

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

July 15, 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 15th day of July, 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 Bennett, 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 and Ms. Michelle Blevins, 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. of Jones & Carter, Inc., the District's Engineer; Mr. Jeff Presnal of Cypressbrook Development; Mr. Bryan Frenchak, a developer in the District; Ms. Kristin Jarzombek, a resident 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.

APPROVE MINUTES

The minutes of the meeting of the Board of Directors held on July 1, 2019 were presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes as presented. The Certified Agenda of Executive Session of the Board of Directors held on June 3, 2019 was presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the Certified Agenda of Executive Session as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report for June 2019, a copy of which is attached hereto as an exhibit. She reported the District had collected 97.7% of the District's 2018 tax levy as of June 30, 2019. She stated the delinquent tax rolls had been turned over to the delinquent tax attorney. Ms. Flores reported she was holding approximately \$23,000 of District funds pending resolution of litigation refunds. She stated she continues to monitor the status of these 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.

CYPRESSBROOK DEVELOPMENT

Jeff Presnal reminded the Board that the feasibility study for the Cypressbrook Development was approved the last time he spoke with the Board. He presented an update to the site plan and elevations. He said he expected to have Board approval of the Development Financing Agreement on August 5, 2019 and to award construction contracts August 19, 2019. He stated he had not yet closed on the land.

Mr. Presnal said Ariza Gosling would be 316 apartment units in three-story buildings. He said the project would contain a recreational tract because this parcel was separated from the main tract by a pipeline easement. This tract would be a detention pond with a walking tract around the perimeter and would include a dog park.

Mr. Presnal also proposed a 40,000 square foot retail tract which has two buyers looking at it. The site layout included one cul-de-sac had to be constructed and one cul-de-sac would be a dead-end. He noted there would be privacy fencing on the back of the project, and wrought iron on the sides and front, designed in "modern farmhouse" style.

BRYAN FRENCHAK

Bryan Frenchak said he was proposing to proceed with construction of a detention pond. He said he has 41 acres and had sold eight acres to Spring Creek Greenway. He stated he was planning to develop a mixed-use development consisting of a six-acre tract for a 160-180 unit senior living facility, a retail/office space, and a boutique hotel and events center. The events center would be located at the back of the tract.

Mr. Frenchak stated that Jones & Carter, Inc. had obtained approval for the detention plans a year ago and that his permit time limit was expiring soon. He said the project was being proposed as a regional pond, and wanted to know if the project would be reimbursed by the District. The Board said this depended on Mr. Frenchak's development plans. Mr. Frenchak said he would get his development plans to the Board for review. He stated Mr. Canavati may bring his tract into the development as well. The Board determined that, based on the description of the development, it was not opposed to the concept of reimbursing Mr. Frenchak for detention, provided the site plan and renderings are present and reviewed.

Mr. Lee stated the detention pond plans were approved prior to changes by Harris County to its design rules. He said Jones & Carter, Inc. was doing all bidding and contract work for the

project. He said the last feasibility study was done in 2016 and needed to be updated at some point, based on Mr. Frenchak's development plans.

BOOKKEEPER'S REPORT

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

Ms. Loggins reviewed several checks presented for approval, including but not limited to Allgood Construction Co., Inc. in the amount of \$37,754.64 for construction of water line replacement along Gosling Rd. at Dovershire Rd.; Blazey Construction Services, LLC in the amount of \$286,312.87 for Pay Estimate No. 1 for construction of public and sanitary sewer line extensions to serve Landmark and Shops on Gosling tracts; Harris County Flood Control District in the amount of \$60,100.00 for M102 repairs; and KAC Properties, LLC in the amount of \$12,879.53 to refund the balance of a developer deposit. She stated the WTP headworks and coatings projects needed to be reimbursed from the Construction Fund to the Operating Fund. She stated the investment report would be corrected to reflect this.

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. He stated the water accountability rate for the previous month was 97.24% and there were no excursions at the Wastewater Treatment Plant ("WTP") in June. He said the Smart Meters have helped with water accountability calculations.

Mr. Clark stated the WTP headworks project was complete and had helped equalize air delivery to aeration basins and improved mixing. He said Mr. Sheffield was reviewing the cost of the Northcrest lift station to make a decision on proposed repairs. He stated the directional water line flushing was completed, and the Operator was able to locate some stuck valves and correct them.

Michelle Blevins presented a commercial meter quote/survey from Accurate Meter. She said the cost to replace seven 2-inch meters was \$3,800.00 (plus three NHMF meters). She noted the three highlighted meters belonged to Northampton Maintenance Fund ("NHMF") and were not included in the quote. She said the cost to replace one 1.5-inch meter was \$750.00. She recommended replacing these commercial meters with Smart Meters. Upon motion duly made and seconded, the Board voted unanimously to approve replacement of the commercial meters with Smart Meters.

