

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

January 11, 2024

THE STATE OF TEXAS

§

COUNTY OF HARRIS

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NORTHGATE CROSSING MUNICIPAL UTILITY DISTRICT NO. 1

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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 January 11, 2024, at the Stormwater Pump Station, 710 Creek Knoll, Spring, Texas 77373, a designated meeting place of the Board of Directors inside the boundaries of the District, 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 |
| Paul Martinez | Assistant Secretary |
| Kenny Boeckelman | Assistant Secretary |

All members of the Board were present except Directors Williams and Boeckelman, thus constituting a quorum. Director Williams was present via Zoom.

Also attending the meeting were Bill Blich with Blich Associates, Inc. ("BAI") and Bob Leared Interests ("BLI"), Financial Advisor and Tax Assessor/Collector, respectively to the District; Dale Anzalone representing Flock Cameras; Michael Murr with Murr Incorporated ("Murr"), Landscape Architect for the District; Jeremy Roach with Apollo IT Consulting; IT consultant to the District; Ann Marie Lasham (via Zoom) and Angela Helfrich, members of the public; Steve Fitzgerald (via ZOOM) with Gauge Engineering; Lieutenant Ballard with Harris County Precinct 4 Constables Office; Fred Richardson with Inframark, Operator for the District; Ben Mellado with Edminster Henshaw Russ & Associates ("EH"), Engineer for the District; and Michael Willis and Maria Salinas Parker (via Zoom) 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 APPROVAL

The Board recognized Officer Ballard, who presented 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 in file in the official records of the District.

The Board noted that 35.654 % of the 2023 taxes have been collected.

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.

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.

Ms. Linn advised the Board that Positive Pay (check security) will be added to the Operating Account, Construction Account and Joint Facilities Account. The Bank will charge \$25.00 per month for each account and MCI will charge \$100.00 per month per account.

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) Positive Pay as described above.

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 December 14, 2023, 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, 2023, as presented.

ORDER CALLING DIRECTORS ELECTION

Consideration was then given to a proposed Order Calling Directors Election.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Order Calling Directors Election, thereby calling an election for May 4, 2024, to elect two directors to the Board, a copy of said Order is on file in the official records of the District, (2) approve the Joint Election Agreement with Harris County, and (3) designate SKLaw as the Election Agent for the Directors Election.

AMEND RATE ORDER

No action was taken on amending the Rate Order.

ALTERNATIVE WATER USE INCENTIVE AGREEMENT

Consideration was then given to a proposed Alternative Water Use Incentive Agreement.

Upon motion duly made and seconded, the Board voted unanimously to approve the Alternative Water Use Incentive Agreement, a copy of which is on file in the official records of the District.

ENGINEER'S REPORT

The Board recognized Mr. Mellado, 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 January 2, 2024. It was noted that the galvanized rip rap fencing needs to be repaired in certain locations, and there is a sink hole at the edge of the detention pond.

Water Plant 3 / Wastewater Plant Expansion

EHRA is continuing to work with the Engineer for NG2 regarding the wastewater treatment 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. 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, if necessary.

The NG2 Engineer has estimated a cost to design and construct 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. The project will be done in two (2) phases. The District will need to use surplus construction funds for its share of the cost.

Northwood Pines Park

EHRA has received final approval from Harris County Engineering for the parking lot adjacent to the splash pad. This project is on hold pending the Levee modifications.

Water Reuse Project

EHRA has completed the topographic survey in the area proposed for the water reuse project. EHRA has started designing the line for the Water Reuse Project. EHRA has received from Northgate Crossing MUD

No. 2 the initial layouts. The sizing of the lines is being determined. The water will be used to irrigate the levee and esplanades.

Storm Station Building

EHRA has completed the design of the Storm Station Building. The plans have been submitted for regulatory approval. Once regulatory approval is received, the project will be bid.

Levee Analysis and Certification

Raising of the Levee is complete. Recertification of the Levee will occur once the new FEMA maps are published.

Spring Creek Retaining Wall

EHRA has notified Harris and Montgomery Counties of the failed retaining wall at Spring Creek. Harris County stated that wall is outside its jurisdiction. Montgomery County indicated that the wall is a private wall and responsibility of the homeowner; however Montgomery County agreed to check into it.

Capital Improvement Plan ("CIP")

A five-year CIP was presented at the meeting on November 9, 2023. A copy of the CIP is on file in the official records of the District.

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

Mr. Richardson reported as noted below.

- The billed to pumped ratio was 95.80%.
- There are 411 active connections in the District.
- There were no accounts finalized with a balance under \$25, and no accounts finalized with a balance greater than \$25.
- There were no excursions at the wastewater treatment plant.
- the gaskets on pump 4 at the Storm Station will be replaced and the oil in coolant replaced.
- an increase of 4.928% in operation fees was presented

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operation's Report, (2) to write off the delinquent uncollectable accounts with a balance under \$25, (3) turn over the delinquent uncollectable accounts finalized with a balance of more than twenty-five dollars, if any, for collection, and (4) to approve the increase in operation fees.

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 termination of service to the accounts listed on Termination List.

LANDSCAPE ARCHITECT REPORT/PARK RANGERS LEVEE MAINTENANCE REPORT

The Board then reviewed the Landscape Architect'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 Landscape architect Report.

IT REPORT/WEBSITE/AGREEMENT COMMUNICATION SYSTEM

The Board recognized Mr. Roach, who presented the IT Report.

Upon motion duly made and seconded, the Board voted unanimously to approve the IT Report.

INCLEMENT WEATHER POLICY/ANNUAL STORM STATION

There was no report on the Inclement Weather Policy.

FLOCK CEMRAS

The Board took no action on the Flock Security Cameras.

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

ENGAGEMENT OF AUDITOR

The engagement of auditor was deferred.

There being no further business to come before the Board, the meeting was adjourned.

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PASSED, APPROVED and ADOPTED this February 8, 2024


Secretary, Board of Directors