

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 10, 2022

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 May 10, 2022 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
Vacancy, 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, Tax Assessor and Collector for the District; Mr. Josh Rowe of Water District Management Company, Inc. (“WDMC”), Operator for the District; Mr. Glenn Woodson and Mr. Jimmy Thornton of Storm Maintenance & Monitoring, Inc. (“Storm Maintenance”); Sgt. Albert Ashworth of the Harris County Sheriff’s Office; Mr. Bear Oakley of Acclaim Energy (“Acclaim”); and Ms. Nadin Fallah of Norton Rose Fulbright US LLP (“NRF”), attorneys 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. Security Report. The President recognized Sgt. Ashworth of the Harris County Sheriff’s Office, who reviewed with the Board the status of crime within the District. Sgt. Ashworth reported an increase in violent crime and property crime throughout Harris County. He stated that there have been recurring issues with crimes of opportunity, particularly those related to vehicle burglaries. Director Fogarty inquired about surveillance within the District. Sgt. Ashworth confirmed that there is an officer surveilling the District at all times. Director Fogarty inquired about mitigation strategies for vehicle thefts. Sgt. Ashworth stated that the City of Houston and the State government are developing initiatives to address the matter. Discussion ensued.

Director Tanner inquired whether there have been any reports of gun shots. Sgt. Ashworth stated that there have been only two incidents of discharge of firearms in the District. Discussion ensued regarding fireworks in the District.

Director Fogarty noted that the District has a number of relatively large apartment projects. He inquired whether the apartment complexes have security of their own. Sgt. Ashworth stated that he is not aware of any security at the apartment complexes. He further stated that he would coordinate with the deputies who work night shifts in the District to confirm.

3. Qualification of Directors and Election of Officers. Certificates of Election were presented for those candidates elected to the Board: Directors Fogarty and Chapman. 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 accept the Certificates of Election for Directors Fogarty and Chapman. It was noted that both of the elected individuals executed the necessary Statement of Officer and Oath of Office, qualifying them to serve in the capacity of Director. It was the consensus of the Board to have the officers remain in their current positions.

4. Discuss Director Vacancy. Discussion ensued regarding possible candidates for appointment. It was the consensus of the Board to defer this item.

5. Consider Proposal from Acclaim Energy for Reliability Advantage Program. Mr. Oakley presented to and reviewed with the Board a proposal for the Acclaim Reliability Advantage program, a copy of which is attached hereto as *Exhibit B*.

Mr. Oakley noted that, in response to ongoing grid problems following Winter Storm Uri, the Texas Commission on Environmental Quality (“TCEQ”) and the Public Utility Commission of Texas (“PUCT”) have begun to clarify and implement the application of Senate Bill 3. Mr. Oakley stated that the initiatives proposed by these government bodies are expected to result in increased electricity and delivery costs. He reported that Acclaim is collaborating with Axeon Interlocal to represent the interests of utility districts before the state government. Mr. Oakley discussed the possible consequences of a grid failure, and the importance of representing utility districts before the state government. He then proceeded to review the goals of the Reliability Advantage Program and stated that the program will be a 12-month service agreement with a flat fee of \$2,500.00 due upon contract signing.

Mr. Oakley reported that Acclaim’s proposal includes regular market monitoring services as well as an initiative to develop a circuit-level microgrid within the District with the capacity to provide energy reliability for homeowners. He stated that monthly newsletters and quarterly webinars will be provided to participants, and that Acclaim will represent the interest of utility districts before the PUCT. He further stated that the District will receive priority consideration for the installation of a micro-grid within its boundaries.

Director Fogarty inquired whether there is currently a generator at the sewer plant in the District. Mr. Rowe stated that there is no permanent generator at the sewer plant. He stated that it is possible to reserve a generator as needed. Discussion ensued. It was the consensus of the Board not to participate in the Reliability Advantage Program at this time.

6. Approve Minutes. Consideration was given to the approval of the minutes of the regular meeting of March 8, 2022, a copy of which was previously distributed to the Board. 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 minutes of the regular meeting of March 8, 2022, as presented.

7. Tax Assessor and Collector's Report. The President recognized Ms. Wilbanks, who presented to and reviewed with the Board the Tax Assessor and Collectors' Report for the month of April 2022, a copy of which is attached hereto as *Exhibit C*. Ms. Wilbanks presented one check for the Board's approval. She stated that as of April 30, 2022, the District had collected 99.9% of its 2012 taxes.

Ms. Wilbanks then reviewed the District's depository pledge report, noting the District's collateral.

Ms. Wilbanks then proceeded to review a SPA Revenue Report dated May 10, 2022, a copy of which is attached hereto as *Exhibit D*.

