

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

November 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 November, 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 excluding Director Thomas, 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. Al Peters and Ms. Lisa June, employees 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 and Mr. Travis Benes of Environmental Allies, the District's Mowing/Detention Contractor; Mr. John Elder of Acclaim Energy Advisors; Mr. Randy Nerren, a landowner in 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 led by Director Thomas.

PLEDGE OF ALLEGIANCE

Director Schneider took the chair and led the meeting in the Pledge of Allegiance and invocation.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. She reported the total taxes receivable for all years was \$4,157,622.95. She stated a memo was to be added to the next water bills to remind customers to contact the tax office if they had not received their tax statements. She stated there would also be a notice regarding disaster reappraisals included in the water bills. She noted customers would be allowed to separate their payments into four equal monthly payments with no penalty or interest. Ms. Flores stated this information would also be posted on the District's website. 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 tenth month of the year-to-date budget. Ms. Schmidt stated she had received the final invoice for In-Pipe Technology Company, Inc. She also reported the first installment of smart meters had been delivered and invoiced.

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 93%, and there were no excursions at the Wastewater Treatment Plant ("WTP").

Mr. Clark stated he was attempting to complete work on Hurricane Harvey FEMA damage claims. He reported that 24 taps had been installed, all using smart meters. He stated that December 1, 2017 was the target date to begin the large meter replacement project and he would prepare a schedule to track the total number of smart meters installed. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report as presented.

GENERATOR AT WATER PLANT NO. 1

John Elder provided an update on the generator at Water Plant No. 1. Mr. Elder explained the generator was designed to create revenue by selling power onto the electricity grid. He stated an air quality permit was required from the Texas Commission on Environmental Quality ("TCEQ"), and the permit was about five weeks out. He stated the generator should be operational by January 2018. Mr. Elder said he would like to come back in January to present a fresh set of projections to the Board. He noted CenterPoint Energy would come back out one more time to inspect operation of the generator.

Mr. Elder reported that Electricity de France, the company that has handled generator/grid management for the last five years, is backing out of this business and that MP2, a Woodlands-based company owned by Shell, will take over this service.

Upon motion duly made and seconded, the Board voted unanimously to approve the agreements with MP2.

INWAY OAKS ESTATES

Randy Nerren with Inway Oaks, J.V. presented a request for service to an approximately 3-acre tract of land in Inway Oaks Estates, but also asked if the Board would consider acquiring the tract. He stated there were several lot configurations and it was a gated community. He stated it was a different concept consisting of landscaping the perimeter and developing large storage units for sale to Northampton residents. He would like to receive the Board's response after their review of his proposal.

ENGINEER'S REPORT

Josh Lee reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. Mr. Lee reviewed the redesign of Water Plant No. 3 to raise the elevation and proposed some minor revisions. The revisions included revised fencing to an eight foot chain link fence around the entire project; on the one side of the fence which is shared with apartments, he proposed using chain link fence and inserting rock in between; moving the fence in about two feet and installing a pedestrian gate to maintain space between fences. He also proposed raising the control and storage building and said he would design a ramp to enter the building.

Mr. Lee discussed the generator for Water Plant No. 3. He stated natural gas was the first design and then the engineer looked at diesel to conform with the electric grid for the Demand Response Program. He said it remains designed as a diesel generator. He reported the estimated cost was \$175,000 for a 425 KW generator whereas a natural gas generator would cost approximately twice as much. Additionally, he noted if gas was utilized, a gas line would need to be installed as well.

Mr. Lee stated the numbers need to be recalculated to determine whether there are enough funds remaining from the District's Series 2016 Bonds to pay for the natural gas generator. The Board determined it wanted to move forward with the natural gas generator and installation of a gas supply line. Mr. Lee stated the bidding should begin in January 2018.

Ms. Grant reported that Black Castle General Contractor for the Root Road, Kingscrest, and Bridgeway Lift Station Rehabilitations project were behind schedule and April 27, 2018 was the target completion date.

