

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

March 17, 2014

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 17<sup>th</sup> day of March, 2014, 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
Bill Black	1st Vice President
W. Paul Schneider	2nd Vice President
Joyce Nelsen	Secretary
John A. Braden	Treasurer/Investment Officer

All members of the Board were present, thus constituting a quorum.

Also present were Ms. Cindy Schmidt, the District’s Bookkeeper; Mr. Greg Ordeneaux of Tax Tech, Inc., the District’s Tax Assessor/Collector; Mr. Robb Clark and Ms. Stephanie Miller of Hays Utility South Corporation, the District’s Operator; Mr. Joshua Lee, P.E., and Sherry Grant of Jones & Carter, Inc., the District’s Engineers; Mr. Jim Sheffield, the District’s General Manager; Ms. Cherie Cross of Environmental Allies; Clint Pendleton of MRE, LLC, a Developer in the District; Dick and Linda Deitelhoff, residents in the District; and Mr. Michael Bacon of Bacon & Wallace, L.L.P., the District’s Attorneys.

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.

PLEDGE OF ALLEGIANCE AND INVOCATION

Director Thomas led the meeting in the Pledge of Allegiance followed by the invocation.

PUBLIC COMMENTS

Linda and Dick Deitelhoff introduced themselves to the Board and discussed the vacant house at 6207 Northway Drive, which is next door to their house at 6203 Northway Drive. They

reported that the vacant house is in complete disrepair with a rodent problem, stating they had been unable to get anything done about the house or have it sold. They also stated they have had no response to their request from the property manager or the Maintenance Board. Jim Sheffield stated that it is not in the best interest of the District for properties of this kind to lower the property values. Greg Ordeneaux noted the property is not on the delinquent tax roll, but he could look at the tax records to obtain the name of the owners and the lienholders. Ms. Deitelhoff stated the property may have ownership problems due to a possible foreclosure. The Board requested Mr. Sheffield attend the Maintenance Board's meeting and discuss why they were not enforcing the deed restrictions. The Board also instructed the Attorney to research possible solutions, including the powers of the Maintenance Board.

#### APPROVAL OF MINUTES

Minutes of the meeting of the Board of Directors of February 3, 2014 were presented for review and approval. Director Braden stated he has revisions to the February 3, 2014 minutes and requested the approval of the minutes be tabled until the next meeting. The Board then considered approval of the minutes for the Board of Directors meeting held on February 17, 2014. Upon motion duly made and seconded, the Board voted unanimously to approve these minutes as presented.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Greg Ordeneaux presented the Tax Assessor/Collector's report, a copy of which is attached hereto as an exhibit. He reported that approximately 94.25% of the District's 2013 tax levy had been received through February 28, 2014. Mr. Ordeneaux noted the Defined Area collection is at 37.99%, but expected large payments before April 1, 2014. He stated there were only three total accounts outstanding. Upon duly made motion and second, the Board voted unanimously to approve the Tax Assessor/Collector's report as presented.

#### BOOKKEEPER'S REPORT

Cindy Schmidt presented the Bookkeeper's report and Investment Report, copies of which are attached hereto as exhibits. She stated she has billed all outstanding developer accounts and reviewed the second month of the year-to-date budget. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, the Investment report, and to authorize payment of the checks presented for approval.

#### OPERATOR'S REPORT

Robb Clark presented the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Clark noted the District's water accountability for the prior month was 93.49%, and stated there were no excursions at the Wastewater Treatment Plant ("WTP"). He then reported there were five actual disconnects during the month and four have paid and been reinstated. Mr. Clark then reviewed the Cost of Production chart. Director Black believes the tap fees may be skewing the results, especially large tap fees from apartment complexes. Director Braden agreed that tap fees should be removed from the calculation. The Operator stated he would remove the

tap fees and make adjustments. Mr. Clark next reported that Klein Independent School District (“KISD”) billing accountability was above 90%. He next presented the bill insert from the North Harris County Regional Water Authority (“NHCRWA”) explaining their rate increases. The Board agreed to use the inserts in the District’s water bills. Mr. Clark next reported that trucks and trailers had trenched the dirt surface of the parking lot at the WTP. Mr. Sheffield stated he would investigate long-term solutions and implement immediate repairs.

