

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

February 15, 2016

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 15th day of February, 2016, 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 and Mr. Don Hays 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, an employee of the District; Mr. Adam Spry of Dynamic Analysis Group, LLC, Mr. Scott Kirkpatrick, a resident of the District 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 FROM THE PUBLIC

There were no comments from the public.

## APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors held January 4, 2016, January 18, 2016, and February 1, 2016 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of January 4, 2016 and January 18, 2016 as presented. The February 1, 2016 minutes were tabled at this time.

## 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 77.84% of the District's 2015 tax levy was collected and 86% was collected for the Defined Area. She then indicated that a wire transfer was made from the Tax Fund in the amount of \$870,000 to the Debt Service Fund. She then presented and reviewed the Delinquent Tax Report. Ms. Flores informed the Board that a taxpayer in the Defined Area disputed their 2015 tax bill, a copy of the delinquent tax bill is attached hereto as an exhibit. She stated the homeowner disputed a penalty and interest charge in the amount of \$107.30. The homeowner claimed the bill was paid in full. Mr. Bacon recommended the District waive the penalty and interest charges this being the homeowner's first tax bill in the Defined Area.

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

## TAX RESOLUTIONS

Director Thomas expressed a concern in regards to the Agenda description of the Tax Exemptions to be considered. Mr. Bacon advised the Board they have the option to table the tax exemption matter until their next meeting, but he believed the notice is proper and adequate.

Mr. Bacon presented a Resolution Concerning Exemptions from Taxation for the 2016 Tax Year, including a \$20,000 exemption for taxpayers over 65 years of age or disabled. A copy of the Resolution is attached hereto as an exhibit. Following discussion, upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented.

Mr. Bacon then presented and reviewed with the Board a Resolution Implementing 20% Penalty on 2015 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as an exhibit. Following discussion and upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented.

## AUDIT

Review of the Audit was tabled at this time.

## BOOKKEEPER'S REPORT

Cindy Schmidt presented and reviewed the Bookkeeper's Report, the year-to-date budget, and the Investment Report, copies of which are attached hereto as exhibits. Director Black requested to review certain bills for the District's operating charges. Ms. Schmidt then reviewed the District's invoices. She indicated the reconciliation of the charges to Oakmont Public Utility District ("Oakmont") for 2015 recreational expenses has been sent. She then mentioned to the Board that Oakmont owed approximately \$9,800. Ms. Schmidt then reported on the first month operating budget. She indicated the Wastewater Treatment Plant reconciliation is pending, awaiting the final costs from the contractor.

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 91% for the previous month. Mr. Clark informed the Board there was a major leak in Hampton Creek. He indicated that Oakmont has been on the District's interconnect since January 23, 2016 under a 90 day contract to allow time for the Water Well re-work project.

Mr. Clark indicated that the feed store on Gosling Road paid tap fees in the amount of approximately \$90,000. He then indicated the District obtained eleven new taps in January 2016. Director Black asked about field logs for the Wastewater Treatment Plant service. Director Black informed the Board that the individual workers at two of the plants are familiar with the field logs. Director Black then inquired about the expensive charge by Source Point Solutions. Director Clark stated he believed the high cost is for four days of necessary work to clean out the aeration basin. Based on the recent issues surrounding lead in the water, Director Thomas requested the Operator to provide lead content numbers. Mr. Hays indicated that the District has always tested very well. Mr. Bacon recommended end-of-line point-testing for the residents' concerns.

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

Mr. Spry reviewed and presented a proposed plan for development of a 1.995 acre commercial development tract of land located on the west side of Gosling Road and south of West Rayford Road. He informed the Board that a third of the land will be used for the owner and the remaining for office space. He indicated the land has an estimated improved value of \$1.5 million. Mr. Lee requested Dynamic Analysis Group, LLC deposit \$15,000 for the feasibility and annexation costs. Mr. Bacon further described use of the funds. Director Dowies then asked about the construction schedule. Mr. Spry informed the Board that construction is

scheduled to start early 2017. The Board instructed the Engineer to proceed with the feasibility study pending payment from the developer.

Mr. Lee then reported on Willowcreek Golf Club. He stated they agreed to the terms for the effluent reuse project. He then indicated that an updated analysis is necessary and stated that the plans and negotiations were uncertain. Director Black offered to bring chloramine conversion advisors to a meeting for discussion.

