

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

February 20, 2017

THE STATE OF TEXAS §
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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 20th day of February, 2017 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
Scott Kirkpatrick	Secretary
Roger A. Flood, III	Treasurer

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

Also present were Ms. Cindy Schmidt of L&S District Services, LLC, 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. Jim Sheffield, the District's General Manager; Mr. Joshua Lee, P.E. and Ms. Sherry Grant, EIT of Jones & Carter, Inc., the District's Engineer; Ms. Lisa June, an employee of the District; Mr. Danny Pereyra of Environmental Allies, the District's Mowing/Detention Contractor; Mr. Patrick Flores, an interested party; and Mr. John 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. At this time, the pledge of allegiance and an invocation were held.

COMMENTS FROM THE PUBLIC

There were no comments from the public at this time.

APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors held on January 16, 2017 and February 6, 2017 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the 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 reported the District had collected 79.37% of the District's 2016

tax levy as of January 31, 2017 and had collected 92.59% of the District's 2016 tax levy as of February 17, 2017. She stated that delinquent statements were to be mailed to customers on Tuesday, February 21, 2017.

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

TAX RESOLUTIONS

John Wallace reviewed a Resolution Concerning Exemptions from Taxation for the 2017 Tax Year, including a \$30,000 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 adopt the Resolution Concerning Exemptions from Taxation for the 2017 Tax Year.

Mr. Wallace then reviewed a Resolution Implementing 20% Penalty on 2016 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented. A copy of the Resolution is attached hereto as an exhibit.

BOOKKEEPER'S REPORT

Cindy Schmidt presented and reviewed the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. Ms. Schmidt stated that the Wastewater Treatment Plant Fund Account had been closed. She stated that the end-of-year Oakmont Public Utility District ("Oakmont") management fee reconciliation had been completed and the District had received the final payment from Oakmont.

Ms. Schmidt reviewed the first month of the year-to-date budget. She stated a \$2,000 check had been issued to William and Candice Hendrix to cover their legal fees related to the Sanitary Control Easement for the proposed water well and stated the District would secure a receipt for the funds. Ms. Schmidt next 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, the Investment Report and payment of the checks as presented.

OPERATOR'S REPORT

Robb Clark presented the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Clark stated the District's water accountability rate for the previous month was 95.51% and there were no excursions at the Wastewater Treatment Plant.

He stated that ten Smart Meters had been installed, and he would get the program set up and train personnel on the equipment. He reminded the Board of the North Harris County Regional Water Authority ("RWA") ground water fee increase effective April 1, 2017.

Mr. Clark noted the fire hydrant repair was complete.

Director Thomas reported that a manhole on Wellington may have created a sinkhole. Mr. Clark stated he was unable to locate the problem and would investigate again. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report as presented.

AMENDED RATE ORDER

Mr. Wallace reviewed an Order Adopting Amended Rate Order, a copy of which is attached hereto as an exhibit. The amendment reflected a decrease in the RWA surcharge from 20% to 15%.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Adopting Amended Rate Order.

ENGINEER'S REPORT

Josh Lee reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. Mr. Lee discussed Water Plant No. 3. He said Bryan Frenchak still needed to execute the Lienholder's Subordination to Dedication for a 60-foot access easement.

Mr. Lee stated the Engineer was working with Robb Clark to confirm completion of all items from the 2016 Facilities Inspection Report. He reported that a full interior inspection needed to be conducted on the ground storage tanks. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to proceed with the facilities inspection.

Mr. Lee presented an updated Jones & Carter, Inc. Schedule of Hourly Rates and noted the percentage fees were not changing. Upon motion duly made and seconded, the Board voted unanimously to approve the Schedule of Hourly Rates as presented.

Mr. Lee next discussed the Gosling Road widening project. He stated that Harris County was requesting the District's participation with installation of irrigation sleeves from West Mossy Oaks Road to West Rayford Road. The Board declined to participate.

