

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

October 21, 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 21st day of October, 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 Flood, 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. and Mr. Chris Roznovsky, P.E. of Jones & Carter, Inc., the District's Engineer; Mr. Stephen Eustis of Robert W. Baird & Co., the District's Financial Advisor; Mr. Ben Childress of Environmental Allies, the District's Mowing/Detention Contractor; Mr. Art Smalley, a landowner in the District; Mr. Kris Arnold and Ms. April Arnold, 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 public comments.

APPROVE MINUTES

The minutes of the meeting of the Board of Directors held on October 7, 2019 were presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes as amended. The Certified Agenda of Executive Session of the Board of Directors held on September 16, 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 September 2019, a copy of which is attached hereto as an exhibit. She reported the District had collected 98.68% of the District's 2018 tax levy as of September 30, 2019. She stated total taxes receivable for all years was \$104,411.70.

Ms. Flores stated a refund check had been issued to the Valero gas station/convenience store located on Gosling Road. Mr. Sheffield inquired as to the specific location of the store to which Mr. Lee replied it was located at W. Rayford and Gosling Road.

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

Debra Loggins stated deposits had been received from Willow Creek Golf Club and Cypressbrook Companies and noted that the builder deposits had been updated. She reported \$55,000 had been transferred from the Operating Fund to Northampton Maintenance Fund as payment for the meter audit refund settlement.

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

Mr. Wallace stated he wanted to research whether or not the Defined Area Road Capital Projects Fund monies in the amount of \$133,879 could legally be transferred to the Defined Area Road Bond Debt Service Fund. Mr. Eustis suggested the District could use the funds to perhaps install sidewalks or landscaping.

Ms. Loggins said the District needed to set the 2020 budget in December. Director Kirkpatrick stated he wanted to visit with Lisa June and Director Flood in regards to the Regional Water Authority markup, and noted it may need to be kept as is.

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.

PUBLIC HEARING ON TAX RATE

Esther Flores reported the District's Notice of Public Hearing on Tax Rate had been published, pursuant to the 2019 Tax Rate Analysis and recommendation. There were no comments from the public, so the hearing was then closed.

After discussion, upon motion duly made and seconded, the Board voted unanimously to adopt an Order Setting 2019 Tax Rate at a combined rate for the District of \$0.56 per \$100 of assessed valuation, consisting of \$0.25 per \$100 of assessed valuation for maintenance and

operation purposes, and \$0.31 per \$100 of assessed valuation for debt service purposes. The order included a combined rate for the Defined Area of \$0.64 per \$100 of assessed valuation, consisting of \$0.39 per \$100 of assessed valuation for debt service on Defined Area water, sewer and drainage bonds, and \$0.25 per \$100 of assessed valuation for debt service on Defined Area road bonds. A copy of the Order is attached hereto as an exhibit.

AMENDMENT TO INFORMATION FORM

The Board then reviewed an Amendment to Information Form and revised Notice to Purchaser of Real Property reflecting the District's 2019 tax rate. After discussion, upon motion duly made and seconded, the Board voted unanimously to approve the Amendment to Information Form and authorized filing of same. A copy of the Amendment is attached hereto as an exhibit.

SERIES 2019 DEFINED AREA BONDS

Stephen Eustis presented the Preliminary Official Statement ("POS") and Notice of Sale for the \$1,945,000 Series 2019 Defined Area Bonds. He stated the sale date would be November 18, 2019 with an expected closing date of December 17, 2019. Upon motion duly made and seconded, the Board voted unanimously to approve the POS.

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%. He said the District meters had been removed from the consumption data. He said there were no excursions at the Wastewater Treatment Plant ("WTP") in September. Mr. Clark stated there had been no major operational issues to report and there were two tap applications for apartment complexes and Dave's Express.

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:

Mr. Lee introduced Chris Roznovsky who will be taking over as District Engineer. Mr. Lee said he will be transitioning out of his current position over the next three months and begin working out of the Jones and Carter Bellaire office.

