

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 8, 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 March 8, 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, and via teleconference pursuant to Section 551.125, 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. Vickey Sullivan and Ms. Valerie Pena of Equi-Tax, Tax Assessor and Collector for the District; Mr. Josh Rowe of Water District Management Company, Inc. (“WDMC”), Operators for the District; Mr. Glenn Woodson of Storm Maintenance & Monitoring, Inc. (“Storm Maintenance”); Mr. Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC (“MGSB”), auditor for the District; Deputy Curry of the Harris County Sheriff’s Office; and Ms. Leslie Bacon 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 Secretary called the meeting to order. He stated that the notice of the meeting included a meeting place location and a toll-free dial-in number for members of the public to attend the meeting in person or by teleconference. He noted that the meeting was being recorded and a recording would be available upon public request. He then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business.

1. Emergency Finding. 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 find the existence of an emergency or public necessity, i.e., the spread of the Delta variant of the Coronavirus, making the convening at one location of a quorum of the governmental body difficult or impossible and permitting a meeting by teleconference pursuant to Section 551.125 of the Texas Open Meetings Act.

2. Public Comments. There were no public comments.

3. Discuss Director Vacancy. Discussion ensued regarding the qualifications and appointment of a new director. Upon inquiry by Director Cole, Ms. Bacon stated that an individual may not simultaneously serve on the boards of multiple utility districts.

4. Approve Minutes. Consideration was given to the approval of the minutes of the regular meeting of January 11, 2022, a copy of which was previously distributed to the Board. 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 minutes of the regular meeting of January 11, 2022, as presented.

Director Fogarty entered the meeting at this time.

5. Security Report. The President recognized Deputy Curry of the Harris County Sheriff's Office, who reviewed with the Board the status of crime within the District. He stated that there has been an increase in criminal activity throughout Harris County, noting that incidents involving juveniles in possession of guns have become more frequent. Extensive discussion ensued regarding violent crime and methods of prevention. Deputy Curry recommended that high resolution cameras and motion sensor lights be installed in neighborhoods. Director Chapman inquired whether the Harris County Sheriff's Office has spoken to the local homeowners associations regarding increases in criminal activity. Deputy Curry stated that the Sheriff's Office has not visited with homeowners associations within the District as this time. Deputy Curry proceeded to review incidents of jugging robberies. Discussion ensued. Director Chapman reported that he would provide Deputy Curry's contact information to the local homeowners associations.

Deputy Curry left the meeting at this time.

6. Approve audit for fiscal year ended December 31, 2021. The President recognized Mr. Jenkins, who presented to and reviewed with the Board a draft audit for fiscal year ended December 31, 2021, a copy of which is attached hereto as *Exhibit B*. Mr. Jenkins stated that MGSB will be issuing an unmodified opinion on the District's financial statements. He proceeded to review the District's annual financial statements, budgetary information, and investments. Upon request from Ms. Bacon, Mr. Jenkins confirmed that he would update the legal contact from Neil Thomas to Leslie Bacon. 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 audit for fiscal year ended December 31, 2021, as amended.

7. Adopt Order Declaring Unopposed Candidates Elected to Office. Ms. Bacon presented to and reviewed with the Board an Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as *Exhibit C*. She reported that the 2022 Directors Election was uncontested and can be cancelled. 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 adopt the Order Declaring Unopposed Candidates Elected to Office. Director Tanner inquired about the effect of the election on the Board vacancy. Ms. Bacon stated that a director will need to be appointed to fill the vacant position on the Board. She further stated that NRF has received the probated will from Mrs. Perrone, along with the necessary deed documents for the conveyance of the director's lot.

8. Tax Assessor and Collector's Report. The President recognized Ms. Sullivan, who presented to and reviewed with the Board the Tax Assessor and Collectors' Report for the month of January 2022, a copy of which is attached hereto as *Exhibit D*. Ms. Sullivan presented one check for the Board's approval. She stated that as of February 28, 2022, the District had collected 99.9% of its 2012 taxes.

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

Ms. Sullivan then proceeded to review a SPA Revenue Report dated March 8, 2022, a copy of which is attached hereto as *Exhibit E*.

Director Fogarty inquired about the parameters for a tax election. Ms. Bacon stated that, if the tax rate is increased by over 3.5%, an election is needed.

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 2755 from the tax account to the persons, in the amounts, and for the purposes listed therein.

9. Approve Quarterly Investment Report, Bookkeeper's Report, and Payment of Bills. Ms. Sullivan introduced Ms. Pena, stating that Ms. Pena will be serving the District going forward. Ms. Sullivan then 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 F*.

