

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

February 14, 2019

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 14, 2019, 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 Holman and Wilkerson, thus constituting a quorum.

Also attending the meeting were Jeff Conti, director with Northgate Crossing Municipal Utility District No. 2 (“NG2”); Jim Helfrich, resident of the District; Jeremy Roach and Darman Chauchan with Apollo IT Consulting, LLC (“Apollo”); Patti Mace representing the Northwood Pines Homeowners Association (“HOA”); 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; Michael Murr with Murr Incorporated, Landscape Architect for the District; Lieutenant Vicente Medina 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

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 98.772% of its 2018 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.

RESOLUTION CONCERNING TAX EXEMPTIONS FOR 2019

Consideration was next given a proposed Resolution Concerning Tax Exemptions for 2019.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning Tax Exemptions for 2019, thereby granting a 20% homestead exemption and an over 65 and disabled exemption of \$15,000. A copy of said Resolution is on file in the official records of the District.

ENGAGE ATTORNEY TO COLLECT DELINQUENT TAXES

Consideration was then given to engaging Perdue Brandon Fielder & Mott, L.L.P. (“PB”) to collect the District’s delinquent taxes.

Upon motion duly made and seconded, the Board voted unanimously to engage the services of PB collect the District’s delinquent taxes,

RESOLUTION REGARDING 20% PENALTY

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

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning 20% Penalty. A copy of said Resolution is on file in the official records of the District.

DIRECTOR WILKERSON

The Board noted that Director Wilkerson no longer owns property in the District nor resides in the District, thereby disqualifying him to serve on the Board.

APPOINTMENT AND QUALIFICATION OF DIRECTOR

Consideration was then given to the appointment of a director to fill the unexpired term of Director Wilkerson.

Upon motion duly made and seconded, the Board voted unanimously to appoint Jim Helfrich to the Board.

At this time Mr. Helfrich took his Oath of Office and presented the Statement of Appointed Official.

Upon motion duly made and seconded, the Board voted unanimously to accept the Oath of Office and Statement of Appointed Official of Jim Helfrich, thus qualifying him to serve on the Board.

FINANCIAL ADVISOR’S REPORT

There was no Financial Advisor’s Report.

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.

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.

STATUS REPORT FROM SALES REVENUE INC. (“SRI”)

The Board recognized Mr. Willis, who presented the SPA report submitted by SRI.

ATTORNEY’S REPORT

The Board recognized Mr. Willis, who presented the Attorney’s Report.

Approval of Minutes

Proposed minutes of the meetings of the Board held on December 13, 2018, and January 10, 2019, 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 13, 2018, and January 10, 2019 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 reminded the Board that at the meeting held on December 13, 2018, the Board agreed to consider accepting proposal for an administrator/coordinator of the District’s EAP. Ms. Parker stated that she has reached out to several companies to submit proposals.

Proposal to Renew Insurance

Consideration was then given to proposals submitted by McDonald Wessendorf, Arthur J. Gallagher & Co., and Texas Municipal League to renew the District’s insurance. The Board deferred action on this matter, and asked the Attorney to invite each company to the meeting on March 14, 2019, to present their proposals.

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, and it is getting larger.

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. The Board noted that Inframark was authorized to repair the sinkhole.

Any repairs resulting from the inspection will be reviewed and discussed with FN. EHRA discussed additional information with FN regarding inspection and management practices of the levee. A draft of the Inspection Report is not yet available.

Northgate Crossing Boulevard

There appears to be a sinkhole developing on the east side of Northgate Crossing Boulevard and the detention pond. There are no sanitary sewer or storm sewer lines in the area that would cause the sinkhole. The Board asked Mr. Montano to check into this matter.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer’s Report, and to authorize Inframark to repair the sinkhole.

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 92.27%.
- ii. There are 410 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 19 accounts on the water termination list.
- vi. The valve survey is complete. Ninety-seven valves were inspected, many of which require repairs.
- vii. The sanitary sewer lines are due for televising to determine their condition.

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 over twenty-five dollars, as presented, (3) approve the Operations Report, including the Storm Water Pump Station Report, (4) authorize Inframark to repair the valves noted in the Valve Survey Report, and (5) authorize Inframark to proceed with televising the sanitary sewer lines.

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/AMENDED CONTRACT

Mr. Roach then updated the Board on the website and Office 365. He then presented an Amended and Restated Contract, 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 (1) approve the Website Report, (2) approve the Amended and Restated Contract, (3) authorize conversion of the website to word press at an estimated cost of \$1,000, and (4) approve the following fees:

- | | |
|---------------------------------------|-------|
| i, Monthly website hosting | \$50 |
| ii. Monthly Office 365 Administration | \$300 |
| iii. Other services an hourly rate of | \$50. |

LANDCAPE ARCHITECT REPORT/ PARK RANGERS LEVEE MAINTENANCE REPORT

The Board recognized Mr. Murr, who presented the Landscape Architect's Report.

It was noted that:

1. Proposals are being solicited to paint the storage units.
2. It will cost approximately \$5,000 to replace the boulders around the lake.

3. There is erosion at the outfall channel into the lake. Gabion blocks will be placed at the erosion site to prevent further erosion.
4. Work is in progress for the lighting plan for 2019.
5. Trees of Houston delivered 150 trees on even date herewith. The trees are now planted.

Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architect's Report, and to authorize Mr. Murr to proceed with the lighting project.

PROPOSALS FOR EMERGENCY ACTION PLAN

The item was discussed un the Attorney's Report.

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

PASSED, APPROVED and ADOPTED this 3/14/19.


Secretary, Board of Directors