Mr. Lee indicated that he is working with Harris County on the M-103 pedestrian crossing plans. Mr. Lee then presented a Change in Scope Application for the park bond funds. Upon motion duly made and seconded, the Board voted unanimously to approve a Resolution Authorizing Filing of the park bond Change in Scope application.

Mr. Lee then reviewed Bond Application Report No. 15 and the Defined Area Bond Application Report No. 1. He mentioned that he is working on the bond applications.

Mr. Lee presented and reviewed Pay Estimate No. 14 for the Wastewater Treatment Plant No. 2 Phase 1. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 14.

He then presented and reviewed Pay Estimate No. 1 for Hampton Creek Phase 3 excavation and grading, Change Order No. 2 for Hampton Creek Section No. 6 for the Water, Sanitary and Drainage Facilities and Clearing & Grubbing in Hampton Creek Phase IV, Pay Estimate No. 1 as well as the final Change Order No. 2. Upon motion duly made and seconded, the Board voted unanimously to approve all Pay Estimates and Change Orders as presented.

Mr. Lee indicated that Bay Utilities, LLC has been awarded the contract for the Hampton Creek, Section 7 Water, Sanitary & Drainage project in the amount of \$320,850.19. Upon motion duly made and seconded the Board voted unanimously to approve the award of the contract to Bay Utilities, LLC.

Mr. Bacon presented three easements for Hampton Creek, Section 7. Upon motion duly made and seconded the Board voted unanimously to approve the easements.

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.

ANNEXATIONS

Mr. Bacon informed the Board that he has been waiting for the developer to execute documents for THE Terra-Gosling annexation. Director Black asked about the Water Plant No. 3 site and trash clearing. Mr. Bacon indicated that the owner was notified and is cooperative. Director Thomas then asked about Buffington Capital. Mr. Lee indicated there were no updates. Director Black then asked about CST and Mr. Canavati. Mr. Lee then informed the Board that the development is ongoing. Mr. Bacon next reviewed the status of other pending annexations.

## GENERAL MANAGER'S REPORT

Director Black mentioned that he would like to see the District supplement the District's history on the website with an article on the original Developers and how they played a role in establishing the District as it is known today. After discussion, the Board considered Mr. Black's suggestion and agreed to discuss the change in information on the District's website at the District's recreational meeting on March 7, 2016.

Mr. Peters presented and reviewed the tennis court admittance requirements. He informed the Board that all entrants will be asked to confirm their address if they did not have an access card.

M. Sheffield mentioned that the light pole at the tennis court came unhinged and fell. He indicated he is waiting for the parts to repair the light. Mr. Sheffield stated he wanted to obtain building plans for the expansion of the weight room and additional deck coverings at the West Park, which could possibly serve as additional rental space. After discussion, and upon motion duly made and seconded, the Board voted unanimously to approve requesting preliminary plans from Bill Epps for the expansion of the weight room.

Mr. Sheffield told the Board that the Harris County lease for the constable substation expires on April 1, 2016. He noted that they will relocate the vehicles and move out of the Northeast facility. He then asked the Board to consider opening the pools two weekends early this year.

He then stated that he ordered two defibrillators (AED's). The Board requested that Mr. Sheffield order one more as initially discussed. Upon motion duly made and seconded, the Board voted unanimously to approve the General Manager's report as presented.

Director Schneider inquired about the card renewal deadline. Mr. Sheffield stated the District is currently in the forgiveness period for the renewal. Director Schneider then indicated that on future agendas he wanted to add discussion of security matters under the General Manager's Report.

Director Thomas asked about path redesign in Willowcreek. Mr. Sheffield reviewed the pending plans with the Board.

## OPERATIONS CONTRACT

Mr. Hays presented the proposal for separate operations agreements for his company for the joint plant operations and the District specific operations. He then explained the revisions and changes to the new contracts. Mr. Bacon then described the review and evaluation of rates and provision charges to the Board. He stated he found no major deficiencies in the charges. After discussion, the Board requested the Operator to email the full contract and to put an item on the agenda for recreational meeting on March 7, 2016.

ATTORNEY'S REPORT

Mr. Bacon discussed with the Board the schedule for the upcoming Directors' Election and noted the filing deadline was February 19, 2016.

Mr. Bacon then presented an Order Authorizing Approval of Certain Contracts authorizing the General Manager to approve contracts less than \$25,000. The Order was unanimously approved by the Board.

OTHER BUSINESS

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

  
Secretary, Board of Directors

(SEAL)

