

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

July 11, 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 July 11, 2019, 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, thus constituting a quorum.

Also attending the meeting were, Officer Brent Ballard with Harris County Constable Precinct Office 4; Jeff Conti Director of Northgate Crossing Mud No. 2 (“N62”), Christina Perry with Myrtle Cruz, Inc. (“MCI”), Bookkeeper for the District; Juan Montano with Inframark Operator for the District, 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; members of the public listed on the attached attendance Sheet; and Maria Salinas Parker and Michael P. 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 to address the Board.

PEACE OFFICER’S REPORT

The Board recognized Officer Ballard, who presented 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 99.54% of its 2018 taxes.

Mr. Blich presented a List of Delinquent of Uncollectable Personal Property Taxes for placement on the Uncollectable Tax Roll.

Upon motion duly made and seconded, the Board voted unanimously to (i) approve the Tax Assessor/Collector’s Report, (ii) authorize payment of the invoices presented for payment from the District’s Tax Account; and (iii) authorize placement of the accounts listed on the List of Delinquent Uncollectable Personal Property Taxes for placement on the Uncollectable Tax Roll.

FINANCIAL ADVISOR’S REPORT

Mr. Blich then presented the 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.

The Board agreed to meet in the small conference room at the lower rate.

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 amended budget, a copy of which is on file in the Official Records of the District.

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

There was no report from SRI.

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 June 6, 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 June 6, 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.

Legislative Update

Ms. Parker then updated the Board on legislative matters.

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. No critical issues were noted.

Spring Creek Erosion

Erosion has been detected on the concrete cantilever retaining wall along Spring Creek that cuts into the levee. The wall was erected to repair damage sustained to the park trail owned by Harris County as a result of Hurricane Harvey. At the time the wall was being erected, the District expressed its concern with the scope of the repairs. LJA Engineers, Inc. (“LJA”), as agent for Harris County, was notified that the easement granted to Harris County did not convey or grant to Harris County the right to cut into the levee. LJA, engineer for Harris County, issued a letter on May 2, 2018, assuring the District that the area where the retaining wall cuts into the levee meets and passes prescribed design criteria to maintain stability. The District conducted a recent inspection of the levee which revealed substantial erosion in the area where Harris County cut into the levee. The Board noted that with inclement weather a possibility at any time (the tax-day flood, Memorial Day flood and Hurricane Harvey), it is imperative that the erosion which threatens the integrity of the levee be repaired immediately. Mr. Atkinson stated that Harris County is repairing the erosion.

Storm Pump Station

Inframark has excavated the area around the sink hole and televised the sink hole to determine the source of the sink hole. Inframark will excavate a small portion of the levee face to determine the cause of the sink hole. EHRA has an alternative solution to this matter and will discuss it with Inframark.

Emergency Operations Building

The Contractor has repaired the door that was leaking. The Board agreed to release final payment to the Contractor.

Capital Projects

A Capital Projects Study is being prepared, including rehabilitation of the wastewater collection system, rehabilitation of the lift station and manholes. Also included, will be rehabilitation of shared facilities with NG2.

Inframark will prepare a camera survey of the District's sanitary sewer collection system. EHRA will review the survey to determine the extent of repairs and rehabilitation of the sanitary sewer collection system which will be included in the Capital Projects Study.

Commitment to Northgate Partners 2010, LLC

The Board noted that at the meeting on June 6, 2016 completed and projected they agreed to extend the Letter of Commitment to Northgate Partners 2010, LLC.

District Map

The District map was updated with an aerial photograph.

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 99.84%.
- ii. There are 411 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 were no excursions at the wastewater treatment plant.
- v. There are 22 accounts on the water termination list
- vi. The fuel lines for pumps at the Storm Station will be replaced with stainless steel lines.
- vii. The leak on pump 3 is attributable to a crack on the welding.

viii. Several bollards were replaced.

ix. Televising and cleaning of the sewer lines is in progress. There is a lot of sand in the lines. The job is more complicated than anticipated, and will cost an additional \$20,000.00.

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, 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 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

There was no website or Office 365 report.

LANDCAPE ARCHITECT REPORT/ PARK RANGERS LEVEE MAINTENANCE REPORT

The Board noted that Mr. Murr was unable to attend the meeting, but he sent an email stating that work is in progress for the lighting plan, and it has been updated to include Creek Knoll Boulevard.

The Board agreed to look into installing a splash pad.

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

PASSED, APPROVED and ADOPTED this _____.

Secretary, Board of Directors