

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

May 15, 2017

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 May, 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
Vacant	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. Don Hays and Mr. Rob 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, E.I.T. of Jones & Carter, Inc., the District's Engineer; Ms. Lisa June and Mr. Al Peters, employees of the District; Mr. Danny Pereyra of Environmental Allies, the District's Mowing/Detention Contractor; Mr. John Elder of Acclaim Energy Advisors; Mr. Glen Kokel, Mr. Jason Phillips, and Mr. Mark Hemann, residents of the District; 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 April 17, 2017 and May 1, 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 96.61% of the District's 2016 tax levy as of April 30, 2017. She stated the delinquent tax notices were ready to be mailed out and preliminary property values had not yet been received from Harris County Appraisal District ("HCAD"). She stated she was awaiting receipt of the requested Certified Estimates of Value from HCAD as well and hoped to receive them this week.

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

GENERATOR

John Elder provided an update on the Water Plant ("Plant") generator. He stated Power Secure had visited the Plant on April 20, 2017 to review its operations. Jim Sheffield stated he had received a list of contacts he had requested. Mr. Elder said he needed to run the generator to determine if it would run the building properly. He noted the generator had passed a power export test administered by CenterPoint Energy and expected to receive the Texas Commission on Environmental Quality permit within the next month.

Mr. Elder next referred to electricity contracts and requested a new board contact to deal with regarding contract options. Director Kirkpatrick agreed to be liaison.

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 fourth month of the year-to-date budget.

Ms. Schmidt stated she had purchased Certificates of Deposit in the Certificate of Deposit Account Registry Service ("CDARS") Program. She 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 97.93% and there were no permit excursions at the Wastewater Treatment Plant.

Mr. Clark presented the 2016 Drinking Water Quality Report, also known as the Consumer Confidence Report, to the Board for approval. Upon motion duly made and seconded, the Board voted unanimously to approve sending out the report.

Mr. Clark reported on the storm water tie-in project behind homes on Allentown adjacent to Water Plant No. 1. They located a plug in a manhole which will be removed and a new line between existing manholes installed. Mr. Sheffield said this work should resolve the resident's drainage problem. Mr. Clark reported that chromium levels measured below acceptable limits.

Mr. Clark next discussed the Smart Meter Program stating the District is in the third month of the trial program which is almost expired. He reviewed a cost proposal to change out meters and proposed tap fees for ¾” and 1” meters, a copy of which is attached hereto as an exhibit. A discussion ensued among the Board in which it was agreed that the meters had worked well during the trial period. Mr. Hays stated the meters come with a ten year warranty and there have been some problems with transmitters. He stated he thought this was an improved technology and noted it helps the District acquire usage data. He stated the transmitters are cellular based and can also provide a digital readout. Mr. Wallace suggested meeting with a company representative to discuss a pilot program and implementation of meters in the entire District.

Mr. Hays next stated he has expanded the billing to include paperless billing and is now billing via email. He stated this saves the District \$.47 per account and said this needed to be advertised and promoted. He reported the Operator received about 1,000 bill-pay checks from banks per month and there is a 7 to 10 day delay in processing payments, whereas if payments are made electronically, payments can post to the District’s accounts within 24 hours. He stated this new service costs about \$.25 per transaction and this cost is offset by paperless billing savings. Upon motion duly made and seconded, the Board voted unanimously to authorize the Operator to proceed with implementation of new electronic bill paying procedures. Lisa June stated she would post this information on the District’s website.

Mr. Hays reviewed Mr. Corson’s billing dispute. Mr. Hays said Mr. Corson initially contacted the Operator to request his meter be changed. He said the Operator’s representative explained the meter change protocol and said they don’t want to lose the meter history. He said the representative reviewed the meter readings and saw no irregularities. He said the representative did not agree to the resident’s demand to change the meter. Mr. Hays said Mr. Corson sent a letter complaining about discourteous treatment by the representative. Mr. Hays stated the Operator had not tested the meter yet and would follow up with the resident. Director Kirkpatrick stated Mr. Corson’s letter had a number of good suggestions that the Operator should consider.

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 should receive the plat schedule by June 22nd, get them approved, then advertise for bids.

Mr. Lee reported the 2017 lift station rehabilitation projects were ready to begin. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer proceed with bid advertisements.

Mr. Lee stated the Engineer would submit the TPDES discharge permit application renewal shortly. He stated the facilities inspection report was on file for Directors to review. He stated several items need to be added to the Capital Improvement Plan.

Mr. Lee stated that preparation of the Surplus Funds Application for water meter replacements and determination of available surplus funds was on hold pending receipt of bids for the 2017 Lift Station Rehabilitation project.

Mr. Lee reported on the Gosling Road widening project and utility relocation. He stated that construction in two segments was underway.

Mr. Lee then presented Change Order No. 3 for cutting, removing, and disposing of the extended reinforced concrete pipe outfall from Section 9 and installing slope paving; and Pay Estimate No. 3 in the amount of \$411,267.42 to Jaho, Inc. for paving in Hampton Creek Section 9. Upon motion duly made and seconded, the Board voted unanimously to approve the Change Order and Pay Estimate as presented.

Mr. Wallace stated that D.R. Horton has supplied the District with a full response to detention pond maintenance issues. He stated Jones & Carter, Inc. need to review the response. He reported D.R. Horton was not proposing to make any capital improvements requested by the District. Mr Wallace said the District needs to prepare a budget and verify the information included in the response. Mr. Lee said he thinks the District needs to invite Eric Windsor to a meeting and the Board agreed.

Mr. Lee reported he had corresponded to Harris County Flood Control District (“HCFCD”) regarding a maintenance agreement for drainage areas. Mr. Lee stated that HCFCD was reviewing information that had been provided to them by Jones & Carter, Inc.

Mr. Lee reported that he had received a request to update the 1.613 acre Gosling Office Center Development feasibility study, dated January 18, 2016, to include an additional 0.91 acre tract. He stated the development would include about 30,000 square feet of office space. Mr. Lee said he requested \$15,000 for the feasibility study and annexation costs. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to proceed with the feasibility study contingent upon receipt of the requested deposit.

Mr. Lee stated that Terra-Gosling, LLC hasn’t closed on the 2.69 acre tract yet and the annexation is on hold. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer’s Report as presented.

GENERAL MANAGER’S REPORT

Mr. Sheffield informed the Board that the property next to the sewer plant had been partially cleared. He stated the pavilion wood had been stained and he would proceed with staining the other wooden structures. He stated that all other projects are moving forward and there are lots of scheduled events.

OTHER MATTERS

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




Secretary, Board of Directors