

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

November 19, 2018

THE STATE OF TEXAS    §  
                                  §  
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 November, 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, Ms. Michelle Blevins, and Mr. Rich Rankin of Hays Utility South Corporation, the District’s Operator; Mr. Jim Sheffield, the District’s General Manager; Ms. Lisa June, employee of the District; Mr. Joshua Lee, P.E. and Ms. Kendall Longbotham, of Jones & Carter, Inc., the District’s Engineer; Mr. Danny Pereyra of Environmental Allies, the District’s detention contractor; Mr. Jeff Presnall of Cypressbrook Development; Mr. Bill Gause and Mrs. Chris Gause, residents of the District; and Mr. John R. 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 was led by Director Thomas.

COMMENTS FROM THE PUBLIC

Mrs. Chris Gause reported there were water leaks on Northcrest Drive on the median near Willow Creek Golf Course. She stated that Chaparral Management Company said it was not irrigation leaks. Mr. Sheffield said he would investigate the leaks. Mrs. Gause also reported there was a crack on Northcrest Drive near the bridge where the street was turning orange as a result of iron bacteria. Mr. Sheffield stated that naturally seeping groundwater was probably the source of the issue, but he would confirm.

## APPROVE MINUTES

The minutes of the meetings of the Board of Directors held on October 1, 2018 and October 15, 2018 were presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

## TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report for October 2018, a copy of which is attached hereto as an exhibit. She reported the District had begun receiving tax payments for the District's 2018 tax levy. She requested the Operator add a message to the next water bills to remind customers to contact the tax office if they had not received their tax statements. She reviewed the delinquent tax roll with the Board noting there were no issues to report.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

## BOOKKEEPER'S REPORT

Cindy Schmidt presented and reviewed the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She reported there were surplus funds in the amount of \$209,000 in the Defined Area Capital Projects Fund. She said the District should research where these funds should be spent, possibly debt service. She said there were no more pending projects available. Mr. Lee said there may be some funds owed to D.R. Horton and he would look into this matter.

Ms. Schmidt reviewed the tenth month of the year-to-date budget and the Investment Reports for September and October, copies of which are attached hereto as exhibits.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, Investment Report, and payment of the checks are presented.

## OPERATOR'S REPORT

Mr. Rich Rankin presented the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Rankin stated the water accountability rate for the previous month was 92.50%, there were nine service terminations, seven accounts were then paid and service restored, and there were no excursions at the Wastewater Treatment Plant ("WTP") in October. He stated there were 126 completed water taps year-to-date.

Mr. Sheffield said the tennis club on West Rayford was having a significant problem with high water use, and the source of the leak had not been determined.

Mr. Rankin stated the Smart Meter installation project was 80% complete, noting the Operator was installing about 40 Smart Meters per week. He said the Operator was coordinating work with meter readers. He stated that D.R. Horton was still damaging meters during home

construction. Mr. Sheffield said several meters were reporting high, and the problem was determined to be misreads of meter data. Ms. June said the Operator had worked out a better way to review high meter usage. Mr. Sheffield said he would continue to coordinate with the Operator and District office staff regarding the issue.

Mr. Rankin stated the 6” feed to the fire hydrant located at Norchester Way at Creekview was leaking. It was decided that the least expensive solution was to move the fire hydrant to the other side of the street and abandon the leaking line. The Board asked Mr. Lee to look on the plans for similar potential problems. Director Thomas asked if the Operator could look to see if a void had developed on Norchester. Director Kirkpatrick said he wanted to see meter reporting as of a constant date and to attempt to align the readings with the North Harris County Regional Water Authority (“NHCRWA”) cycle.

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

### DEVELOPER PROPOSAL

Mr. Jeff Presnall introduced himself to the Board and stated his company, Cypressbrook Development, was located in The Woodlands and builds around Texas. He said the brand name is Ariza. He proposed a 17.5 acre multi-family/retail apartment projects development of a Class A apartment complex on the west side of Gosling Road, north of the storage facility. He stated the median rent would be approximately \$1,000 and one, two, and three bedroom units would be available.

Mr. Presnall reviewed a preliminary site plan, a copy of which is attached hereto as an exhibit. He proposed to keep units to the south of the pipeline and utilize the northwest part of the tract for detention and other amenities. He said the complex would consist of three story buildings, 316 total units, and some units will have garages.

Mr. Presnall said he wants to obtain a variance not to extend Mossy Oaks off of Gosling. He said he would commit to build a cul-de-sacs at the ends of Bayoune and North Oak Forest. He stated there will also be one retail tract. He said this project would provide about \$40 million of assessed value to the District. He noted the tract would need to be annexed and he requested the Board authorize Jones & Carter to do a feasibility study.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer to prepare a feasibility study.

