

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 11, 2021

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 11, 2021 at 11:30 a.m. partially via teleconference pursuant to Section 551.125, Texas Gov’t Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. 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 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. Vinay Goel, Mr. Duncan Flintoff, and Ms. Ashley Hinkle of R.G. Miller Engineers (“RGM”), engineers for the District; Mr. Jimmy Thornton of Storm Maintenance & Monitoring, Inc. (“Storm Maintenance”); Ms. Barbara Nussa of Republic Waste Services; Mr. Brian Toldan of McCall Gibson Swedlund Barfoot PLLC (“McCall Gibson”), auditor for the District; Mr. Allen DeJonge of Infinity Services, LLC (“Infinity”); and Ms. Leslie Bacon and Ms. Nadin Fallah of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; and Mr. Patrick Mileski, public attendee.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. A certificate of such posting is attached hereto as *Exhibit A*. The agenda packet was posted on the website as items became available in compliance with the guidelines issued by the Texas Attorney General:

1. Call to Order. The President called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request.

2. Public Comments. There were no public comments.

3. Discuss GIS Services and take any necessary action. The President recognized Mr. Flintoff and Ms. Hinkle, who presented to and reviewed with the Board a proposal for GIS Services. Mr. Flintoff noted that RGM provides GIS services to 14 utility districts. He reviewed the various features of the software, noting that the GIS system serves as a system of record and is created using real-world data. He stated it is primarily useful to the District's internal operations, but noted that the GIS system can be used to generate District maps to be shared with members of the public. Extensive discussion ensued. The Board made the decision to defer consideration of the item at this time. Director Fogarty noted that he would coordinate with Mr. Rowe to discuss the advantages of a GIS system for the District.

4. Consider Appointment of Director. The Board discussed the director vacancy. Director Fogarty recognized Mr. Mileski, who introduced himself to the Board. Upon motion by Director Fogarty, seconded by Director Tanner, after full discussion and the question being put to the Board, the Board voted unanimously to proceed with appointment procedures. Ms. Bacon stated that legal will prepare the documents for Mr. Mileski's appointment.

5. Approve Minutes. Consideration was given to the approval of the minutes of the regular meeting of March 9, 2021, a copy of which was previously distributed to the Board. 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 minutes of the regular meeting of March 9, 2021, as presented.

6. Consider Website Proposal from Infinity Services, LLC. The President recognized Mr. DeJonge who presented to and reviewed with the Board a proposal for website services, a copy of which is attached hereto as *Exhibit B*.

Director Fogarty inquired about the average number of website visitors for water districts. Mr. DeJonge stated that, depending on the size of a district, website traffic ranges from 300 to 400 visitors per month. Discussion ensued regarding alert notifications and website features. The Board made the decision not to proceed with a website at this time.

7. Discuss security within District and take any necessary action. The Board reviewed the District Security Report for the month of April 2021, a copy of which is attached hereto as *Exhibit C*. Director Fogarty noted that there were no items requiring Board action. Discussion ensued regarding the cost of security to the District.

8. Approve Audit for fiscal year ended December 31, 2020. The President recognized Mr. Toldan, who presented to and reviewed with the Board a draft audit for fiscal year ended December 31, 2020, a copy of which is attached hereto as *Exhibit D*. Mr. Toldan reported that McCall Gibson is issuing an unmodified opinion. He noted page 9 of the audit report. Discussion ensued regarding the District's reserve and its current water and sewer service rates. 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 audit for fiscal year ended December 31, 2020.

Mr. Toldan left the meeting at this time.

9. 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 April 2021, a copy of which is attached hereto as *Exhibit E*. Ms. Sullivan presented two checks for the Board's approval. She stated that as of April 30, 2021, the District had collected 99.9% of its 2012 taxes.

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 Tax Assessor and Collector's Report, and to authorize payment of check numbers 2749 and 2750 from the tax account to the persons, in the amounts, and for the purposes listed therein.

10. Approve Quarterly Investment Report, Bookkeeper's Report, and Payment of Bills. 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 10 checks had been completed since the Board's last meeting. She then presented 32 checks for Board approval.

