

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

March 18, 2019

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 18th day of March, 2019 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 and Ms. Debra Loggins of L&S District Services, LLC, the District's Bookkeeper; Ms. Esther Flores of Tax Tech, Inc., the District's Tax Assessor/Collector; Mr. Rich Rankin, Mr. Robb Clark, and Ms. Michelle Blevins of Hays Utility South Corporation, the District's Operator; Mr. Jim Sheffield, the District's General Manager; Ms. Lisa June, an employee of the District; Mr. Joshua Lee, P.E. and Ms. Kendall Longbotham, of Jones & Carter, Inc., the District's Engineer; Ms. JoAnn Betts, a resident of the District; Mr. Eric Windsor of D.R. Horton, a developer in the District; Mr. Joe Goggans of BLD Gosling, a developer in the District; Mr. Robert Miller of Landmark Companies, a developer in the District; Ms. Jan Bartholomew of Robert W. Baird & Co., the District's Financial Advisor; 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

Ms. JoAnn Betts a resident residing on Haverford reported that she and her neighbors had received letters from Harris County Flood Control District ("HCFCD") regarding upcoming ditch maintenance. She said HCFCD was requesting residents to remove any encroaching fences. She said the fences were not encroaching and their properties extend into the center of the ditches. She stated the residents want some concessions in the buyout of the property or a

reduction in appraisal values of the property. The Board pledged to look into the matter and respond. It was determined that Josh Lee would be the point person regarding this issue.

Ms. Betts also stated a concern regarding excessive water use and impervious cover with regards to development of apartments on Gosling Rd.

APPROVE MINUTES

The minutes of the meeting of the Board of Directors held on March 4, 2019 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 February 2019, a copy of which is attached hereto as an exhibit. She reported the District had collected 92.96% of the District's 2018 tax levy as of February 28, 2019 and 94.9% had been collected to date. She stated delinquent bills had been sent out mid-February. Ms. Flores reviewed the list of write-off accounts.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented, including payment of the listed checks from the tax account.

BOOKKEEPER'S REPORT

Cindy Schmidt next presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She reviewed the second month of the year-to-date budget and the February 2019 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 Reports, and payment of the checks as presented.

OPERATOR'S REPORT

Mr. Rich Rankin presented the Operator's Report, a copy of which is attached hereto as an exhibit. He stated the water accountability rate for the previous month was 95.1% and there were no excursions at the Wastewater Treatment Plant in February.

Mr. Rankin presented a list of items completed by the Operator. Ms. Blevins stated there were 1,990 completed water taps and 1,920 Smart Meter installations. She stated the Operator was working on final accounts and noted several homeowners still needed to be contacted.

Jim Sheffield stated there were water quality problems on Ammick Court. Robb Clark stated there had been a water reversal in the system when Water Plant No. 1 was put on line, and the Operator attempted to flush it which stirred up sediment.

Mr. Sheffield thanked Hays Utility for finding a large leak in the park and other leaks as well. Mr. Sheffield asked who the Board representative was for Hays. Mr. Clark said he was the main point of contact for the District.

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

\$5,800,000 SERIES 2019 UNLIMITED TAX BONDS

Jan Bartholomew presented a summary of bids for the Series 2019 Unlimited Tax Bonds, a copy of which is attached hereto as an exhibit, which contained six bids received. She stated the District retained its bond rating of "A2" and qualified for bond insurance. She said the low bidder was Raymond James & Associates, Inc. with a net effective interest rate of 3.516765%. Ms. Bartholomew said the Underwriter selected BAM insurance. She recommended the District award the sale to Raymond James & Associates, Inc. Upon motion duly made and seconded, the Board voted unanimously to approve award of the sale of bonds to Raymond James & Associates, Inc.

Mr. Wallace presented and reviewed the bond sale documents. Upon motion duly made and seconded, the Board voted unanimously to approve the Issuance of the Series 2019 Unlimited Tax Bonds and to approve the following:

- (a) Order Authorizing Issuance of Series 2019 Unlimited Tax Bonds;
- (b) Official Statement and authorize distribution;
- (c) General Certificate;
- (d) Signature Identification and No-Litigation Certificate;
- (e) Rule 15c2-12 Certificate;
- (f) Paying Agent/Registrar Agreement;
- (g) Letters to the Attorney General and Comptroller of Public Accounts in connection with the issuance of the Bonds; and
- (h) Authorize Attorney and Financial Advisor to do all things necessary to complete issuance and delivery of the Series 2019 Bonds.