### ENGINEER’S REPORT

#### Well No. 1 Rework

Ms. Longbotham stated the contractors are brushing and cleaning Water Well No. 1 and will next proceed to acidize the well. She stated the project is expected to be complete in January 2019.

### Water Plant No. 3

Ms. Longbotham stated work on the building foundation would begin this week and the Elevated Storage Tank foundation was complete. Ms. Longbotham recommended payment of Pay Estimate No. 7 in the amount of \$441,066.42 to Principal Plant Services, LLC. Upon a motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 7.

### Storm Sewer Maintenance

Ms. Longbotham provided the status of three storm sewer repair projects to be completed by Harris County Flood Control District. She said sinkhole repair directly south of West Rayford Road and a channel rehabilitation project to address sediment issues should be complete by the end of December. She said repair of the failed storm sewer at the dead end of Wellington Court Blvd. was in the design phase.

### FEMA Request for Public Assistance

Ms. Longbotham reviewed the status of pending FEMA claims.

### Water Plant Improvements Project

Ms. Longbotham reported the contractor had completed recoating GST Nos. 1 and 2. She recommended Pay Estimate No. 3 and Final in the amount of \$25,792.50. Upon a motion duly made and seconded, the Board approved the pay estimate and approved and executed the Certificate of Acceptance.

### Creekview Land Acquisition for Lift Station

Ms. Longbotham stated Steve George was working on the land and easement acquisition for the Creekview Lift Station and forcemain. She said a variance request would need to be made to the City of Houston Engineer to utilize an existing 16-foot wide utility easement.

### Bond Application Report No. 18

Ms. Longbotham stated that Bond Application Report No. 18 in the amount of \$5,800,000 was expected to be submitted to the TCEQ at the end of the month.

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

### ANNEXATIONS AND DEVELOPMENT

Mr. Wallace presented a Petition for Consent to Annex Land, a Petition for Addition of Certain Lands and an Order Annexing Land Subject to Conditions for the 30.721 acre Landmark Companies annexation. Upon motion duly made and seconded, the Board voted unanimously to approve the Petitions and Order.

Mr. Wallace stated the City of Houston consent had been received for the 4.133 acre Rye Street Development annexation. He presented the Order Adding Land and Redefining Boundaries of the District, an Amendment to Information Form, and a new boundary map for approval. Upon motion duly made and seconded, the Board voted unanimously to approve the annexation documents presented.

Kendall Longbotham presented an updated feasibility study report and cost estimates for the 4.9277 acre commercial development tract for Caldwell Companies. She stated the development would provide about \$4.5 million in assessed value to the District and would require slightly less utility capacity than the original feasibility study reported. She stated there would be two commercial buildings which would require the same utility extensions across Gosling Rd. Mr. Lee said this developer would need to act in conjunction with Landmark Companies to extend utilities and detention facilities. The report reflected reimbursement of only 52%. Upon motion duly made and seconded, the Board voted unanimously to approve the updated feasibility study report. Mr. Wallace stated the annexation was at the City of Houston awaiting approval.

Mr. Wallace presented a draft Drainage Easement for the proposed new detention pond to flow through Dovershire Place Pond, noting he expected to present the easement for approval at the December 10<sup>th</sup> Board meeting.

#### 2019 WATER SMART APPLICATION

Ms. Lisa June stated the paper work for the 2019 Water Smart Application was in process. The matter was tabled.

#### ATTORNEY'S REPORT

Mr. Wallace stated BLD Gosling was selling Dovershire Place to D.R. Horton. He said he had prepared an Assignment of Development Financing Agreement from BLD Gosling to DRHI which he expected to present to the Board for approval at the December Board meeting. He noted BLD Gosling would retain the detention pond until it is conveyed to the District.

Mr. Wallace stated Randy Nerren planned to develop his Inway property into single family lots and continues working on plans for the development.

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

#### GENERAL MANAGER'S REPORT

Mr. Wallace reported he had spoken with Acclaim Energy regarding the Board's concerns. He said Mr. Sheffield was working with Acclaim Energy to review use of the generator. Mr. Sheffield said he wanted to see the cost of production and payback projections. He said he had concerns with Power Secure's maintenance contract. He said he wanted better responsiveness from Power Secure or drop the maintenance program. He said he felt this issue had not been resolved.

Mr. Sheffield stated that construction of the new restrooms at the Northcrest Park was progressing and estimated about 45 days until completion. He said he had been considering raising building rental fees and user fees next year. He suggested fees for Activity Center \$250, Small Activity Center \$100, damage deposits to remain the same, and require Northampton MUD residents to pay rental fees as well. Upon motion duly made and seconded, the Board voted unanimously to approve the fees as suggested to be effective December 1, 2018 and to grandfather those residents previously registered.

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

OTHER MATTERS

Mr. Lee stated the NHCRWA was proposing an increase of \$0.45 in surface water and groundwater fees effective April 1, 2019.

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



  
Secretary, Board of Directors