

MINUTES OF MEETING OF BOARD OF DIRECTORS  
September 12, 2023

THE STATE OF TEXAS  
COUNTY OF HARRIS  
NORTH GREEN MUNICIPAL UTILITY DISTRICT

The Board of Directors (the “Board”) of North Green Municipal Utility District (the “District”) convened in regular session on September 12, 2023 at 11:30 a.m. at the offices of Arete Real Estate & Development Company, 340 N Sam Houston Parkway E, Suite 140, Houston, Texas 77060, pursuant to Section 551.127, Texas Gov’t Code. A roll call was taken of the persons present:

Joe Fogarty, President  
James Shipman, Vice President  
Howard C. Chapman, Secretary  
John Cole, Assistant Secretary  
Frank Tanner, Assistant Secretary

**Persons Attending.** All members of the Board were present, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Cathi Wilbanks of Equi-Tax, Inc., Tax Assessor and Collector for the District; Ms. Madeline Lopez of Norton Rose Fulbright US LLP (“NRF”), Paralegal for the District; Mr. Jimmy Thornton of Storm Maintenance and Monitoring, Inc., maintenance for the District; and Ms. Shawn Pachlhofer of R.G. Miller Engineers, Inc., Engineer for the District; Mr. Josh Rowe of Water District Management Company, Inc. (“WDMC”), Operator for the District; Ms. Barbara Nussa of Republic Services, waste collection service for the District; and Ms. Corrie Aday of Brown & Brown Insurance, insurance provider for the District.

Pursuant to Section 551.054, Texas Gov’t Code, notice of the meeting was posted as required by law. A certificate of such posting is attached hereto as *Exhibit A*.

**Call to Order.** The President called the meeting to order. He then proceeded with the meeting business.

- 1. Public Comments.** There were no public comments.
- 2. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of July 11, 2023, a copy of which was previously distributed to the Board. Upon motion by Director Cole, seconded by Director Shipman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of July 11, 2023, as presented.
- 3. Security Report.** There was no report presented.
- 4. Renew Law Enforcement Agreement.** The Board discussed the budget for security and the number of deputies. Ms. Lopez presented to and reviewed with the Board the Interlocal Agreement for Law Enforcement Services between Harris County and the District, a

copy of which is attached hereto as *Exhibit B*. She noted the contract term is for October 1, 2023 through September 30, 2024. Upon inquiry by Director Cole, Ms. Lopez clarified the contract states three deputies would serve the District. Discussion ensued regarding deputies' shifts. Director Chapman stated he would negotiate with the Harris County Sheriff's Office for two deputies only for the District.

Mr. Rowe entered the meeting at this time.

Upon motion by Director Cole, seconded by Director Tanner, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Interlocal Agreement for Law Enforcement Services, subject to negotiation by Director Chapman for two deputies to serve the District.

**5. Review and approve District Insurance.** Ms. Aday presented to and reviewed with the Board the 2023-2024 Brown & Brown Insurance renewal proposal, a copy of which is attached hereto as *Exhibit C*. Upon inquiry by Director Fogarty, Ms. Aday discussed the increase in property value. Discussion ensued regarding engineer reviewing Property Schedule. Upon inquiry by Director Tanner, Ms. Aday reviewed the increase of the District's insurance annual cost to \$42,959. Discussion ensued regarding coverage rate increases. The Board agreed to remove the Workers Compensation and Auto Liability coverages from the insurance proposal. Ms. Aday stated she would amend the insurance proposal. Upon motion by Director Cole, seconded by Director Chapman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the 2023-2024 Brown & Brown Insurance renewal proposal.

**6. Approve Resolution Authorizing Indemnification of Directors.** Ms. Lopez presented to and reviewed with the Board the Resolution Authorizing Indemnification of Directors, a copy of which is attached hereto as *Exhibit D*. She noted that this item is discussed annually in conjunction with renewal of the District's insurance policies, and stated that to the extent that Directors are acting in good faith in carrying out their duties, the District will indemnify the Directors for losses in connection with law suits and damages that are not covered by the District's insurance. Upon motion by Director Chapman, seconded by Director Cole, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution Authorizing Indemnification of Directors.

**7. Tax Assessor and Collector's Report.** The President recognized Ms. Wilbanks, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of August 2023, a copy of which is attached hereto as *Exhibit E*.

Ms. Wilbanks presented two checks for the Board's review and approval.

Ms. Wilbanks reviewed the SPA revenue report.

Upon inquiry by Director Fogarty, Ms. Wilbanks discussed the transfer from the General Fund to the Operating account.

Upon motion by Director Chapman, seconded by Director Tanner, after full discussion and the question being put to the Board, the Board voted unanimously to approve the

Tax Assessor and Collector's Report, and approve payment of the checks in the amounts, for the purposes, and to the persons listed therein.

**8. Approve Quarterly Investment Report, Bookkeeper's Report, and Payment of Bills.** Ms. Wilbanks presented to and reviewed with the Board the Bookkeeper's Report and the Quarterly Investment Report, the Profit & Loss Budget vs. Actual, and the 2023 Energy Usage Report, copies of which are attached hereto as *Exhibit F*.