Water Plant No. 3

Mr. Lee presented Pay Estimate No. 18 and recommended payment in the amount of \$55,500 to Principal Plant Services, LLC. Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimate. Mr. Lee said the contractor was still working on getting power to the site, noting that the service pole for permanent power had been set and the substantial completion date of November 17, 2019 would not be met and most likely would be completed in February 2020. He stated there was standing water out in front of the development

and there was no cost associated with the delay. He recommended letting the delay just play out. The Board noted its agreement with the strategy.

Harris County Flood Control District ("HCFCD") Repairs

Mr. Lee stated repair of the storm sewer on Wellington Court Blvd. was pending right of entry and some personnel had been out marking areas for drainage channel repairs.

2020 Wastewater Treatment Plant Improvements

Mr. Lee reviewed the schedule for the 2020 WTP improvement project and noted that funding was included in the District's last bond issue.

Defined Area Bond Application

Mr. Lee stated the TCEQ pre-purchase inspection for the Series 2019 Defined Area Bond Application was being scheduled.

Creekview Lift Station

Mr. Lee stated design of the Creekview Lift Station was 30% complete and he presented 30% renderings of the design. He noted screening, fencing, and good tree coverage. He said a small portion of the fence would be seen from the road. He also said the railings and top of the Lift Station may be partially visible. Mr. Lee said he would send the renderings to Mr. George. He stated easements were being sent to Mr. and Mrs. Zachry along with a letter. Mr. Sheffield said he had spoken with Mrs. Zachry and Steve George would follow up with the Zachrys.

Northampton Regional Detention Pond (Landmark/Shops on Gosling)

Mr. Lee presented Pay Estimate No. 3 in the amount of \$77,580; Pay Estimate No. 4 in the amount of \$177,305.85; Pay Estimate No. 5 in the amount of \$103,482.00; and Pay Estimate No. 6 and Final in the amount of \$78,433.25 to L.N. McKean, Inc. Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimates.

Cypressbrook Gosling Easement

The Board ratified a Cypressbrook Gosling, LP Water Line Easement which had been previously executed at the October 7, 2019 Board meeting.

Cypressbrook Development Annexation

Mr. Lee stated the 16 acre annexation was still under review at the City of Houston.

Inway Oaks

Mr. Lee presented an updated land plan for Inway Oaks. He said Mr. Nerren had the land replatted into 9 single family lots and the development contained a small public road. He said this project would be deferred until Mr. Nerren contacts the District again. Mr. Wallace said the District still needed a deed for a portion of the pond. He said the detention pond was in disrepair.

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

RYE STREET DEVELOPMENT PLAN

Mr. Art Smalley presented his development plan of a subdivision to be named Cotton Oak Estates. He said development would be between the tennis center and Dovershire Place. He said the plan has changed from townhomes to single family homes. Mr. Smalley stated he wasn't looking to be reimbursed. He said landowners to the north have restrictive covenants on their property.

Mr. Smalley stated the homes would be priced from \$335,000 to \$385,000 and would be individually metered. He stated the total development cost to be approximately \$450,000. He said Jones & Carter, Inc. would review their engineering designs and get the plans approved. Mr. Smalley stated the Homeowners Association would maintain the detention pond and there would be a public road.

WATER SMART APPLICATION

The Board executed the Interlocal Agreement with Houston Galveston Council.

ATTORNEY'S REPORT

Mr. Wallace presented a Consent to Encroachment for Terra-Gosling, LLC. Upon motion duly made and seconded, the Board voted unanimously to approve the Consent.

Mr. Wallace presented a Settlement and Release Agreement with Northampton Maintenance Fund, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Agreement.

GENERAL MANAGER'S REPORT

Mr. Sheffield said he was happy with the work on Northcrest Lakes and said West Park work would begin soon. He stated the annual Christmas party would be December 7, 2019. He said two trees had been removed near Inway for about \$1,900. He reported the District facilities were booked through the holidays. Mr. Sheffield said there had been no movement on Absey Press as the owner was not communicating.

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

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

(SEAL)




Secretary, Board of Directors