Ms. Grant reported there has been no progress of discussions with Harris County Flood Control District, Harris County, and Harris County Precinct 4 regarding storm sewer drainage repair issues. Mr. Wallace stated he had sent an email to request a meeting with the parties prior to the end of this year.

Mr. Lee discussed the Request for Public Assistance from FEMA for disaster assistance for repairs caused by Hurricane Harvey. He stated his firm had attended four meetings with FEMA to date. He said trash pick up and two facility repairs were major areas of concern.

Mr. Lee stated he met with Mike Wilkinson, developer of the Inway Oaks Estates subdivision, Director Schneider, and Jim Sheffield to discuss the trail connection routing system through his development and obtaining an access easement along Willow Creek. He also stated that Environmental Allies inspected the Inway Oaks Estates Detention Pond and provided Mr. Wilkinson a proposal for the work needed to bring the pond up to standards before the District would accept conveyance and establish connection to the trail system. Mr. Lee said Mr. Wilkinson accepted the proposal in the amount of \$12,192 and authorized Environmental Allies to proceed with the repair project which would take about ten days to complete.

Mr. Lee reported the Hampton Creek Phase II Pond was still in need of repairs. He said Environmental Allies had submitted a bid and another contractor had been hired.

Mr. Lee reported that CleanServe, LLC had completed cleaning and televising the sanitary sewer crossing over Willow Creek. He stated the Engineer had reviewed the project manual, videos, and reports of the cleaned sanitary sewer pipe and noted the pipes were in good condition.

Mr. Lee stated his firm was preparing a bid package for concrete cap repairs and pipe recoating of the sanitary sewer crossing over Willow Creek. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to advertise for bids on the project.

Mr. Lee then presented an invoice in the amount of \$7,272 from CleanServe, LLC for cleaning and televising the sanitary sewer crossing over Willow Creek. He presented Pay Estimate No. 8 in the amount of \$18,141.58 to Jaho, Inc. for paving in Hampton Creek Section 9; Pay Estimate No. 3 revised in the amount of \$217,708.76 and Pay Estimate No. 4 and Final in the amount of \$94,653.16 to Sonora SWQM Co. dba Sonora Construction for excavation, grading, and detention in Hampton Creek Phase 4. Upon motion duly made and seconded, the Board voted unanimously to approve the invoice and pay estimates as presented.

Mr. Lee stated his firm was reviewing the status of erosion around the gabion baskets. He stated the channel would cause problems over time and a long term solution would be to install a lift station and run a force main under Willow Creek. He said he would prepare a cost estimate for this project.

Mr. Lee next reported the Resolution Authorizing Application for Approval of Use of Surplus Funds in the amount of \$226,832.04 for water meter replacements had been submitted to the TCEQ on November 16, 2017, under a 60-day expedited review. He also reported the engineer was in the process of scheduling the one year warranty inspection for the WTP No. 2 Phase 1 Project. Mr. Lee stated the North Harris County Regional Water Authority would impose another \$.50 increase in April 2018.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

ATTORNEY'S REPORT

Mr. Wallace stated the consultant contract renewals would be discussed at the next regular Board meeting. He reported the annexation for 2.690 acres being developed by Ricegrass Developments, LLC was still under review at the City of Houston, and the KAC Properties, LLC annexation remained on hold at the request of the developer. He noted that recent flooding issues due to Hurricane Harvey had caused the City of Houston to ask many additional questions which had to be addressed. Upon motion duly made and seconded, the Board voted unanimously to approve the Attorney's Report as presented.

GENERAL MANAGER'S REPORT

Mr. Sheffield reported the Northcrest Park bathroom plans had been prepared. He stated the estimated cost to be \$170,000 and noted the project could be built in phases. He stated he had hired a draftsman to digitize the plans. Upon motion duly made and seconded, the Board voted unanimously to approve the General Manager's Report as presented.

OTHER MATTERS

Director Schneider inquired about LED replacement lighting in District buildings. Mr. Sheffield replied that LED lighting was not being utilized in all places.

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




Secretary, Board of Directors