

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

December 13, 2018

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 December 13, 2018, whereupon the roll was called of the members of the Board, to-wit:

Jason Williams	President
Shane Holman	Vice President
Tracy Wilkerson	Secretary
Michael Lopez	Assistant Secretary/Assistant Vice President
Kenny Boeckelman	Assistant Secretary

All members of the Board were present except Director Williams and Wilkerson, thus constituting a quorum.

Also attending the meeting were Jeremy Roach with Apollo IT Consulting, LLC (“Apollo”); Patti Mace representing the Northwood Pines Homeowners Association (“HOA”); Ryan Fortner with Sales Revenue, Inc.; Michael Murr with Murr, Incorporated, Landscape Architect 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; Robert Atkinson with Edminster Henshaw Russ & Associates (“EH”), Engineer for the District; Christina Perry with Myrtle Cruz, Inc. Bookkeeper for the District; Juan Montano with Inframark, Inc. (“Inframark”), Operator for the District; Brent Ballard with Harris County Precinct 4 Constables Office; 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 who wished to address the Board at this time.

PEACE OFFICER’S REPORT/CONTRACT

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 95.725% of its 2017 taxes.

Upon motion duly made and seconded, the Board voted unanimously (i) to approve the Tax Assessor/Collector's Report, and (ii) to authorize payment of the invoices presented for payment from the District's Tax Account.

FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Blich, who submitted to and reviewed with the Board a statement from the Municipal Securities Rule Making Board regarding required disclosures from financial advisors. A copy of said statement is on file in the official records of the District. The Board noted that no action was required in connection with this matter.

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 Directors then reviewed: (1) the Cash Flow Report for the District's Operating Fund; (2) the Budget Comparison; (3) the Pledged Security Report, and (4) the Investment Report, copies of which are included with the Bookkeeper's Report.

The Board then reviewed a draft budget for fiscal year ending December 31, 2019. Ms. Perry noted that the cost for the valves survey (\$15,000) and the cost for the sanitary sewer line televising (\$60,000) have been included in the proposed budget.

Upon motion duly made and seconded, the Board voted unanimously to approve (i) the Bookkeeper's Report, (ii) the bills submitted for payment, (iii) the Investment Report, and (iv) the budget for fiscal year ending December 31, 2019.

STATUS REPORT FROM SALES REVENUE INC. ("SRI")

The Board recognized Mr. Firtner, who submitted to and reviewed with the Board a report in connection with the collection of sales tax. A copy of said report is on file in the official records of the District. The Board noted that no action was required on said Report.

ATTORNEY'S REPORT

The Board recognized Ms. Parker, who presented the Attorney's Report.

Approval of Minutes

Proposed minutes of the meeting of the Board held on November 8 2018, 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 November 8, 2018, 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")

Ms. Parker suggested that the Board consider accepting proposal for an administrator/coordinator of the District's EAP. The Board concurred with Ms. Parker's suggestion.

Bond Election

The Board then discussed calling a bond election for May 4, 2019. The agreed that such item be included on the January agenda.

Resolution Regarding Eminent Domain

Consideration was next given to a proposed Resolution Regarding Eminent Domain.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Eminent Domain, a copy of which 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. It was noted that there is a sink hole on the southwest corner of the pump station.

Storm Station Rehabilitation Project Phase 2

The final inspection of the rehabilitation of the Storm Station has been conducted; and all deficiencies have been corrected. The project is operational. The final pay estimate will be presented at the January meeting.

Levee Inspection Report

Freese and Nichols ("FN") conducted an inspection of the levee and pump station on November 29, 2018. The levee and pump station are in good condition. A minor sink hole was detected.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report, and to authorize Inframark to repair the sink hole at the lift station.

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 86.81%.
- ii. There are 414 active connections in the District.
- iii. There was one 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 24 accounts on the water termination list.

Mr. Montano stated that pursuant instruction from the Board at the November meeting for estimates on a valve survey and sanitary sewer line televising, he provided to the bookkeeper an estimate of (1) \$15,000 for the valve survey, and (2) \$60,000 for televising the sanitary sewer lines.

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 of less than twenty-five dollars, if any, (3) approve the Operations Report, including the Storm Water Pump Station Report, and (4) authorize Inframark to proceed with the valve survey. The Board deferred action on the sanitary sewer line televising.

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, on or after January 3, 2019.

WEBSITE/OFFICE 365

Mr. Roach updated the Board on the website and Office 365.

LANDSCAPE ARCHITECT REPORT/ PARK RANGERS LEVEE MAINTENANCE REPORT

The Board recognized Mr. Murr, who submitted to and reviewed with the Board the Landscape Architect's Report.

It was noted that:

1. The esplanades and sign monuments are complete.
2. The levee has been seeded and fertilized.
3. Estimates are being obtained for painting the storage units.
4. Estimated costs for 2019 projects were submitted to bookkeeper.
5. Electrical issue on the lake fountain has been resolved
6. The drinking fountain has been repaired and will be winterized.
7. Work is in progress for the lighting plan for 2019.
8. The trees from Trees of Houston will be delivered in January.

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

AUTHORIZE AUDITOR TO PROCEED WITH 2018 AUDIT

Consideration was then given to authorizing Roth & Eyring, PLLC to proceed with conducting the audit for December 31, 2018.

Upon motion duly made and seconded, the Board voted unanimously to authorize Roth & Eyring, PLLC to proceed with conducting the audit for December 31, 2018.

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

PASSED, APPROVED and ADOPTED this January 10, 2019.



Secretary, Board of Directors