

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

March 16, 2015

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 16th day of March, 2015, 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
Roger A. Flood	Treasurer

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

Also present were Ms. Cindy Schmidt, the District's Bookkeeper; Ms. Esther Flores of Tax Tech, Inc., the District's Tax Assessor/Collector; Mr. Don Hays and Mr. Robb Clark of Hays Utility South Corporation, the District's Operator; Mr. Joshua Lee, P.E. and Ms. Sherry Grant of Jones & Carter, Inc., the District's Engineer; Mr. Stephen M. Eustis of Robert W. Baird & Co., the District's Financial Advisor; Mr. Jim Sheffield, the District's General Manager; and Mr. Michael P. Bacon 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.

PLEDGE OF ALLEGIANCE AND INVOCATION

Director Thomas led the meeting in the Pledge of Allegiance. Director Thomas then gave the invocation.

COMMENTS

There were no comments from the public.

APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors of February 2, 2015 and February 16, 2015 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the February 2, 2015 and February 16, 2015 minutes as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Flores informed the Board the District has collected 95.35% of the 2014 tax levy as of February 28, 2015, and 100% of the 2014 Defined Area tax levy as of February 28, 2015. Jim Sheffield stated a customer called in to compliment the tax office on their excellent customer service.

Michael Bacon then discussed the issue of new alternative pricing for apartment complexes. He stated he is evaluating options for increasing the taxable value of the District's current apartment complexes based on contracts and statutes.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented, and payment of the checks presented for approval.

BOOKKEEPER'S REPORT

Cindy Schmidt presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as exhibits. She next presented the first two months of the Year-to-Date Budget, a copy of which is attached hereto as an exhibit. Ms. Schmidt informed the Board payments were received for the Frenchak development and Buffington Capital. Mr. Bacon stated he is working with JP Morgan on the DR Horton draw.

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 informed the Board the District's water accountability was 94.96% in February 2015. He then presented one delinquent account for disconnection. Mr. Clark next reviewed repairs and maintenance performed in the District.

Josh Lee noted the Encanto Real Utility District ("Encanto Real") price is low compared to the average price charged by the District, and he recommended amending the agreement.

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

FINANCIAL ADVISOR'S REPORT

Stephen Eustis presented and reviewed with the Board the bids for the sale of the District's \$4,460,000 Unlimited Tax Bonds, Series 2015 (the "Bonds"). He informed the Board the District's bond rating was affirmed at "A". He presented an analysis of the bid results, a copy of which is attached hereto as an exhibit. Mr. Eustis reported eight bids were received, which was a high amount. He recommended awarding the sale of the Bonds to Raymond James & Associates for Net Interest Cost of 3.426369%. Mr. Bacon then reviewed the documents necessary for the sale including the Bond Order, Paying Agent Agreement, Signature Identification and No Litigation Certificate, and a General Certificate. Upon motion duly made and seconded, the Board voted unanimously to approve the sale of the Bonds and all documents relevant thereto. The Board authorized the Attorneys and Financial Advisor to do all things necessary to complete the issuance and funding of the Bonds.

GENERAL MANAGER'S REPORT

It was noted that Mr. Sheffield had to leave the meeting for an emergency.

ENGINEER'S REPORT

Joshua Lee presented the Engineer's Report, a copy of which is attached hereto as an exhibit. He presented and reviewed with the Board a change order regarding the proposed location of the lift station on the Wastewater Treatment Plant No. 1 site and the existing sewer line. Upon motion duly made and seconded, the Board voted unanimously to approve the change order as presented.

Mr. Lee informed the Board he received the proposal for the building at Wastewater Treatment Plant No. 2. He noted that it was too expensive and recommended that the Board not accept the proposal. Mr. Lee reported the Engineer is ready to proceed with the Water Plant No. 3 Project. He stated he is working with the Texas Commission on Environmental Quality ("TCEQ") and the District's Attorney regarding the notice of violation for Water Well Nos. 1 and 2. Mr. Lee informed the Board he is working on alternatives for the M-103 pedestrian crossing.

Mr. Lee then presented the CST Corner Store easements for approval. Upon motion duly made and seconded, the Board voted unanimously to approve the easements as presented.

Mr. Lee then presented and reviewed Pay Estimate No. 3 in the amount of \$678,188.42 to Liftwater Construction for Wastewater Treatment Plant No. 2, Phase 1. He next presented Pay Estimate No. 1 in the amount of \$18,000.00 to Tar Tob Commercial Services, LLC for the Water Plant No. 2 Hydropneumatic Tank Addition.

Mr. Lee presented Change Order No. 1 in the amount of \$7,850.00 for relocating the existing flush valve at the entrance to Hampton Creek Section 4. He next presented Change Order No. 2 in the amount of \$31,620.00 for completing second stage utilities in Hampton Creek Section 3. Mr. Lee then presented Pay Estimate No. 3 in the amount of \$136,841.63 to Lexton

Construction, LLC for Hampton Creek Sections 4 and 5 paving. He next presented Pay Estimate No. 4 in the amount of \$35,696.25 to Lexton Construction, LLC for Hampton Creek Sections 4 and 5 paving. Upon motion duly made and seconded, the Board voted unanimously to approve all Pay Estimates as presented.

Mr. Lee then requested approval to advertise for bids for Hampton Creek Section 8 and contracts for clearing and grubbing. Upon motion duly made and seconded, the Board voted unanimously to approve advertising for Hampton Creek Section 8 and contracts for clearing and grubbing.

Mr. Lee reported Hampton Creek is proceeding with the development of their property south of Willow Creek, which will require the extension of public water and sanitary sewer facilities underneath Willow Creek. He noted this will require a lift station, and recommended oversizing the wet well for future development in the District. Mr. Lee stated this will be more cost effective than expanding later, and DR Horton can be contacted regarding the upgrade. Upon motion duly made and seconded, the Board voted unanimously to approve contacting DR Horton to pursue the project.

Mr. Lee next presented and reviewed with the Board the Engineer's updated schedule of hourly rates. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's updated rate schedule, a copy of which is attached hereto as an exhibit.

Mr. Lee then reviewed the status of active development in the District. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's report as presented.

ATTORNEY'S REPORT

Mr. Bacon reported the Water Plant No. 3 closing is scheduled for March 31, 2015. The Board noted they want to ensure the property has been cleared. He stated he is waiting to receive the signed Wastewater Treatment Plant Amendment and Recreation Agreement Amendment from Oakmont Public Utility District. Mr. Bacon informed the Board Encanto Real is responsible for the cost of the interconnect line relocation. He noted the Inway Oaks annexation is pending with the City of Houston.

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

OTHER BUSINESS

Director Thomas proposed purchasing a weeping willow tree for the park. Upon motion duly made and seconded, the Board voted unanimously to approve the purchase of a weeping willow tree for the park. A discussion ensued among the Board regarding additional landscaping projects.

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



Joyce Wilson
Secretary, Board of Directors