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

November 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 November, 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
Bob Dowies	Secretary
Roger A. Flood, III	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. Robb Clark of Hays Utility South Corporation, the District's Operator; Mr. Joshua Lee, P.E. and Ms. Sherry Grant, E.I.T. of Jones & Carter, Inc., the District's Engineers; Mr. Jim Sheffield, the District's General Manager; Mr. Al Peters of Environmental Allies, the District's Detention Contractor; Mr. Steve Eustiss of Robert W. Baird & Co., the District's Financial Advisor; 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.

PLEDGE OF ALLEGIANCE AND INVOCATION

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

COMMENTS FROM THE PUBLIC

There were no comments from the public.

APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors of October 19, 2015, November 2, 2015, and November 9, 2015 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve such minutes as amended.

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 that the Tax Assessor/Collector has started to receive collections for the 2015 tax year. She presented three invoices for publication of the District's tax rate hearing. Ms. Flores indicated the District's estimated value as of October 1, 2015 was $539,624,860 and the Defined Area had an estimated value of $82,732,082. She informed the Board a message would be included in the District's water bills to advise customers to contact the tax office if they had not received their 2015 tax statement.

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

BOOKKEEPER'S REPORT

Cindy Schmidt presented the Bookkeeper's Report, the year-to-date budget, and the Investment Report, copies of which are attached hereto as exhibits. Ms. Schmidt reported TCEQ approved last month's surplus funds to be used for the District's engineering fees. She informed the Board the funds were transferred to the District's Operating Account; however, a separate Money Market Account was established so that the funds stayed separate from the general operating account. She then presented the Investment Report, a copy of which is attached hereto as an exhibit.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's 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. He reported the District's water accountability rate was 94.83% for the previous month, with no excursions at the Wastewater Treatment Plant. Mr. Clark indicated nine new tap lines were installed of which six are in Inway Oaks. He then presented and reviewed the Customer Service Log. Mr. Clark noted training sessions would be held at the new Wastewater Treatment Plant for proper instructions on operating several components of the Plant.

Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report and termination of the delinquent accounts.

ENGINEER'S REPORT

Joshua Lee presented the Engineer's Report, a copy of which is attached hereto as an exhibit. Mr. Lee advised the Board regarding Water Plant No. 2 improvements that the contractor, Tar Tob Commercial Services, LLC, had exceed the period of performance for substantial and final completion. In regards to the Wastewater Treatment Plant expansion project, Mr. Lee explained the substantial completion date passed November 11, 2015, and construction was close to completion. He advised the Board, however, they were waiting on the blower repairs and startup of the chemical and recycling pumps. He mentioned once the items were completed, the contractor would conduct the clean water testing. He also informed the Board the final retainage will not be released until the final punch list has been completed. Mr. Lee recommended that the District continue to work with the contractor to complete all outstanding items. He stated there was no rush to put the Plant back online, and he wanted to ensure the work was completed before he transitioned to the Operator.

Mr. Lee noted the District should terminate the Interim Capacity Agreement with Oakmont. He reported to the Board the Engineer was working on the Water Plant No. 3, Phase 1 design. He indicated Phase 1 will include one 500,000 gallon elevated storage tank, one 1,700 gpm water well and one 400 kW generator. Mr. Lee stated he expected plan approvals to be completed in August 2016, with advertisement for bids and construction beginning in October 2016, and estimated construction time of 500 days. He then informed the Board he prepared the drainage analysis for M-103 Crossing and it showed no adverse impact to Harris County Flood Control District ("HCFCD") Unit No. M103-00-00 or Unit No. M100-00-00 (Willow Creek). He also mentioned HCFCD consented to the bridge location, and that he was preparing a set of construction plans for the pedestrian bridge.

Mr. Lee informed the Board that he is currently working with Mr. Sheffield to prepare the engineering drawings on the Change in Scope for the park improvements, including the splash pads. He indicated he will then compile the applications to be submitted to the TCEQ. Park improvements including the applications will be presented at the December 2015 meeting.

Mr. Lee then reported the proposed 7.45-acre feasibility study was withdrawn while Mr. Frenchak obtains financing for the project. He stated that service to the 1.61428-acre Gage commercial development is also on hold at this time.

Mr. Lee then presented and reviewed Pay Estimate No. 11 for Liftwater Construction, Inc., in the amount of $1,083,785.83 and final Wastewater Treatment Plant No. 2, Phase 1. He then presented the Pay Estimate No. 3 for Hampton Creek Section 6 for Water, Sanitary and Drainage facilities in the amount of $35,043.19 to Principal Services, Ltd. Mr. Lee also presented Pay Estimate No. 3 and final for the Hampton Creek Section 6 Paving in the amount of $34,811.69 to Jaho, Inc. He noted there were no bids or awards for approval at the time. Upon motion duly made and seconded, the Board voted unanimously to approve all Pay Estimates as presented. Mr. Lee then mentioned the Engineer is working with the Operator to complete the annual inspection.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's report, including all pay estimates and change orders as presented.

FINANCIAL ADVISOR'S REPORT

Steve Eustiss presented and reviewed with the Board an analysis for the District's bond application and the Defined Area bond application, based on the October 1, 2015 Certified Estimate of Value. He informed the Board the estimated value as of October 1, 2015 was $539,624,860 for the District and $82,732,082 for the Defined Area. Mr. Eustiss noted the feasibility of the bond applications will be based on "no-growth" beyond the October 1, 2015 estimated value, and growth in the Defined Area through July 1, 2016 to a value of $91,952,600. Mr. Lee suggested to the Board that he update the Water Plant No. 3 construction, and the Wastewater Treatment Plant shares, and Waterford Springs, DR Horton, Trammell Crow and Houston Gosling Woodlands. Mr. Eustiss recommended submitting the bond application on an expedited review basis with an updated analysis of buildout projections. He also stated the District can sell bonds in two phases.

Mr. Eustiss reported the Defined Area bond application included all projects completed within 60 days; however it did not include projects to be completed later than 60 days. He indicated the $7,125,000 cost summary is feasible for the first time bond are issued; however it will require more work on the bond application. The second scenario is the $9,680,000 cost summary.

Upon motion duly made and seconded, the Board voted unanimously to authorize Jones & Carter, Inc.to begin preparation of the two bond applications.

GENERAL MANAGER'S REPORT

Jim Sheffield presented and reviewed with the Board the General Manager's Report. He informed the Board the new roof on the weight room was completed. Mr. Sheffield informed the Board that three deer died in the subdivision, and it appeared to be caused by a pesticide. He noted Texas Parks and Wildlife are investigating the problem. Mr. Sheffield indicated the irrigation lines at Inway Oaks are part of the Park Bonds; however the Board wanted to finance it out of the operating account and plant trees. He indicated he will proceed with planting the trees.

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

ASSIGNMENT OF REFUSE COLLECTION CONTRACT

Mr. Wallace stated he contacted Waste Corporation of Texas, L.P. ("WCA"), who assumed the garbage collection responsibilities of Texas Trash effective June 1, 2015, and they will continue to provide services to the District and its residents. Upon motion duly made and seconded, the Board voted unanimously to approve assignment of the contract as presented.

ATTORNEY'S REPORT

Mr. Wallace then presented and reviewed with the Board the Third Amendment for Management and Operation of Oakmont Parks and Recreational Facilities ("Amendment"). He indicated Oakmont had approved the Amendment, and a reconciliation will be prepared in January 2016 for the 2015 year and settle up.

Mr. Wallace presented a proposal for legal fees for 2016. It was determined that this will be discussed at the December 2015 board meeting. Proposals from other consultants will be discussed also at this time.

Mr. Wallace then referenced the Terra-Gosling Annexation of 2 tracts totaling 7.966 acres. He noted the Petition have not yet been signed.

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

EASEMENTS

Mr. Wallace presented and reviewed with the Board fourteen miscellaneous easements from DR Horton. Upon motion duly made and seconded, the Board voted unanimously to approve the easements as presented.

OTHER BUSINESS

Director Black stated he wanted to proceed with the agreement to construct and maintain four new tennis courts at Inway to be constructed by Oakmont. Mr. Wallace agreed to produce the first draft of the agreement.

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

Robert W. Downes
Secretary, Board of Directors

(SEAL)