

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

September 8, 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 special session, open to the public, at 7:00 p.m., on the 8th day of September, 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
Vacant	Treasurer/Investment Officer

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

Also present were Mr. Joshua P. Lee, P.E. of Jones & Carter, Inc., the District's Engineer; Ms. Cherie Cross of Environmental Allies, the District's Mowing Contractor; Mr. Jerry Hlozek of DR Horton, a developer in the District; Mr. Roger Flood, a resident in 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.

APPOINTMENT OF DIRECTOR

Roger Flood, a resident, introduced himself as a candidate to serve on the Board of Directors. Upon motion duly made and seconded, the Board voted unanimously to approve the appointment of Roger Flood to the Board of Directors for the District to fulfill Director Braden's unexpired term. Mr. Flood completed the Affidavit of Director, the Statement of Officer and the Oath of Office, copies of which are attached hereto as exhibits. Director Flood participated in the remainder of the meeting.

RECONSTITUTION OF BOARD

The Board next discussed reconstituting the Board of Directors. Upon motion duly made and seconded, the Board voted unanimously to reconstitute the Board of Directors as follows:

E. C. Thomas	President
Bill Black	1st Vice President
W. Paul Schneider	2nd Vice President
Joyce Nelsen	Secretary
Roger Flood	Treasurer

Mr. Wallace agreed to file an amended District Registration Form with the Texas Commission on Environmental Quality (the "TCEQ").

DETENTION POND MAINTENANCE AGREEMENT – INWAY OAKS ESTATES

John Wallace presented and reviewed with the Board the Detention Pond Maintenance Agreement for Inway Oaks Estates Section One, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Detention Pond Maintenance Agreement as presented.

DETENTION POND MAINTENANCE AGREEMENT – HAMPTON CREEK

Mr. Wallace informed the Board that the Developer, DR Horton-Texas, Ltd. ("DR Horton"), has requested the Detention Pond Maintenance Agreement for Hampton Creek be conveyed to the District, with the District taking over maintenance at the end of one year. He stated the Developer does not want to convey the detention pond to the Homeowners Association ("HOA"). A discussion ensued among the Board. Mr. Hlozek noted DR Horton is building four ponds. The Board did not make a motion to approve Mr. Hlozek's request, and the matter was tabled at this time. The Board asked Mr. Hlozek to reproduce the cost/benefit analysis. Mr. Wallace noted the District will need to provide an acceptance letter to Harris County to take over maintenance of the Hampton Creek Section Three pond. The Board tabled this matter until the next meeting.

DOVERSHIRE PLACE SECTION ONE

Mr. Wallace then presented and reviewed with the Board the contracts for the Water, Sanitary, Drainage, Detention, and Floodplain Maintenance Project in Dovershire Place Section One with Monarch Construction. Upon motion duly made and seconded, the Board voted unanimously to approve execution of the contracts for the Dovershire Place Section One Water, Sanitary, Drainage, Detention and Floodplain Maintenance Project by DR Horton.

HAMPTON CREEK SECTIONS THREE AND FOUR

Mr. Lee then presented and reviewed with the Board the contracts for the Water, Sanitary and Drainage Project in Hampton Creek Section One with Monarch Construction. Upon motion

duly made and seconded, the Board voted unanimously to approve execution of the contract for the Dovershire Place Section One Water, Sanitary, Drainage, Detention and Floodplain Mitigation Project by DR Horton.

WATER METER EASEMENTS

Mr. Wallace next presented and reviewed the Water Meter Easements for the Klein Independent School District (“Klein ISD”) French Elementary School on West Rayford Road, copies of which are attached hereto as exhibits. He informed the Board the easement has been authorized for a tap. Upon motion duly made and seconded, the Board voted unanimously to accept conveyance of the Water Meter Easement from Klein ISD.

LIFT STATION AND ACCESS ROAD EASEMENT

Mr. Lee reported Jones & Carter, Inc. has completed the survey of the lift station and access easement that the District has maintained for years. He stated other businesses have tied into the easement. Mr. Wallace informed the Board the Attorney is still working on the documentation for this easement.

GENERAL MANAGER’S REPORT

Jim Sheffield presented and reviewed with the Board the Recreational Facilities Use Study. He informed the Board he reviewed use of the District’s facilities which are being shared with Oakmont Public Utility District, and the District also needs to expend the remaining Park Bond funds. Mr. Sheffield reviewed usage of the Auburn Lakes (Oakmont) Facility during the month of July as follows:

Auburn Lakes Pool:

Northampton Residents	190
Oakmont Residents	239

Inway Pool:

Northampton Residents	540
Oakmont Residents	106

Northcrest Pool:

Northampton Residents	94
Oakmont Residents	48

Mr. Sheffield next reviewed the usage of the Auburn Lakes fitness center as follows:

Auburn Lakes Fitness Center:

Northampton Residents	1660
Oakmont Residents	343
Tennis Players	250
Swim Team	850

Mr. Sheffield stated the District had over 500 users of the pools over the winter months.

Total membership cards issued: 2471

Mr. Sheffield noted all the numbers represent recreational users at these facilities.

Mr. Sheffield reported Oakmont has surpassed Northampton in usage of the facilities, 1255 versus 1197. He stated the Auburn Lakes annual user fees of \$530 are mandatory, but Northampton's are optional. Mr. Sheffield noted there were 54 total rentals in July, which was a huge surge from the average. He informed the Board the Northampton Community Center, the Northcrest Activity Building and Auburn Lakes Clubhouse have been most active, and they have policed the rentals to ensure they are booked by residents. Mr. Sheffield reported the Auburn Lakes costs have consisted of high lifeguard fees, vehicles, gas, maintenance personnel, front office time, and the expense for proximity cards. He noted the Auburn Lakes pool is deteriorating, and the District will need to modify its agreement. Mr. Sheffield suggested proposing a contract to use the DR Horton recreational facilities. He stated the Northcrest pool needs replastering, and the estimated cost is \$27,000. Mr. Sheffield noted a \$290,000 proposal is being considered to modify the pool to ten lanes, and the funds would be raised privately. He reported installation could be scheduled for August 2015, if the funds can be raised.

Mr. Sheffield reported he would like to convert the baby pools to "splash pads" as a water feature, for approximately \$20,000 each. He stated the water will be routed to the main pool to serve as a cooling system, and the Park Bond funds could be utilized for this project. Mr. Sheffield noted the tennis program is asking for two more courts, at an approximate cost of \$120,000, and the Park Bond funds could also be used for this project. He informed the Board the parking may need to be extended, for approximately \$40,000, and the bridge over ditch M-103 would cost \$60,000. Mr. Sheffield reported the trails need approximately \$100,000 of maintenance work.

Mr. Sheffield stated the District has the capacity to continue to serve Auburn Lakes, unless DR Horton wants to allow the residents to utilize their facilities. He noted he needs to perform a cost study to determine how much to raise the Auburn Lakes rates, and the goal is to try to treat all Northampton and Auburn Lakes users the same. Mr. Sheffield reported \$70,000 of the fees come from Auburn Lakes, pursuant to their contract, and \$120,000 of the user fees come from Northampton. He stated he needs to try to isolate the costs of running the facilities for which the District charges a user fee, and the fees are in a deficit situation again.

A discussion ensued among the Board. Director Schneider and Director Black agreed to work with Mr. Sheffield on the cost study. Mr. Wallace stated he has reviewed the 2007 Amendment to the Oakmont Public Utility District agreement, which renews on December 9, 2014, unless sixty days' notice is given, which is October 9, 2014.

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


Secretary, Board of Directors

(SEAL)