Ms. Wilbanks reported that 12 checks were been completed since the Board's last meeting. She then presented 32 checks for Board approval. She also presented 15 future checks.

Ms. Wilbanks then reviewed with the Board the Investment Report and the budget for fiscal year ending 2023. Discussion ensued regarding interest rates and Texas Regional Bank. Upon request by Director Fogarty, Ms. Wilbanks will provide interest rates from different institutions that ETI recommends.

Ms. Wilbanks reported on the 2023 Fiscal Year Groundwater Pumpage Usage Report and Energy Usage Report.

Ms. Wilbanks reviewed the proposed draft budget no. 2 for fiscal year ending December 31, 2024. Discussion ensued regarding Groundwater Pumpage Fee and Sludge line items. Ms. Wilbanks stated she will revise the Security expense line item.

Upon motion by Director Chapman, seconded by Director Shipman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and Investment Report, and authorize payment of the checks listed in the Bookkeeper's Report, each in the amounts, to the persons, and for the purposes described therein.

**9. Review and amend budget for fiscal year ending December 31, 2023.** There was no action taken at this time.

**10. Mowing Report.** The President recognized Mr. Thornton, who presented to and reviewed with the Board the Mowing Report, a copy of which is attached hereto as *Exhibit G*. Discussion ensued regarding tree debris on Imperial Valley. Mr. Thornton stated he will look along Imperial Valley and Storm Maintenance and Monitoring will pick up any debris.

**11. Engineer's Report and take any necessary action.** Mr. Pachlhofer presented to and reviewed with the Board the Engineer's report, a copy of which is attached hereto as *Exhibit H*.

Mr. Pachlhofer reported on the W. Hardy Storage, stating they are improving the existing facilities on their site and requested to continue using an existing sanitary sewer lead, which connects to the District's wastewater treatment plant. He noted this request will require replacement of a segment within the wastewater treatment plant. Mr. Pachlhofer stated the operator has prepared a proposal for the work and Director Fogarty has agreed to allow W. Hardy Storage to continue using the sanitary sewer line.

Mr. Pachlhofer reported that RGME is still working with TCEQ for approval of an existing water interconnect near Rankin Road and Imperial Valley.

Mr. Pachlhofer reported Harris County Utility District No. 16 (“HCUD 16”) inquired if the District would agree to an emergency water interconnect near the intersection of Rankin Road and North View Trail. Discussion ensued. The Board agreed to the interconnect with HCUD 16, and HCUD 16 will need to prepare the engineering plans and pay for the interconnect. Mr. Pachlhofer stated he would relay the District’s interest of the interconnect to HCUD 16’s engineer.

Upon motion by Director Cole, seconded by Director Fogarty, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer’s Report.

**12. Discuss engineer proposal and take any necessary action.** The President expressed that he is not pleased with RGME and would like the Board to consider replacing them. Discussion ensued regarding transitioning the District’s on-going projects to the new engineer. The Board reviewed the FdR proposal to provide on-call civil engineering services, a copy of which is attached hereto as *Exhibit I*. Upon inquiry by Director Tanner, Ms. Lopez stated that legal has reviewed the contract and FdR revised with the requested verifications. Upon inquiry by Director Tanner, Mr. Pachlhofer discussed the rates and terms of the RGME contract. Further discussion ensued. Upon motion by Director Tanner, seconded by Director Chapman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the FdR proposal to provide on-call engineering services.

**13. Operations Report.** Mr. Rowe discussed the delayed Magna Flow invoices following the sludge hauls. Mr. Rowe, who presented to and reviewed with the Board the Operations Report dated September 12, 2023, a copy of which is attached hereto as *Exhibit J*. Mr. Rowe stated the District’s water usage accountability was 95.34% for the month of August 2023. He also stated that all bacteriological samples came back negative. Mr. Rowe reported that the water plant 1 fence was hit a second time. He stated the barricade is back up and the fence will be repaired again this week.

Mr. Rowe reviewed activity related to the District’s wastewater treatment plant. He stated that there were no permit excursions. He further stated that WDMC hauled 140,000 gallons of sludge in August 2023. Mr. Rowe reported a 2-inch air line broke and was repaired. He reported the clarifier went down and a temporary line was ran; he is waiting on a quote to repair. Mr. Rowe discussed additional contractor he contacted regarding bar screen. Director Fogarty requested quotes from two contractors for bar screen and non-potable system.

Mr. Rowe discussed filing insurance claims for lift pumps.

Mr. Rowe reported on the distribution system. Discussion ensued regarding interconnect approval with TCEQ.

Mr. Rowe reported on the collection system, stating the railroad grading job, with additional rock, is complete.

Mr. Rowe reported that there are two accounts on the cutoff list for August 15, 2023.

Upon motion by Director Cole, seconded by Director Chapman, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Operations Report and terminate the delinquent accounts in accordance with the District's rate order; and (2) approve replacing bar screen and switching to non-potable system, subject to Director's Fogarty's review of bids.

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

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The above and foregoing minutes were passed and approved by the Board of Directors on November 14, 2023.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors