

MINUTES OF REGULAR MEETING
NORTHAMPTON MUNICIPAL UTILITY DISTRICT
HARRIS COUNTY, TEXAS

February 19, 2018

THE STATE OF TEXAS §
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COUNTY OF HARRIS §

The Board of Directors (the "Board") of Northampton Municipal Utility District (the "District") of Harris County, Texas, met in regular session, open to the public, at 7:00 p.m., on the 19th day of February, 2018 at the regular meeting place thereof, the Northampton Center, 6012 Root Road, Spring, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

E. C. Thomas	President
W. Paul Schneider	1st Vice President
Ryan Bennett	2nd Vice President
Scott Kirkpatrick	Secretary
Roger A. Flood, III	Treasurer/Investment Officer

All members of the Board were present, thus constituting a quorum.

Also present were Ms. Cindy Schmidt of L&S District Services, LLC, the District's Bookkeeper; Ms. Esther Flores of Tax Tech, Inc., the District's Tax Assessor/Collector; Mr. Robb Clark and Ms. Michelle Blevins of Hays Utility South Corporation, the District's Operator; Mr. Jim Sheffield, the District's General Manager; Mr. Al Peters and Ms. Lisa June, employees of the District; Mr. Joshua Lee, P.E., Ms. Sherry Grant, P.E., and Ms. Kirsten Dreiss of Jones & Carter, Inc., the District's Engineer; Alex Smalley of Rye Street Development; Zulfigar Ali and Tanvir Ali with Umetia, Inc.; Bryan Frenchak of Rocktek Paving; and Mr. John Wallace of Bacon & Wallace, L.L.P., the District's Attorney.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order. At this time, the pledge of allegiance and an invocation were led by Director Thomas.

APPROVAL OF MINUTES

Minutes of the meeting of the Board of Directors held on January 15, 2018 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

COMMENTS FROM THE PUBLIC

A member of the public informed the Board that the lights were not working at the Inway parking lot. Jim Sheffield agreed to address the issue.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. She reported the District had collected 92% of the District's 2017 tax levy to date. She stated that delinquent statements were mailed to customers last week. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

TAX RESOLUTIONS

John Wallace reviewed a Resolution Concerning Exemptions from Taxation for the 2018 Tax Year, including a \$30,000 exemption for taxpayers over 65 years of age or disabled. A copy of the Resolution is attached hereto as an exhibit. Following discussion, upon motion duly made and seconded, the Board voted unanimously to adopt the Resolution Concerning Exemptions from Taxation for the 2018 Tax Year.

Mr. Wallace then reviewed a Resolution Implementing 20% Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented. A copy of the Resolution is attached hereto as an exhibit.

BOOKKEEPER'S REPORT

Cindy Schmidt presented and reviewed the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She reviewed the first month of the year-to-date budget. She reviewed the status of developer deposits. She stated the District needed to invoice Terra Ventura Development in the amount of \$9,315.38 and to refund \$15,000 to Canavati.

Ms. Schmidt next reviewed the Investment Report, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, Investment Report, and payment of the checks as presented.

OPERATOR'S REPORT

Robb Clark presented the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Clark stated the District's water accountability rate for the previous month was 89%, and there were no excursions at the Wastewater Treatment Plant in January. Mr. Clark stated that due to a recent freeze, several leak repairs were necessary at Water Plant No. 2. He stated the higher lost water figure was a result of these leaks.

Mr. Clark reported the Smart Meter installation total as of February 19, 2018 was 328 residential meters, 31 builder taps, and two commercial taps.

Mr. Clark stated the Operator had been notified electronically of a severe leak at the customer address of 6015 Craigway. He said he suspected a large house line leak and noted the house was unoccupied. He stated the leak had not yet been identified, there was no evidence of a leak outside, and the water had been turned off as a precaution.

Mr. Clark said he had dealt with the customer who works out of the country. He said the customer had ordered the water be turned back on and was asking for a 50% billing adjustment.

Mr. Clark stated there was no possible reasoning with the customer. He further explained to the Board that the last payment on the account was made in November 2017 and was delinquent for the current billing period. The usage reflected 58,000 gallons for an unoccupied home. The Board instructed the Operator to turn off the water and monitor the status of the account.

Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report as presented.

RYE STREET DEVELOPMENT

Alex Smalley presented a request for service to a proposed 10 acre town home development on Dovershire Drive at Auburn Lakes Drive, next to the tennis center. He noted half of the tract is within the District's boundaries and half is outside. He stated the development would consist of 72 to 74 free-standing townhomes on 25'-30' wide lots measuring about 1,600-2,000 square feet per unit plus a garage.

Mr. Smalley said the developer intended to retain ownership and to lease the homes. He acknowledged that a private well would not be allowed. He shared that he had previously built homes in The Woodlands and Conroe. He noted the street would be private and gated. He stated he was aware of a required \$5,000 deposit for the Engineer to conduct a feasibility study and a \$10,000 deposit for annexation to the District, as well as the stipulation that public lines must be within easements. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to proceed with the feasibility study pending receipt of the funds for deposit.

UMETIA, INC.

Josh Lee informed the Board the Engineer had received a request from Zulfiqar and Tanvir Ali with Umetia, Inc. for service to a proposed redevelopment of Dave's Express gas station and retail center located on Root Road at Gosling Road.

Mr. Ali stated they had managed the property for 30 years and plan to demolish the existing building. He said the new gas station and retail center will face Gosling Road, will measure about 12,100 square feet plus a gas station, and would have some additional tenants in the center.

Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to proceed with the feasibility study as the \$5,000 deposit had already been paid.

RIGHT-OF-WAY DEDICATION REQUEST

Josh Lee stated the Engineer had received correspondence from Landpoint, LLC, on behalf of Bryan Frenchak, requesting dedication of ¼ of a proposed cul-de-sac as part of the Gosling Village Section 1 Plat. A copy of the letter is attached hereto as an exhibit.

Mr. Frenchak stated that when he sold three acres to the District a general plan had been laid out. He said the District prepared a plat for Water Plant No. 3, an access easement was recorded along the southern border, and an agreement was made. He stated a cul-de-sac would provide better access. The Board asked why not pull the cul-de-sac back, keep it off the Water Plant No. 3 site, and allow the District to keep the 60' access easement to enter the plant? Mr.

Frenchak said he planned to run utilities down the access road. No consensus on the matter was reached, and Mr. Frenchak departed the meeting.

ENGINEER'S REPORT

Sherry Grant reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. She stated the contracts for the Water Plant No. 3 project would be executed between the District and Principal Plant Services at the next recreational Board meeting. Ms. Grant stated Black Castle General Contractor has a final completion date of May 27, 2018 for the 2017 Root Road, Kingscrest, and Bridgeway Lift Station rehabilitations project.

Sherry Grant stated the Engineer had received the draft TPDES waste discharge permit for review. She noted that the permit duration would be three years, rather than five, due to biomonitoring failures at the WTP.

Ms. Grant reported there had been a meeting with Harris County and Harris County Flood Control District to review their Plan of Action regarding storm sewer and drainage repairs within the District. A draft plan of action is attached hereto as an exhibit. She stated the Engineer would like to review this plan in detail at the next recreational Board meeting.

Sherry Grant discussed the Request for Public Assistance from FEMA for disaster assistance for repairs due to damage caused by Hurricane Harvey. She stated the Damages Inventory was submitted to FEMA on February 9, 2018. She stated one claim option would allow the District to claim Direct Administrative Costs which allows the District to receive an automatic 5% flat rate for this category of expense without itemizing. Ms. Grant stated engineering costs to date were \$14,569 and two major repairs plus a claim for trash pickup was approaching \$1,000,000. The Board agreed to authorize the Engineer to proceed with this option.

Sherry Grant reported that the Inway Oaks Detention Pond was not yet ready for the District to accept conveyance. She stated Mr. Nerren wanted to get his real estate issues resolved prior to agreeing to convey his portion of the property to the District. She said Mr. Wilkinson plans to enter a maintenance agreement to take care of the pond in the interim.

Sherry Grant stated that D.R. Horton had hired a contractor to repair the Hampton Creek Phase II Pond, and it was about 85% complete. She stated the Engineer received two bids for concrete cap repairs and pipe recoating of the sanitary sewer crossing over Willow Creek, a copy of the bid tabulation summary is attached hereto as an exhibit. She stated the Engineer recommended awarding the contract to CFG Industries, LLC with a bid amount of \$34,995. Upon motion duly made and seconded, the Board voted unanimously to approve awarding the contract as recommended.

Ms. Grant presented Pay Estimate No. 2 in the amount of \$15,075.00 to Black Castle General Contractor for Root Road, Kingscrest, and Bridgeway Lift Station Rehabilitations; Invoice No. 1900 in the amount of \$3,000.00 to Texas Pride Utilities for re-establishing a sanitary sewer service connection; Pay Estimate No. 3 in the amount of \$175,808.38 to Lobo, Paving, Inc. for paving in Hampton Creek, Section 8; Pay Estimate No. 2 (Revised) in the amount of \$89,634.40, to Clearwater Utilities, Inc. for water, sanitary, force main, and drainage for Hampton Creek Section 8; Pay Estimate No. 7 and final in the amount of \$14,039.35 to Lischka Utilities, LLC for water, sanitary, and drainage facilities for Hampton Creek, Section 9;

Pay Estimate No. 9 in the amount of \$13,590.00 to McDonald Municipal and Industrial, Inc. for Hampton Creek Lift Station.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report including the invoice and pay estimates as presented.

DEVELOPERS

Mr. Wallace stated the District was working with D. R. Horton to reconcile numbers to put a bond application together.

ATTORNEY'S REPORT

Mr. Wallace stated the Terra Gosling Annexation was in process again at the City of Houston. Mr. Wallace stated his office would file the S.B. 625 required information with the Comptroller. He discussed the May 5, 2018 Directors Election noting the election would be cancelled as no one other than incumbents filed to run for office.

GENERAL MANAGER'S REPORT

Mr. Sheffield stated he would be very busy in the months ahead with bookings and smaller projects moving forward. He stated there had been problems with the camera monitors in West Park.

There being no further business to come before the Board, the meeting was adjourned.




Secretary, Board of Directors