

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

April 17, 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 17th day of April, 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, with the exception of Director Schneider, 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. 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; 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 March 27, 2017 and April 3, 2017 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the 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 reported the District had collected 95.30% of the District's 2016 tax levy as of March 31, 2017 and the total taxes receivable were \$222,839.40. She then discussed the tax certificate request for the Water Plant No. 3 site. She noted that Harris County Appraisal District had processed the deed and she was attempting to get the tax roll corrected. She requested the Board approve the Tax Assessor to pay off \$81.00 remaining in taxes in order to get the plat approved. Upon motion duly made and seconded, the Board voted unanimously to approve paying off the remaining tax balance.

Ms. Flores presented a Resolution Requesting Estimate of Value from the Harris County Appraisal District for the District and a Resolution Requesting Estimate of Value from the Harris County Appraisal District for the District's Defined Area. Upon motion duly made and seconded, the Board voted unanimously to approve the resolutions.

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 and reviewed the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. Ms. Schmidt reviewed the third month of the year-to-date budget. She expressed concern with continuing expenses from Power Secure, Inc. related to the Water Plant generator remote monitoring. Ms. Schmidt requested a copy of the Power Secure, Inc. contract and stated she would review its terms for later discussion with the Board. Director Black stated he would invite Jim Elder with Acclaim Energy to attend the next regular District Board meeting to discuss the issue.

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.

Ms. Schmidt presented information related to the Certificate of Deposit Account Registry Service ("CDARS") Program, a copy of which is attached hereto as an exhibit. She explained that Central Bank acts as a placement agent, the program is based on bids for the funds to match the maturities sought, and the money is spread among many banks.

She further explained that the process is efficient, FDIC insured, and the current rate is .87%. She stated the TexPool paper work was being processed. It was determined that Ms. Schmidt would work with Director Flood to assemble an investment strategy for Operating and Debt Service Funds.

Mr. Sheffield reported that he had completed the breakdown of facility user fees and had given the information to the Bookkeeper.

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 96.23% and there were no permit excursions at the Wastewater Treatment Plant.

Mr. Clark stated there were 16 new customer inspections in D.R. Horton's development and 23 taps had been installed year-to-date. He stated he would present a draft Consumer Confidence Report to the Board for approval next month.

Mr. Clark expressed concerns with news reports regarding chromium levels in the groundwater. He stated that testing could be done and the results reported on the Consumer Confidence Report. Director Black suggested determining if testing had been previously done. Mr. Clark stated he would research the matter and order the test if necessary.

Mr. Clark reported two fire hydrants had been damaged and had been repaired. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report.

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 that he was close to getting the recorded plat and could then obtain approval for the plans and proceed with construction. Upon motion duly made and seconded, the Board voted unanimously to approve Harris County detention maintenance for the Water Plant No. 3 site.

Mr. Lee reported that drawings were being prepared for the 2017 lift station rehabilitation project which includes the Root, Kingscrest, & Bridgesway lift stations. He stated the Engineer would request authorization to advertise for bids at the next regular Board meeting.

Mr. Lee stated the Engineer was preparing the TPDES discharge permit application renewal which covers both plants. He noted the permit expiration date was February 18, 2018.

Mr. Lee stated that preparation of the Surplus Funds Application for water meter replacements was on hold pending receipt of bids for the 2017 Lift Station Rehabilitation project. He noted that the project would probably be on hold until the June Board meeting.

Mr. Lee reported that there has been a good response so far to the Smart Meter trial program of ten meters. Director Kirkpatrick noted his approval in favor of the program. A discussion among the Board ensued regarding proceeding with the installation of smart meters across the District.

Mr. Lee reported on the Gosling Road widening project and utility relocation. He stated that two segments would begin construction this year.

Mr. Lee then presented Pay Estimate No. 7 from Monarch Civil Constructors, LLC for water, sanitary, drainage, detention, and floodplain mitigation in Dovershire Place Section 1 in the amount of \$10,168.20; Pay Estimate No. 9 in the amount of \$175,101.75 to Burnside Services, Inc. for excavation, grading, and detention in Hampton Creek Phase 3; Pay

Estimate No. 3 in the amount of \$19,269.03 to Lischka Utilities, LLC for water, sanitary, and drainage facilities for Hampton Creek Section 9; and Pay Estimate No. 2 in the amount of \$38,828.25 to Jaho, Inc. for paving in Hampton Creek Section 9. Upon motion duly made and seconded, the Board voted unanimously to approve the Pay Estimates as presented.

Mr. Lee then addressed various other items. He stated that Dovershire Place was being cleaned up for sale. He stated he had met with a structural consultant to look at the sewer line crossing and would relay related information to the Board when it became available. He reported that he had corresponded to Harris County Flood Control District (“HCFCD”) and Harris County Precinct 4 regarding a maintenance agreement for drainage areas. Mr. Lee stated that he and Director Black were meeting tomorrow with a HCFCD special projects group to discuss the particulars.

Mr. Lee then presented a project summary which included future potential reimbursements to developers in the District, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer’s Report as presented.

ATTORNEY

Mr. Wallace stated he had corresponded to Eric Windsor with D.R. Horton to resolve all the items listed by Jones & Carter, Inc. prior to acceptance of ponds.

GENERAL MANAGER’S REPORT

Mr. Sheffield informed the Board that plans for a new gazebo project were on track. He stated that he would bring specific information and quotes for resurfacing the tennis courts to the recreational meeting.

OTHER MATTERS

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





Secretary, Board of Directors