Upon motion by Director Tanner, seconded by Director Cole, 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 to authorize payment of the checks listed in the Bookkeeper's Report, each in the amounts, to the persons, and for the purposes described therein.

11. 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*.

Mr. Thornton stated that there were no issues to report.

Mr. Thornton updated the Board on the installation of a bench and plaque in memory of former Director Perrone. He reported that the bench is ready for installation, and that final details are being prepared to preparation of the plaque.

12. Engineer's Report. The President recognized Mr. Goel, who updated the Board on ongoing developments within the District.

Mr. Goel reported on the apartment complex project with 192 apartments located on Wayforest Drive. He stated that the development is under construction.

Mr. Goel reported on the apartment complex project with 288 apartments located on Richcrest Drive and Imperial Valley Drive. He stated that the development is under construction. Mr. Goel reported that he and Mr. Rowe reviewed the construction plans and issues an approval letter. He noted that the project engineer may now request a tap from WDMC.

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 Engineer's Report.

13. Operations Report. The President recognized Mr. Rowe, who presented to and reviewed with the Board the Operations Reports dated April 2021, a copy of which is attached hereto as *Exhibit H*. Mr. Rowe stated that for the month of April the District's water usage accountability was 93.8%. He also stated that all bacteriological samples had come back negative.

Director Fogarty inquired how the District exceeded 100% year-to-date water accountability. Mr. Rowe stated that a water accountability over 100% can be caused by meters that over-register and are in need of replacement. He further stated that the high accountability can be caused by a discrepancy in the timeframe between reading the water meters and reading the well meters.

Mr. Rowe reported on the Wastewater Treatment Plant, reminding the Board that both steps of the clarifier installation have been completed. He noted that the daily average flow at the plant was 339,000 gallons.

Mr. Rowe reported on the District's distribution system. He noted that there are 77 fire hydrants that require pressure water blast and painting maintenance.

Mr. Rowe reported on the District's Collection System, stating that smoke testing of the sanitary mainline system has been completed and that repairs are 98% complete. He noted that there are 3 cleanouts remaining. He further reported that on a dig during the week of May 3, 2021, WDMC identified an open ended 8-inch sewer lead.

Director Fogarty inquired about the electric well found at an apartment complex within the District. Discussion ensued. Ms. Bacon confirmed that an electric well is not permitted within the boundaries of the District. She stated that legal will prepare a letter to address the matter.

Director Fogarty discuss the next District rate increase, stating that commercial properties should be charged the lowest rate, followed by residential properties, and subsequently by apartment complexes. Mr. Rowe stated that WDMC would adjust the rates as requested.

Mr. Rowe reported that there were no write-off accounts for the period and no accounts sent to collections. He reported 1 account on the cutoff list. He noted that the customer requested a one-time penalty waiver and bill adjustment. He further reported that the District's online billing enrollment is at 62%.

Mr. Rowe presented a proposal for the District's railroad grading in the estimated amount of \$4,214. He stated that the railroad contractor has installed the crossing over the spur, and that mowing and cleanup along the easement is complete.

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 (1) approve the Operations Report.

14. Approve Consumer Confidence Report. Ms. Bacon stated that the Consumer Confidence Report ("CCR") is a statutory requirement. She noted that the annual report is mailed to the District's customers. Mr. Rowe reviewed with the Board the annual CCR. He noted that there are no violations and that the water is safe to drink. 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 annual Consumer Confidence Report.

15. Discuss renewal of residential solid waste collection contract (evergreen). Ms. Nussa reported that this item was covered by the amendment approved by the Board in November 2020. She noted that no Board action is required at this time. Ms. Nussa then reviewed the amendment with the Board. Director Fogarty inquired when the solid waste collection contract will renew next. Ms. Nussa stated that the contract will renew in September 2023.

16. Reminder of cyber security training (due June 14). Ms. Bacon reported on the District's annual cyber security training requirements. She reminded the Board that Directors must complete their training by June 14, 2021. Discussion ensued regarding the possibility of resuming in-person or hybrid meetings.

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

*

*

*

The above and foregoing minutes were passed and approved by the Board of Directors on July 13, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors