") to repair the multiple sinkholes on the Levee, and pursuant to prior Board authorization, Inframark obtained approval from Director Williams to proceed with the repairs.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operation's Report, and (2) turn over the accounts finalized with a balance in excess of twenty-five dollars, if any, for collection.

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 proceed with the service terminations, and if a customer contacts Inframark concerning inability to pay, Inframark is authorized to offer a sixty (60) day installment plan and in extreme cases a ninety (90) day installment plan.

IT REPORT/WEBSITE

The Board recognized Mr. Roach, who presented the IT/Website Report. Mr. Roach discussed with the Board Apollo's acquisition of a digital alert notification system. The Board agreed that the current system should remain in place during hurricane season. Mr. Roach will submit the contract to the Attorney for review.

There will be two updates and fourteen upgrades to the Meraki system

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

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 as follows.

Splashpad

Kraftsman Commercial Playgrounds & Waterpark ("Kraftsman") submitted a timeline to complete Phase 1 in 14.5 weeks. This project is in progress. Pay Estimate 1 in the amount of \$85,471.89 was presented for approval. With regard to the tap fee for the splash pad, the District will pay for the tap fee and the HOA will pay for the water usage.

Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architects Report, and Pay Estimate 1 to Kraftsman.

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

PASSED, APPROVED and ADOPTED this October 14, 2021



Secretary, Board of Directors