

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

January 11, 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 outside the boundaries of the District, on January 11, 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 Directors Boeckelman and Williams, thus constituting a quorum.

Also attending the meeting were Jim Bielstein with LJA Engineering, Inc., Rita Anderson with Freese and Nichols; Jeff Conti, Director, Board of Directors of Northgate Crossing MUD No. 2 (“NG2”); Jim Helriche, resident of the District; Brent Ballard with Harris County Precinct 4 Constables Office; 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; Patti Mace, representing the Northwood Pines Homeowners Association (“HOA”); Tina Kelsey with Myrtle Cruz, Inc. Bookkeeper for the District; Juan Montano with Severn Trent Environmental Services, Inc. (“ST”), Operator 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 who wished to address the Board.

PEACE OFFICER’S REPORT/PEACE OFFICER CONTRACT

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

The Board then reviewed a proposed contract with Harris County for two (2) peace officers.

Upon motion duly made and seconded, the Board voted unanimously to approve the Peace Officer's Report, and the contract with Harris County for two (2) Harris County Precinct 4 Constables. A copy of said contract is on file in the official records of the District.

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 47.495% of its 2016 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.

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 attached hereto. Mr. Murr reported as noted below.

1. The turf on the levee is in good condition.
2. Landscaping of the esplanades is in progress.
3. The trees received from Trees of Houston have been planted.
4. The fountain for the lake has been ordered.
5. Painting of the railings on the drainage ditch bridge in a rust color is on hold due to the weather.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Landscape Architect's Report.

BOOKKEEPER'S REPORT/BUDGET

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.

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, 2018.

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 December 14, 2017, 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 December 14, 2017, as submitted.

Master Plan

No action was taken in connection with the Master Plan.

Amend Rate Order

No action was taken on amending the Rate Order.

Reimbursement Agreement with Developers Regarding Irrigation Improvements

No action was taken on this item.

REPORT ON HARVEY RECOVERY

This item is discussed under the Operations Report.

ENGINEER'S REPORT

Levee Inspection

EHRA performed the monthly maintenance inspection of the levee earlier in the month. No critical issues were noted.

Harris County Park Trail

Harris County is repairing the park trail adjacent to the west end of the levee and IH45 which was damaged during Hurricane Harvey. Repairs include installing a retaining wall. Mr. Atkinson stated that the original location of the retaining wall did not interfere with the levee; however, the repairs being undertaken to the trail to repair the damage from Hurricane Harvey is of concern and could affect the integrity of the levee. Mr. Atkinson stated that he is meeting with Harris County to resolve the issue.

Storm Station Rehabilitation Project Phase 2

At the meeting on April 12, 2017, the Board awarded the contract for the Phase 2 improvements at the storm station to Gemini Contracting Services, Inc. in the amount of \$279,900. Improvements include: (1) a command center building, (2) drive widening, (3) hydraulic hose supports, (3) discharge culvert fencing, (4) minor downstream repairs to the pump discharge spillway, (5) upgrading the overhead crane to 7.5 tons, (6) electric panel relocation for the wastewater lift station pumps, and (7) basic improvements to the station appearance, security and access. Gemini submitted for Board approval Pay Estimate No. 2.

Emergency Action Plan (“EAP”)

EHRA met with Freese Nichols to tour the storm station and levee. The Board recognized Ms. Anderson, who submitted an update on the EAP.

Upon motion duly made and seconded, the Board voted unanimously to approve (i) Pay Estimate No. 2 to Gemini Contracting Services, and (ii) 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 96.87%.
- ii. There are 409 active connections in the District.
- iii. There were no 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 34 accounts on the water termination list.
- vi. All auto read meters have been installed. There is a problem with a few of the meters, that Inframark is checking into. Once the problem has been resolved, invoices will be sent to customers.

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; (2) write off of the District’s books the accounts finalized with a balance of less than twenty-five dollars, if any, and (3) approve the Operations Report, including the Storm Water Pump Station Report.

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 (i) to authorize the Operator to terminate service to the accounts listed on the Termination List with the assistance of a peace officer, if necessary, and (ii) defer such termination until after the Christmas holiday.

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

PASSED, APPROVED and ADOPTED this February 8, 2018


Secretary, Board of Directors