

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

May 20, 2019

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 20th day of May, 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, with the exception of Director Schneider, thus constituting a quorum.

Also present were 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. 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; Mrs. Lisa June, an employee of the District; Mr. Joshua Lee, P.E. and Ms. Kendall Longbotham, of Jones & Carter, Inc., the District's Engineer; Mr. Stephen Eustis of Robert W. Baird & Co., the District's Financial Advisor; Mr. Robert Miller of Landmark Companies; Mr. Jeff Presnal of Cypressbrook Company; Mr. John Elder of Acclaim Energy; Ms. Kristin Jarzombek and Ms. Wanda White, 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

There were no comments from the public.

DEFINED AREA BOND APPLICATION

Stephen Eustis presented a cash flow study for the bond issue for the Defined Area, a copy of which is attached hereto as an exhibit. He stated the preliminary value reflected \$40 million growth in the Defined Area, with a taxable assessed value of \$141,488,536. He predicted a reduced interest rate of 4% on the bonds. Mr. Eustis discussed the Defined Area

Road Debt Service tax rate and stated an average tax rate of \$0.245 covers existing bond debt service. This resulted in a \$0.615 overall Defined Area tax rate.

APPROVE MINUTES

The minutes of the meeting of the Board of Directors held on May 6, 2019 were presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes as amended.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report for April 2019, a copy of which is attached hereto as an exhibit. She reported the District had collected 95.16% of the District's 2018 tax levy as of April 30, 2019. She reported total taxes receivable in the amount of \$266,919.25. Ms. Flores said wire transfers were made to various bond fund accounts and the Operating Fund account. She stated delinquent tax statements regarding the 20% penalty had been sent to delinquent taxpayers of the District. She reported her firm was holding about \$23,000 in potential refunds due to litigation and protests.

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.

ACCLAIM ENERGY

John Elder said he intended to introduce the individual that runs the PowerSecure Texas division; however, due to an emergency, this individual could not make it to the Board meeting.

Mr. Elder stated regular reports regarding the status and use of generators would be sent to the District's Operator and General Manager. He presented a \$3,600 check to the Board and stated that, in the future, the funds would be automatically deposited in the District's bank account. Mr. Elder said that presently there is a challenge in getting power calculated correctly.

Mr. Elder stated the full program was now in place and the District should receive three payments per year. Mr. Sheffield said he wanted information regarding the expense aspect of generator use such as maintenance and fuel costs. Mr. Elder said PowerSecure produces a monthly report. He noted the program would record the amount of diesel fuel used. He stated that beginning year-end 2019, PowerSecure would prepare an annual summary of cost vs. income.

BOOKKEEPER'S REPORT

Debra Loggins next presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She reviewed the fourth month of the year-to-date budget and the April 2019 Investment Report, a copy of which is attached hereto as an exhibit.

Mr. Sheffield asked a question regarding a sludge line item for liquid hauls to work on the Wastewater Treatment Plant. Mr. Clark said Trinity Wastewater Solutions bills for all dewatering and it is charged to the sludge category. He said he would discuss this further under the Operator's Report. Ms. Loggins agreed to review invoicing and how it is entered into the

budget. A discussion ensued regarding reviewing the budget during the year to keep a more current, accurate budget and to also adjust the budget as funds are expended.

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

Mr. Robb Clark 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 94% and there were no excursions at the Wastewater Treatment Plant ("WTP") in April.

Mr. Clark stated 25 taps were installed this month, mostly in Hampton Creek, and 24 taps had recently been applied for in Dovershire Place. He reviewed the customer service log. Mr. Clark discussed the directional flushing and valve survey, noting that four valves needed to be excavated and located. He said the project was to begin June 24th and would include one week of directional flushing. He said he planned to put a notice of the project on the District's website and provide signage at all entrances to Northampton. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report as presented.

A discussion ensued regarding calibration and replacement of larger commercial meters in the District. Mr. Clark said the Operator would get set up on a program to test and replace the meters.

ENGINEER'S REPORT

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

Water Plant No. 3

Ms. Longbotham stated the generator had been delivered to the site and set in place. She presented Pay Estimate No. 13 in the amount of \$180,152.99 to Principal Plant Services, LLC for Water Plant No. 3. She also recommended the Board authorize payment of \$17,000 to CenterPoint Energy to bring service to the transformer pad site. Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimate and the CenterPoint Energy payment.

Creekview Land Acquisition for Lift Station

Ms. Longbotham stated that Steve George recommended the District make an offer on the Luchsinger tract of land for the Creekview Lift Station and wanted to discuss the matter in Executive Session.

Public Water Line Replacement on Gosling Road at Dovershire Road

Ms. Longbotham presented the construction contracts for replacement of a public water line on Gosling Road at Dovershire Road between the District and Allgood Construction Co., Inc. for execution by the Board. She noted the contract had been awarded to this contractor at the May 6, 2019 Board meeting. The Board executed the contracts.

Regional Detention Pond

Ms. Longbotham recommended awarding and executing the contract for the Regional Detention Pond project to L. N. McKean, Inc. in the amount of \$684,029.50. Upon motion duly made and seconded, the Board voted unanimously to award the contract as recommended and execute the contract.

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

Ms. Longbotham stated the Engineer had issued the Notice to Proceed to the contractor on May 8, 2019.

Willow Creek Golf Club

Ms. Longbotham stated that Don Harris had asked for a spot on the June 3rd recreational meeting agenda. She said Mr. Wallace had sent an email response to Mr. Harris stating that Willow Creek Golf Club ("WCGC") needed to submit a proposal and deposit for a water reuse project.

Mr. Sheffield stated that Mr. Harris said that Club Corp. would not pay a deposit until the District sent a letter saying it had an interest in pursuing the project. It was determined the Board wanted Mr. Wallace to write a letter to WCGC stating the general principle that the District was interested and would take under advisement any development plan provided to them, subject to a suitable deposit.

Defined Area Bond Application

Ms. Longbotham stated the Engineer expected to submit the bond application to the TCEQ in August. Upon motion duly made and seconded, the Board voted unanimously to authorize a meeting/site inspection to discuss WTP improvements and maintenance of the older plant.

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

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Landmark Project

Ms. Longbotham said the pre-bid meeting on the off-site utilities was held at Jones & Carter's office. She said she expected the permit tomorrow, and the contractor would begin work by end of week.

Shops at Gosling, LLC

Upon motion duly made and seconded, the Board voted unanimously to ratify approval of a Drainage Easement from Shops at Gosling, LLC.

Upon motion duly made and seconded, the Board voted unanimously to approve conveyance of a Water Meter Easement from Shops at Gosling, LLC.

ANNEXATIONS AND DEVELOPMENT

Landmark Annexation

Mr. Wallace presented an Order Adding Land and Redefining Boundaries, an Amendment to Information Form, and a new District Boundary Map for execution related to the 30.721 acre Landmark annexation. Upon motion duly made and seconded, the Board voted unanimously to approve and execute the annexation documents.

Cypressbrook Development

Mr. Wallace stated the 16.410 acre Cypressbrook annexation and Development Financing Agreement were on hold until July pending the developer closing/purchasing the property.

ATTORNEY'S REPORT

Mr. Wallace reviewed the Code of Ethics with the Board.

GENERAL MANAGER'S REPORT

Mr. Sheffield stated the District's facilities had been staffed and the staff had been trained for the upcoming summer activities. He said the programs were going well and the pools were ready to open for summer.

EXECUTIVE SESSION

The Board adjourned at 9:02 p.m. to enter Executive Session to discuss real estate matters. The Executive Session concluded at 9:17 p.m.

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




Secretary, Board of Directors