Ms. Sullivan reported that 8 checks had been completed since the Board's last meeting. She then presented 39 checks for Board approval. She also presented 11 future checks. Ms. Sullivan then presented three additional checks for Board approval, made out to the City of Houston, R. G. Miller Engineering, and WDMC, respectively.

Ms. Sullivan then reviewed with the Board the Investment Report and the budget for fiscal year ending 2022. Discussion ensued. Director Chapman inquired whether an expense item may have been allocated to the "ground pumpage fee" line item instead of the "maintenance repairs" line item. Ms. Pena stated that she would verify the District's bookkeeping records and follow up with the Board, as needed.

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 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.

Director Cole left the meeting at this time.

10. Mowing Report. The President recognized Mr. Woodson, who presented to and reviewed with the Board the Mowing Report, a copy of which is attached hereto as *Exhibit G*.

Mr. Woodson stated that the street right of ways and detention ponds are being mowed at the contracted amount. He noted that there are no erosion issues with the detention ponds. Mr. Woodson reported that fertilization and seeding programs will begin each spring, moving forward. Director Fogarty inquired about the growth of grass on the large pond. Mr. Woodson stated that the rye grass is not growing evenly around the large pond. He stated that there are no issues with the rye grass growth on the North pond. Director Fogarty inquired about the irrigation system. Mr. Woodson stated that there were no issues with the irrigation system or with the District's ponds.

Director Fogarty inquired about the possibility of installing a sidewalk in the area. He requested that a quote be provided at the next Board meeting, indicating the cost of landscaping and the number of linear feet of sidewalk necessary. Mr. Woodson noted that an irrigation system would also be needed. Mr. Rowe stated that he would provide the cost for installation of a water meter in the area for irrigation needs.

Director Fogarty stated that the Board will defer review of its water and sewer rates until the apartment complexes are online. Director Chapman inquired about the possibility of requiring apartments to install grease traps. Director Fogarty discussed the difficulties of enforcing grease traps at apartment complexes. Discussion ensued regarding issues with grease in District lines. Director Fogarty noted that it may be necessary to resume monthly cleaning of the lines.

11. Engineer's Report. There was no report for the month. Director Fogarty noted that Mr. Goel is no longer with R. G. Miller Engineers. He stated that Mr. Shawn Pachlhofer will be serving the District going forward.

12. Operations Report. The President recognized Mr. Rowe, who presented to and reviewed with the Board the Operations Report dated February 2022, a copy of which is attached hereto as *Exhibit H*. Mr. Rowe stated that for the month of February the District's water usage accountability was 97.65%. He also stated that all bacteriological samples had come back negative.

Mr. Rowe reported that there were no accounts for consideration to write off for the month. He further stated that there was one account to be sent to collections in the amount of \$93.04, and no accounts listed on the cutoff list.

Mr. Rowe reviewed activity related to the District's water plant. He reported that the 2021 Annual Water Use Survey was completed and submitted to the Texas Water Development Board on February 15, 2022.

Mr. Rowe reported on the District's bar screen, stating that WDMC will determine whether any modifications are needed. Director Fogarty discussed the possibility of installing multiple levels of screens in order to avoid overflows. Director Chapman inquired about the possibility of installing an automated system. Mr. Rowe noted that the material cost for an automated device exceeds \$500,000.00, not including the cost of maintenance and operations. Extensive discussion ensued.

Mr. Rowe reviewed with the Board the City of Houston interconnect approvals. He then reported on the apartment complexes located on Chisolm trail, stating that there has been no response from the apartment management team regarding the use of an unauthorized electric well.

Discussion ensued. Ms. Bacon stated that NRF would submit a second letter to the management team, prior to taking further action on the well.

Mr. Rowe reported on a repair at the apartments on Chisolm trail, stating that WDMC turned off the meter valves to address a leak upstream of the meter. He noted that the leak may be responsible for the District's water loss. He stated that the repairs were completed and back-billed to the customer.

Mr. Rowe stated that WDMC would like to request that Warren Distribution widen the crossing over the railroad spur. He stated that the current crossing is tight and elevated at an angle, making access to the easement difficult. Discussion ensued. Mr. Rowe stated that he would contact Warren Distribution to determine whether it would be possible to install a crossing on the second half of the water and sewer easement.

Mr. Rowe reported that the District's billing enrollment is at 63%. Upon inquiry by Director Tanner, Mr. Rowe stated that the enrollment is in line with other comparable districts.

Mr. Rowe reviewed the District's Identity Theft Report, stated that no changes are recommended at this time.

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.

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, May 10 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 May 10, 2022.

President, Board of Directors

ATTEST:

Secretary, Board of Directors