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 Tax Assessor and Collector's Report, and to authorize payment of check number 2756 from the tax account to the persons, in the amounts, and for the purposes 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 2021 Energy Usage Report, copies of which are attached hereto as *Exhibit E*.

Ms. Wilbanks reported that 11 checks had been completed since the Board's last meeting. She then presented 34 checks for Board approval. She also presented 12 future checks.

Ms. Wilbanks then reviewed with the Board the Investment Report and the budget for fiscal year ending 2022.

Director Fogarty reviewed the revenue obtained from the District's certificates of deposit. He stated that the next CD maturity will be in August 2022. Ms. Wilbanks stated that the District's investment officer will provide the CD renewal rates for Board review in advance of the August meeting. She further stated that TexPool is offering favorable interest rates at this time. 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 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. 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 F*.

Mr. Thornton stated that there are no issues to report. He stated that Storm Maintenance will create a walkway in honor of former Director John Perrone. Discussion ensued. Director Tanner inquired whether residents of the District make use of the District's sidewalks and trails. Mr. Thornton confirmed that several residents use the sidewalks. Mr. Woodson noted that the sidewalks extend into the neighborhood communities, thus increasing use of sidewalks and trails within the District. He further stated that children use the sidewalks to and from the school bus stops. Mr. Woodson reported that irrigation services and wheelchair ramps are included in the proposal for the walkway in honor of John Perrone. Discussion ensued regarding the contractor for the project and the estimated costs. 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 mowing report and to accept the proposal for a walkway in honor of John Perrone.

Mr. Thornton reported that Storm Maintenance had struggled to mow certain areas of the District due to excessive trash. He stated that there has not been a great deal of heavy trash pickup during the period.

10. Engineer's Report. There was no report for the month.

11. Operations Report. The President recognized Mr. Rowe, who presented to and reviewed with the Board the Operations Report dated April 2022, a copy of which is attached hereto as *Exhibit G*. Mr. Rowe stated that for the month of February the District's water usage accountability was 97.36%. He also stated that all bacteriological samples had come back negative.

Mr. Rowe reported that there were three accounts on the cutoff list for April 19, 2022. He stated that there were no accounts for consideration to write off for the month and no accounts to be sent to collections.

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 63,000 gallons of sludge in April of 2022. He stated that WDMC is working to determine whether variable frequency drives can be installed on the blowers at the treatment plant to attempt to lower energy consumption at the facility.

Mr. Rowe reported that the bar screen at the wastewater treatment plant will be converted to a multi-stage bar screen

Mr. Rowe reported that the refrigeration unit on the automatic sampler at the wastewater treatment plant has failed and must be replaced. He stated that the chemicals contractor has provided a cost of \$10,123.00 for the equipment. He noted that there is a lengthy lead time of five months, and that WDMC is working to identify alternatives in the interim. Mr. Rowe reviewed with the Board the possibility of installing two probes at the facility to address the matter.

Discussion ensued regarding the frequency and procedures for sampling water. Director Fogarty requested that the refrigeration unit be repaired. Mr. Rowe reviewed the difficulties with repairing the unit.

Mr. Rowe reported that Storm Maintenance has requested that a two-inch tap be installed for the District's irrigation system at the wastewater treatment plant. He stated that the estimated cost is approximately \$8,600.00. Discussion ensued regarding irrigation and the scope of the projects.

Mr. Rowe reported on the District's distribution system, stating that all samples collected were negative.

Director Fogarty reported on the apartment complex on Chisholm Trail, stating that the property owners for the complex obtained all necessary permits from Harris County and the City of Houston for use of the private irrigation well. Discussion ensued.

Mr. Rowe reported that the District's billing enrollment is at 67%.

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 Operations Report.

12. Approve Consumer Confidence Report. Mr. Rowe presented to and reviewed with the Board a draft Consumer Confidence Report, a copy of which is attached hereto as *Exhibit H*. He stated that this drinking quality report is prepared annually and made available to the public. He reported that the 2021 Consumer Confidence Report was in compliance and that there were no issues to report. Discussion ensued regarding backup generator requirements for water and sewer facilities.

13. Amend Rate Order. It was the consensus of the Board to defer this item to the next Board meeting.

Director Fogarty reported that the Association of Water Board Directors annual summer conference will be held on the weekend of June 24, 2022 in Fort Worth. Discussion ensued regarding reimbursable expenses and lodging options.

Discussion ensued regarding the next Board meeting. It was the consensus of the Board to meet in person at the offices of Arete Real Estate & Development Company on Tuesday, July 12 at 11:30 a.m.

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 July 12, 2022.

President, Board of Directors

ATTEST:

Secretary, Board of Directors