Director Thomas stressed to the residents in attendance that the District won't sell bonds if it impacts the tax rate.

STRATTON WOODS REIMBURSEMENT

Ms. Bartholomew stated she had reviewed costs and development related to the Stratton Woods reimbursement. She said the current valuation of \$14,300,000 did not qualify for reimbursement and would not likely do so until the project is close to completion. She recommended obtaining an Estimate of Value at a later date. She stated the District was also considering a Defined Area bond issue later this year for D.R. Horton – Texas.

ENGINEER’S REPORT

Mrs. Kendall Longbotham presented the Engineer’s Report, a copy of which is attached hereto as an exhibit:

Well No. 1 Rework

Ms. Longbotham stated the water well went on line last week. She presented Pay Estimate No. 2 and Final in the amount of \$11,750.00 to C & C Water Services, LLC for Water Well No. 1 Rework. Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimate.

Water Plant No. 3

Ms. Longbotham presented Pay Estimate No. 11 in the amount of \$457,500.00 to Principal Plant Services, LLC for Water Plan No. 3 and the Elevated Storage Tank (“EST”). Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimate. Ms. Longbotham stated work was progressing nicely on the project.

Storm Sewer and Drainage Channel Repairs by HCFCD and HC Precinct 4

Ms. Longbotham said the Engineer had requested an update on repairs from HCFCD and briefed the Board on those repairs, a copy of which is attached hereto as an exhibit.

Creekview Land Acquisition for Lift Station

Ms. Longbotham stated the Engineer had received approval of the variance from the City of Houston on February 14, 2019. She said her firm continues to work with Mr. Wallace and Mr. George on contacting the property owners.

Mr. Sheffield said he contacted the owner’s spouse and delivered a letter to her from Mr. George. Her husband was working out of the country and has not responded to the letter.

Public Water Line Replacement on Gosling Road

Ms. Longbotham stated the Engineer was in the design phase of the project. She said the Engineer should solicit bids from the County contractor in the area plus two more bids.

Landmark and Triad (Shops on Gosling) Water and Sewer Line Extensions (District Project)

Ms. Longbotham stated the Engineer would accept bids once the plans were approved. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to advertise for bids.

FEMA

Ms. Longbotham provided a summary of the status of each ongoing project with FEMA.

Cypressbrook Development

Ms. Longbotham stated the Engineer was ready to move forward in preparation of the feasibility study. She said they were awaiting receipt of the required \$15,000 deposit.

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

ANNEXATIONS AND DEVELOPMENT

Mr. Wallace stated the 30.721 acre Landmark annexation consent application remained under review at the City of Houston.

ATTORNEY'S REPORT

Mr. Wallace presented an Assignment of Development Financing Agreement between BLD Gosling, LLC and DRHI for Dovershire Place Section 1 lots and Section 2 land. Upon motion duly made and seconded, the Board voted unanimously to approve the agreement. Mr. Wallace is to hold the document in escrow until the parties close and the drainage easement is executed.

Mr. Wallace presented a Development Financing Agreement with Shops on Gosling, LLC. Upon motion duly made and seconded, the Board voted unanimously to approve the document subject to acceptance of changes to restrictive provisions and receipt of an executed Waiver of Special Appraisal.

Mr. Wallace presented five Gosling Rd. off-site easements, three Sanitary Sewer Easements and two Water Line Easements for acceptance by the District. Upon motion duly made and seconded, the Board voted unanimously to accept conveyance of the Sanitary Sewer and Water Line Easements.

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

GENERAL MANAGER'S REPORT

Mr. Sheffield stated there was an event coming up. He said he may consider opening the office half a day on Saturdays from mid-February to May. The Board thought this was a good idea.

Mr. Sheffield stated there were surplus funds in the park budget from last year's projects that weren't carried over from last year. He said Cindy Schmidt was assisting him to reconcile the park project budget.

Mr. Sheffield stated there was a need to remove some silt at the end of Pine Knot. He also said there was a need to restripe crosswalks at some locations.

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

(SEAL)




Secretary, Board of Directors