

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

October 16, 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 16th day of October, 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
W. Paul Schneider	1st Vice President
Ryan Bennett	2nd Vice President
Scott Kirkpatrick	Secretary
Roger A. Flood, III	Treasurer/Investment Officer

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 and Ms. Laura Flores of Tax Tech, Inc., the District’s Tax Assessor/Collector; Mr. Robb Clark and Ms. Michelle Blevins of Hays Utility South Corporation, the District’s Operator; Mr. Jim Sheffield, the District’s General Manager; Mr. Al Peters, an employee of the District; Mr. Joshua Lee, P.E. and Ms. Sherry Grant, P.E. of Jones & Carter, Inc., the District’s Engineer; Mr. Danny Pereyra of Environmental Allies, the District’s Mowing/Detention Contractor; Mr. Blake Kreidel of Stormwater Solutions; Mr. Joe Goggans of BLD Gosling, LLC; Ms. Sara Burson of Accurate Meters; 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 led by Director Thomas.

APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors held on September 5, 2017 and September 18, 2017 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

COMMENTS FROM THE PUBLIC

Joe Goggans spoke about the Dovershire Place subdivision and reported that UDF IV LB II, Inc. had gained control of the project from Buffington Land Development, LLC. He stated the contractors were currently paving Section 1, and they were working to find a builder to work in the subdivision. He noted there were 94 lots in total and the subdivision consisted of two

sections. Upon motion duly made and seconded, the Board voted unanimously to approve release of the Letter of Credit which had been established for Wastewater Treatment Plant capacity.

Upon motion duly made and seconded, the Board voted unanimously to approve a twelve-month utility commitment extension for the project. It was noted that capacity would be vested when the lots are completed and platted.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Laura Flores presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. She reported the District had collected 99% of the District's 2016 tax levy as of September 30, 2017. She reported the total taxes receivable for all years was \$73,132.06. 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. She reviewed the ninth month of the year-to-date budget. Ms. Schmidt stated that since the maintenance tax was to be discontinued, she had decided to close the Defined Area Maintenance Account and transfer funds into the Operating Account. She stated the cost for maintaining the drainage facilities would come out of operating funds. Director Flood said the bookkeeper should keep a separate code for each facility maintained.

Ms. Schmidt reported there was about \$226,000 in surplus funds which would be used for the splash pad, tennis courts, and the Northcrest pool shade cover. She stated monies had already been spent on the pool deck and the large shade cover at Inway. She stated the Operating Account needed to be repaid. Mr. Wallace confirmed the Texas Commission on Environmental Quality ("TCEQ") had released all park bond funds from the Series 2006 issue.

Ms. Schmidt said she would transfer funds to the Operating Account and close out the Park Capital Projects Fund. She further reported the CDARS CDs were maturing. She said Central Bank's CDs were offering higher rates and she would roll over the maturing CDs to Central Bank.

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.

#### PUBLIC HEARING ON TAX RATE

Esther Flores reported the District's Notice of Public Hearing on Tax Rate had been published, pursuant to the 2017 Tax Rate Analysis and recommendation. There were no comments from the public, so the hearing was then closed.

After discussion, upon motion duly made and seconded, the Board voted unanimously to adopt an Order Setting 2017 Tax Rate at a combined rate for the District of \$0.58 per \$100 of assessed valuation, consisting of \$0.25 per \$100 of assessed valuation for maintenance and

operation purposes, and \$0.33 per \$100 of assessed valuation for debt service purposes. The order included a combined rate for the Defined Area of \$0.64 per \$100 of assessed valuation, consisting of \$0.34 per \$100 of assessed valuation for debt service on Defined Area water, sewer and drainage bonds, and \$0.30 per \$100 of assessed valuation for debt service on Defined Area road bonds. A copy of the Order is attached hereto as an exhibit.

#### AMENDMENT TO INFORMATION FORM

The Board then reviewed an Amendment to Information Form and revised Notice to Purchaser of Real Property reflecting the District's 2017 tax rate. After discussion, upon motion duly made and seconded, the Board voted unanimously to approve the Amendment to Information Form and authorized filing of same. A copy of the Amendment is attached hereto as an exhibit.

#### AMENDED RATE ORDER

Mr. Wallace reviewed an Order Adopting Amended Rate Order, a copy of which is kept with the District's permanent records. The amendment reflected an increase in tap fees resulting from the cost of smart meters and also a requirement that all new or replacement meters be smart meters.

It was noted that D.R. Horton had been advised of these changes which will be effective December 1, 2017. Mr. Sheffield stated he was working out the logistics of ordering and storing the smart meters with Hays Utility South Corporation and making an effort to avoid Operator markup.

Mr. Sheffield stated Hays Utility South Corporation would be paid to install the meters and to set up a billing system. Robb Clark stated he preferred to handle ordering and invoicing for the smart meters.

Sara Burson stated a six month warranty would begin when the smart meters were shipped or when installed. Ms. Schmidt recommended that the Operator should order the new meters and handle invoices and then forward the invoices to the District for direct payment. The Board agreed to this procedure.