Director Kirkpatrick reviewed his recent meetings with NHMF regarding the audit of various water meter accounts. He discussed an itemized list, a copy of which is attached hereto as an exhibit. He stated his opinion that Hays Utility should act as an intermediary with Oakmont PUD to deal with the billing issues related to irrigation meters that should have been billed to Auburn Lakes HOA or Oakmont PUD. The Board agreed they wanted Hays Utility to acknowledge that they would handle the resolution of these accounts. Directors Thomas and Kirkpatrick agreed to discuss the account errors with NHMF. It was noted that information was

still being gathered to present to NHMF, and there was not yet an answer to how far back the issue goes.

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

ENGINEER'S REPORT

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

Water Plant No. 3

Mr. Lee said the Water Plant No. 3 project should be completed by the end of 2019. He presented Pay Estimate No. 15 in the amount of \$332,657.01 to Principal Plant Services, LLC.

Harris County Flood Control District ("HCFCD") Repairs

Mr. Lee stated plans for repairs of the storm sewer and drainage channel were satisfactory, and these repairs were in line to be made by HCFCD and Harris County contractors. He stated the engineer had received a letter from HCFCD requesting funds for the M102 desilting project. Mr. Lee recommended payment in the amount of \$60,100.00 to HCFCD and said the project should begin in August.

Public Water Line Replacement along Gosling Road at Dovershire Road

Mr. Lee stated the water line relocation project was complete. He presented Pay Estimate No. 1 and Final from Allgood Construction Co., LLC in the amount of \$37,754.64. He recommended payment and noted this was good work from the contractor.

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

Mr. Lee stated the project was essentially complete and the job would be closed out next month. He recommended payment of Pay Estimate No. 1 in the amount of \$285,312.87 to Blazey Construction Services, LLC.

Mr. Lee presented Change Order No. 2 in the amount of \$2,450.00 for sanitary sewer manhole adjustments and Change Order No. 3 in the amount of \$1,140.00 for inflow inserts.

WTP Improvements Project

Mr. Lee presented a revised scope and cost estimate of the WTP Improvements project to the Board and stated the engineer recently met with Directors Bennett and Kirkpatrick, Jim Sheffield, and Robb Clark to review proposed revisions and costs of the project. He stated most of the project related to the old plant. Mr. Lee noted the project was funded in Bond Application No. 18.

Mr. Lee stated the blowers may need to be replaced as they were past their useful life. He requested authorization to begin design of the Wastewater Treatment Plant improvements. Upon motion duly made and seconded, the Board voted unanimously to approve the request.

Mr. Lee stated he would send a formal letter to notify Oakmont PUD regarding its share of the cost.

Defined Area Bond Application

Mr. Lee stated the \$1,945,000.00 Bond Application Report was ready to file with the TCEQ. He requested authorization to file the application with the TCEQ under a 60-day expedited review. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds, a copy of which is attached hereto as an exhibit.

Northampton Regional Detention for Landmark Apts. And Triad

Mr. Lee presented Pay Estimate No. 1 in the amount of \$167,703.30 to L.N. McKean, Inc.

Upon motion duly made and seconded, the Board voted unanimously to approve all Pay Estimates and Change Orders as presented.

Hampton Creek Ponds

Mr. Lee stated the Phase IV Pond (Restricted Reserve B) was ready for conveyance to the District. He noted a concern with dead trees and agreed to review the issue with D.R. Horton.

Creekview Land Acquisition For Lift Station

Mr. Lee stated the contract for purchase of the land for the lift station site was in progress at the title company. He noted the need to begin preparation of several easements across adjacent lots and the property would also need to be replatted. Upon motion duly made and seconded, the Board voted unanimously to approve the engineer to begin design of the project.

Willow Creek Sanitary Sewer Crossing

Mr. Lee stated the one year inspection was completed and all punch list items had been addressed.

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

WATER WISE PROGRAM

The Board considered sponsorship of the Harris-Galveston Subsidence District's Water Conservation Education Program. The District would sponsor approximately 180 students at Northampton Elementary. Upon motion duly made and seconded, the Board voted unanimously to approve the sponsorship provided funds go to a Northampton/KISD elementary school.

ATTORNEY'S REPORT

Upon motion duly made and seconded, the Board voted unanimously to authorize Mr. Wallace to manage the Arbitrage Compliance Program.

GENERAL MANAGER'S REPORT

Mr. Sheffield said there had been no response yet from ClubCorp regarding the funding for or preliminary study of the water re-use project at Willow Creek Golf Club.

He stated the police filed felony charges against minors that had vandalized Inway. He said that if there was no restitution, he would obtain the parents' names and pursue a civil suit. Mr. Sheffield stated he was working on plans to join two lakes at West Lake.

OTHER

Director Kirkpatrick reviewed the reimbursement proposal to NHMF, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve option #4.

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





Secretary, Board of Directors