

MINUTES OF MEETING OF BOARD OF DIRECTORS
July 23, 2024

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 July 23, 2024 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, except Director Chapman, thus constituting a quorum. Also attending all or parts of the meeting were Sgt. Albert Ashworth of the Harris County Sheriff’s Office, Security for the District; Ms. Madeline Lopez of Norton Rose Fulbright US LLP (“NRF”), Paralegal for the District; Mr. Josh Rowe of Water District Management Company, Inc. (“WDMC”), Operator for the District; Ms. Cathi Wilbanks of Equi-Tax, Inc., Tax Assessor and Collector for the District; Ms. Chasity Mazzuca of FdR Consulting, LLC (“FdR”), Engineer 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 May 14, 2024, a copy of which was previously distributed 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 approve the minutes of the regular meeting of May 14, 2024, as presented.

3. Security Report. Sgt. Ashworth presented to and reviewed with the Board the Security Report for June 2024, a copy of which is attached hereto as *Exhibit B*.

Sgt. Ashworth reviewed the summary of events from the report. Mr. Rowe noted operator’s complaint regarding trash located at the end of Goodnight Trail.

4. Renew Law Enforcement Agreement. 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 C*. She noted the contract term is for October 1, 2024 through September 30, 2025. Upon inquiry, Ms. Lopez clarified the contract states two deputies would serve the District. Discussion ensued regarding deputies' shifts.

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 Interlocal Agreement for Law Enforcement Services, as presented.

5. 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 June 2024, a copy of which is attached hereto as *Exhibit D*.

Ms. Wilbanks presented one check for the Board's review and 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 Tax Assessor and Collector's Report, and approve payment of the checks in the amounts, for the purposes, and to the persons listed therein.

6. Revenue Management Services Report. There was no report presented.

7. 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 E*.

Ms. Wilbanks discussed the checking account and payment of District bills. She further discussed, when the CD term is complete, the option to move funds into TexPool. Upon inquiry, Ms. Wilbanks stated the CD will be up for renewal in September 2024. 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 authorize the bookkeeper to move funds into a TexPool account, once the CD is eligible for renewal.

Ms. Wilbanks presented 34 checks for Board approval. She also presented 16 future checks.

Ms. Wilbanks then reviewed with the Board the Investment Report and the budget for fiscal year ending 2024.

Ms. Wilbanks reported on the 2024 Fiscal Year Groundwater Pumpage Usage Report and Energy Usage Report.

Ms. Wilbanks presented the proposed draft budget no. 1 for fiscal year ending 2025.

Discussion ensued regarding budget for fiscal year ending 2024. Further discussion ensued regarding increasing water and sewer rates.

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 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.

8. Review Investment Policy and accept related party disclosures. Ms. Lopez presented to and reviewed with the Board the Investment Policy, a copy of which is attached hereto as *Exhibit F*. She noted the 2024 List of Authorized Brokers for the District. Ms. Lopez stated there are no recommended changes to the current Investment Policy. 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 Investment Policy.

9. Mowing Report. The President discussed the Mowing Report, a copy of which is attached hereto as *Exhibit G*. Director Fogarty stated that Storm Maintenance and Monitoring, Inc. will look into power pole matter.

10. Engineer's Report and take any necessary action. The President recognized Ms. Mazzuca, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit H*.

Ms. Mazzuca presented to and reviewed with the Board the proposed flyer regarding disposing of grease and not flushing wipes. She discussed translating the flyer in multiple languages. Discussion ensued. The Board agreed to translate the flyers only in Spanish, and to stagger sending out the flyers with the water bills.

Ms. Mazzuca reported on the interconnect application with City of Houston, stating FdR received TCEQ's approval letter on July 9, 2024. She stated the only outstanding item is to provide documentation that the appropriate backflow prevention device was installed for this interconnect, as well as a current passing testing certificate for the device.

Ms. Mazzuca reported that FdR reviewed the draft Water Supply Contract with Harris County Utility District No. 16 ("UD 16") and sent back comments to be addressed.

Ms. Mazzuca reported on the water plant conversion, as required by City of Houston.

Ms. Mazzuca reviewed the well reports and water distribution summaries for May through June 2024.

Discussion ensued regarding possible warehouse development in the area.

Upon motion by Director Tanner, seconded by Director Shipman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

11. Review grease and wipes disposal flyer. This item was reviewed during the Engineer's Report.

12. Operations Report. Mr. Rowe presented to and reviewed with the Board the Operations Report dated July 23, 2024, a copy of which is attached hereto as *Exhibit I*. Mr. Rowe stated the District's water usage accountability was 94.49% for the month of June 2024. He also stated that all bacteriological samples came back negative. Mr. Rowe reported that the District was cited during the TCEQ inspection of service pumps 1 and 2 for leaks. He noted pump 1 was pulled and he reviewed the NTS quote for \$33,680, plus freight. Mr. Rowe stated WDM is shipping the pump to a repair center in Dallas for a second opinion. Mr. Rowe also reported on the Water Pant No. 2 power pole, stating that it needs to be replaced. Mr. Fogarty stated that Mr. Thornton will look into pricing for repair of power pole.

Mr. Rowe stated the District's facilities lost power during Hurricane Beryl, and the District used the interconnect with City of Houston. He noted that the wastewater treatment plant was operating with a generator. Discussion ensued regarding emergency preparedness plan.

Mr. Rowe reviewed activity related to the District's wastewater treatment plant. He reported on the non-potable system.

Mr. Rowe stated that the Arbor at Wayforest requested the late fee of \$938.05 to be waived. Discussion ensued. 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 waiving the late fee for Arbor at Wayforest.

Discussion ensued regarding rainfall charts and water usage.

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 Operations Report and terminate the delinquent account in accordance with the District's rate order.

13. Discuss amending Rate Order and take any necessary action. Director Fogarty suggested a 25% increase for base water and sewer rates for single family, multi-family, and commercial customers. Extensive discussion ensued.

Upon motion by Director Shipman, seconded by Director Tanner, after full discussion and the question being put to the Board, the Board voted unanimously to approve a 25% increase for base water and sewer rates for single family, multi-family, and commercial customers.

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 September 10, 2024.

President, Board of Directors

ATTEST:

Secretary, Board of Directors