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

#### 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 92.42% and there were no excursions at the Wastewater Treatment Plant ("WTP").

Mr. Clark stated he continued to work on Hurricane Harvey storm damage claims. He reported that work was progressing on repairs at WTP No. 2. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report.

## GENERATOR AT WATER PLANT NO. 1

Mr. Sheffield stated a maintenance crew was sent out last week and the generator at Water Plant No. 1 started with no mechanical issues. He stated he was not aware if the Air Quality Permit had been received yet from the TCEQ. Mr. Wallace said he would follow up on this.

## ENGINEER'S REPORT

Josh Lee reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. He reported receiving a request from Storm Water Solutions related to Ditch M-102. Mr. Blake Kreidel stated work had been completed on one of two outfall pipes in May 2017 and had run into extra costs. He had proposed to repair two outfalls. He stated that due to a miscommunication with Mr. Lee, his company only repaired one of the two outfalls. He asked if the Board would consider approving payment for this work. He noted the original proposal was for \$17,172 and the proposed invoice presented for payment was \$14,475.

Mr. Lee stated Oakmont Public Utility District would share 50% of the cost and their separate approval was not necessary. Upon motion duly made and seconded, the Board voted unanimously to approve payment of the invoice.

Mr. Lee stated his firm was preparing the redesign of Water Plant No. 3 to raise the elevation. Mr. Lee reported that Black Castle General Contractor for the Root Road, Kingscrest, and Bridgeway Lift Station Rehabilitations project would begin around October 16, 2017. He stated the WTP TPDES permit renewal was submitted to the TCEQ September 19, 2017.

Mr. Lee next discussed the water meter replacement project. He presented a Resolution Authorizing Application for Approval of Use of Surplus Funds for ratification by the Board. He stated approximately \$227,000 could be allocated from surplus funds for this project. Upon motion duly made and seconded, the Board voted unanimously to ratify the resolution.

Mr. Lee reported that Harris County and Harris County Flood Control District representatives were not being responsive to follow up on earlier meetings regarding repairs to storm outfalls. He said that Hurricane Harvey had overwhelmed their staff. Mr. Sheffield stated he would call their offices directly to discuss the matter.

Mr. Lee stated the Request for Public Assistance documents were filed with FEMA to apply for disaster assistance for repairs caused by Hurricane Harvey. He stated his firm was beginning to feed them information related to costs of trash and tree removal, air conditioning repairs, M-102 repairs, Willow Creek cleanup, a vertical retaining wall at the sanitary sewer crossing, etc.

Mr. Lee stated repairs were needed to the Inway Oaks Estates detention pond and the developer needed to bring the pond up to standards before the District would accept conveyance and establish connection to the trail system. He stated pond repairs were proceeding. Mr. Lee reported that CleanServe, LLC would begin cleaning and televising the sanitary sewer crossing over Willow Creek this week.

Mr. Lee then presented Pay Estimate No. 4 in the amount of \$32,355 and Pay Estimate No. 5 in the amount of \$15,300 to McDonald Municipal and Industrial, Inc. for Hampton Creek Lift Station. He presented Pay Estimate No. 6 in the amount of \$3,782.84 to Lischka Utilities, LLC for water, sanitary, and drainage facilities for Hampton Creek Section 9. He presented Pay Estimate No. 6 in the amount of \$66,777.96 to Jaho, Inc.; Pay Estimate No. 7 in the amount of \$54,426.73 to Jaho, Inc.; Change Order No. 2 in the amount of \$72,035.20; and Change Order No. 3 in the amount of \$36,110 for paving in Hampton Creek Section 9. Upon motion duly made and seconded, the Board voted unanimously to approve the Pay Estimates and Change Orders as presented. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

#### ANNEXATION

Mr. Lee reported the annexation for 2.690 acres being developed by Ricegrass Developments, LLC was under review at the City of Houston, and the KAC Properties, LLC annexation was on hold at the request of the developer.

#### ATTORNEY'S REPORT

Mr. Wallace stated there had been no action from Harris County regarding the repairs to the various drainage outfalls in the District. Regarding D.R. Horton Phase II detention pond maintenance, Mr. Wallace stated D.R. Horton is getting the pond in shape and inspected to convey to the District. He noted Environmental Allies will monitor the activity.

Mr. Wallace presented a Resolution of Official Intent to fund the balance of the Smart Meter costs from operating and to reserve the right to sell bonds later. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution of Official Intent.

#### GENERAL MANAGER'S REPORT

Mr. Sheffield reported the splash pad was operational and the tennis court resurfacing went well with only a few punch list items remaining. Upon motion duly made and seconded, the Board voted unanimously to approve the General Manager's Report as presented.

#### OTHER MATTERS

Director Kirkpatrick stated there was a need for a replacement fire hydrant at Inway. Director Schneider stated he had taken a tour of Transtar and was very favorably impressed.

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



  
Secretary, Board of Directors