Mr. Lee then presented Pay Estimate No. 3 and final from LG & G Construction, Inc. for a water and sanitary sewer extension along Gosling Road to serve the 7.965 acre Terra-Gosling, LLC Development in the amount of \$64,792.13; Pay Estimate No. 6 in the amount of \$39,677.17 to Monarch Civil Constructors, LLC for water, sanitary, drainage, detention, and floodplain mitigation in Dovershire Place Section 1; Pay Estimate No. 2 in the amount of \$190,312.20 to Sonora SWQM Co. dba Sonora Construction for excavation, grading and detention in Hampton Creek Phase 4; and Change Order No. 002 in the amount of \$60,125.00 for additional groundwater dewatering of the detention pond bottom. Upon motion duly made and seconded, the Board voted unanimously to approve the Pay Estimates and Change Order as presented. Mr. Lee reported the water and sanitary sewer extensions along Gosling Road to serve the 7.965 acre Terra-Gosling, LLC Development were complete.

Mr. Lee informed the Board he had received a request from Alejandro Ortiz to update the 7.97 acre Terra-Gosling, LLC Development feasibility study, dated October 19, 2015, to include an additional 2.69 acre tract adjacent to the 7.97 acre development, on the northwest corner of the Gosling "Berry Commercial Plaza" site. He stated the development would consist of a pre-

school, a one story office building, and a small office with a warehouse. Mr. Lee stated the Engineer would prepare a feasibility study and no new infrastructure would be required to serve this development. Mr. Lee stated the developer would need to place a \$15,000 annexation deposit with the Engineer as well as true-up the deficit balance of their previous annexation. Upon motion duly made and seconded, the Board voted unanimously to allow the Engineer to proceed with the feasibility study, contingent upon receipt of the deposit and payment of deficit balance.

Mr. Lee reported that Bryan Frenchak had covered some of the District's manholes with fill dirt along Gosling Road. He stated the need to locate the manholes and get them raised to the new proposed grade. He stated a fire hydrant had also been destroyed. Mr. Lee reported the CenterPoint Electric Easement for Wastewater Treatment Plant No. 2 replaced the blanket easement that was previously executed. Upon motion duly made and seconded, the Board voted unanimously to approve the CenterPoint Electric Easement. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

DEVELOPERS

Mr. Wallace stated the Hargrove ten acre tract annexation was on hold for another month as the owners were waiting for release of deed restrictions. He further stated the AGG Box Solutions annexation was still on hold at the request of the developer.

WATER SMART PROGRAM

Upon motion duly made and seconded, the Board voted unanimously to approve the application to the Association of Water Board Directors for the Water Smart Program. Director Black presented an article written for water conservation and asked the Board for review and comments. Mr. Sheffield stated that rain sensors were beginning to be distributed. The Board proposed that the Operator produce a monthly Top 10 Water Users List and call all customers on the list to assist them in reducing water consumption.

GENERAL MANAGER'S REPORT

Mr. Sheffield informed the Board there was an erosion problem along W. Rayford Road where a manhole was exposed between Giltspur and Haverford and dumps into M-102. He stated it presented a safety hazard and the Engineer needed to review the issue. Director Black said that Harris County Flood Control District ("HCFCD") acknowledged they were responsible. Mr. Sheffield said he could use a tractor to shore up the area with bank sand. Director Thomas stated he wanted a safety fence erected and notification sent to HCFCD.

Mr. Wallace reported on the status of discussions with HCFCD regarding maintenance of drainage ditches in the District. Mr. Wallace stated HCFCD felt the existing plat descriptions of these areas were inadequate, and wanted a master agreement to set forth legal duties of HCFCD to maintain these areas. Mr. Wallace agreed to confer with Mr. Lee on this matter.

Mr. Sheffield stated that a location needed to be determined for the splash pad at Inway. He noted that timing of the project is becoming a problem. He suggested the best location is where the old baby pool is. Upon motion duly made and seconded, the Board voted unanimously to move forward with this project at the proposed location. Mr. Sheffield stated he

would obtain bids. The Board authorized Mr. Sheffield to move forward with the shelter for the Northcrest pool.

Mr. Sheffield reported the Board toured the Willow Creek Park property. He stated the power lines needed to be moved, and noted the need for a discussion of layout and features. It was determined that Mr. Sheffield would obtain the cost for under-brushing so the property could be inspected.

ATTORNEY

Mr. Wallace presented an Amendment to Utility Development and Service Agreement with Klein Independent School District to add the Agriscience Facility to the agreement. Upon motion duly made and seconded, the Board voted unanimously to approve the agreement.

OTHER MATTERS

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




Secretary, Board of Directors