Mr. Sheffield raised the issue of Oakmont not having sufficient In-Pipe feeder panels, stating they currently have three and require six to eight. Director Braden said the cost of In-Pipe services should be consolidated as plant operating costs, which would be prorated between districts. Director Black stated he would assist in the placement of the new feeders. Mr. Sheffield agreed to correct the billing arrangement.

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

### ENGINEER’S REPORT

Joshua Lee presented the Engineer’s report, a copy of which is attached hereto as an exhibit. He reported he was notified that Bryan Frenchak closed on his land purchase. Mr. Lee stated that he is working on plan approval for the Wastewater Treatment Plant No. 2 expansion.

Mr. Lee next reported gravel was found while jet cleaning the Water Well No. 3 rework site. He stated the cause was unknown, but he believed that it was not a result of broken screens. Mr. Lee informed the Board that he is working with the General Manager to accommodate the nearby residents as the cleaning process is very loud.

Director Black stated he met with Willow Creek Golf Club prior to the meeting today and they assured him they wanted to go forward with the water re-use project. A discussion ensued among the Board regarding how to finance the construction. Mr. Lee noted the Board may want to include this project in a future bond issue.

Mr. Sheffield reported he had spoken with Texas Parks & Wildlife Department regarding the inspection of detention ponds. He stated he and Mr. Lee believe the U.S. Fish & Game Inspection is no longer necessary for the updated plans.

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

### DEVELOPERS’ REPORTS

Mr. Bacon reported a Detention Maintenance Agreement had been developed with the Engineer to use as a model for developers. He noted it would need to be customized for each developer. Mr. Bacon then reported on the progress of Stratton Woods development, stating the infrastructure was almost completed. Director Thomas commented the pine trees in their landscaping looked dead.

Mr Bacon reported the First Amendment for the Buffington Capital Development Financing Agreement had been executed and the District is awaiting their deposit for the Wastewater Treatment Plant expansion. Mr. Bacon informed the Board that the Annexation Letter Agreement, the Developer Financing Agreement and the Utility Commitment had been drafted for Inway Oaks. He noted they should be ready to execute next month. Mr. Pendleton stated he was having issues with construction access to the property. The Board instructed the Attorney to assist with access issues.

#### DIRECTORS ELECTION

Mr. Bacon presented and reviewed with the Board a Certification of Unopposed Candidates, a copy of which is attached hereto as an exhibit.

Mr. Bacon next presented and reviewed with the Board an Order Declaring Unopposed Candidates Elected to Office. Upon motion duly made and seconded, the Board voted unanimously to adopt the Order as presented.

#### GENERAL MANAGER'S REPORT

Jim Sheffield stated he worked with Environmental Allies to estimate acreage for the maintenance proposal. Cherie Cross presented a proposal to plant, seed and fertilize 6.3 acres for \$5,638.50. Upon motion duly made and seconded, the Board voted unanimously to approve the proposal to plant, seed and fertilize 6.3 acres for \$5,638.50. Mr. Sheffield stated it had been approximately two years since the last over-seeding. Ms. Cross recommended annual seeding. Director Braden asked about concreting the walking trails and widening for equipment. Mr. Sheffield agreed to price the options. It was noted the Board wants to plant wildflowers next November.

Mr. Sheffield next reported the Community Center needs new flooring, but the building is booked. He stated he will reconsider this issue in June 2014. Mr. Sheffield stated the contractor will present a proposal for new generators. Mr. Sheffield stated Centerpoint may make the connection to the Lift Station easement for free with the District only paying for the cost of wire. He stated he is waiting for an update and will report when received. Director Schneider requested Mr. Sheffield have Centerpoint or the Fire Department check the gas gauges on the vacant house discussed previously as there had been gas leaks in the area.

#### ATTORNEY'S REPORT

Mr. Bacon stated the District had received a check from Klein Independent School District for capital costs pursuant to their new wastewater agreement with the District.

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

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Secretary, Board of Directors

(SEAL)