

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

January 15, 2018

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 January, 2018 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 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 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; Ms. Patricia Van Horn, Mr. Bill Gause, and Ms. Chris Gause, residents 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.

APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors held on November 6, 2017, December 4, 2017, December 13, 2017, and December 18, 2017 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the November 6, 2017, December 4, 2017, and December 13, 2017 minutes as presented and to approve the December 18, 2017 minutes as amended.

COMMENTS FROM THE PUBLIC

Patricia Van Horn spoke to the Board regarding a problem she was having with sediment getting into the water system at her residence. Robb Clark said he would assist her in identifying the source of the problem.

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 District had collected 19.4% of the District's 2017 tax levy as of December 31, 2017 and had collected 65% to date. 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 twelfth month of the year-to-date budget and presented a comparison of the year-to-date budget.

Ms. Schmidt next requested to defer the Investment Report as revisions needed to be made. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, deferring 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 91%, and there were no excursions at the Wastewater Treatment Plant ("WTP") in December. He stated no new taps were installed in December and a total of 84 taps had been installed during 2017.

Mr. Clark stated two additional invoices were being submitted for damages to facilities due to Hurricane Harvey. He noted Jones & Carter, Inc. was handling the FEMA claim. He stated work was progressing on the plan to install Smart Meters in the District.

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

ACCLAIM ENERGY

John Wallace reported to the Board that per John Elder, they could expect to receive the air quality permit by the end of February.

ENGINEER'S REPORT

Josh Lee reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. Sherry Grant reported that the Inway Oaks Detention Pond was not yet ready for the District to accept conveyance. She stated Mr. Wilkinson had agreed to make necessary repairs and she anticipated it should be ready by the February 5th Recreational Board meeting. Mr. Sheffield said he was unsure that bermuda grass was growing underneath the rye grass. Mr. Lee stated he would check with Environmental Allies regarding the issue.

Mr. Lee stated advertising for bids for the Water Plant No. 3 project was under way, bids would be open January 25th, and he would bring a bid recommendation to the February 5th Recreational Board meeting. Mr. Lee stated he was evaluating the proposed plat of Gosling Village Section 1 owned by Bryan Frenchak for right-of-way access to Water Plant No. 3. He

stated Jones & Carter, Inc. had proposed changes and that Mr. Frenchak could not plat the property without District consent. Mr. Lee noted there was a possible purchaser, Jeff Presnal of Cypressbrook Company, of a portion of the tract for an apartment project.

Mr. Lee stated the contractor has estimated a target completion date of April 2018 for the 2017 Root Road, Kingscrest, and Bridgeway Lift Station rehabilitations project. He stated he had not yet received the draft WTP TPDES waste discharge permit for review.

Mr. Lee reported there was a meeting scheduled on February 15, 2018 at the District office with Harris County Flood Control District ("HCFCD") to review their Plan of Action regarding storm sewer and drainage issues within the District. He noted Directors Fitzpatrick and Bennett plan to attend.

Mr. Lee discussed the Request for Public Assistance from FEMA for disaster assistance for repairs caused by Hurricane Harvey. He stated all requests for information had been completed and he has had two conference calls with FEMA representatives. He said the estimated total claim would be \$300,000 to \$500,000.

Mr. Lee stated he had met with representatives from D.R. Horton on December 13th for a final inspection of the Hampton Creek Phase II Pond. He said he was requesting proposals to complete this project.

Mr. Lee stated he continues to prepare a bid package for concrete cap repairs and pipe recoating of the sanitary sewer crossing over Willow Creek. He then presented a cost estimate for the proposed Creekview Lift Station. He reported the bond issue requirement would be \$2,846,000 in order to finance relocating the pipe crossing beneath Willow Creek and to construct a large lift station. He said that a 75' X 75' site was needed for the lift station and reviewed several options. Mr. Lee stated there were new Harris County floodplain regulations effective January 1, 2018 which may affect the lift station location. Mr. Lee reviewed a site plan showing an available tract, and said this new system would resolve the syphon in Creekview. He said the plan was to hide the above-ground portion of the lift station with landscaping, etc. It was determined the Board would need to discuss this project further.

Ms. Grant presented Pay Estimate No. 2 in the amount of \$100,725.39 to Lobo Paving, Inc. for paving in Hampton Creek Section 8; Pay Estimate No. 10 and final in the amount of \$38,421.75 to Jaho, Inc. for paving in Hampton Creek, Section 9; Pay Estimate No. 3 in the amount of \$8,069.02, to Monarch Civil Constructors, Inc. for water, sanitary, and drainage facilities in Hampton Creek Section 4B; Pay Estimate No. 1 in the amount of \$519,888.31 to Clearwater Utilities, Inc., Pay Estimate No. 2 in the amount of \$90,301.30 to Clearwater Utilities, Inc., Pay Estimate No.3 in the amount of \$180,436.54 to Clearwater Utilities, Inc.; and Change Order No. 1 in the amount of \$23,110.00 for clearing an additional 0.5 acres and installing 42-inch RCP culverts.

Mr. Lee stated the District may be ready for a Defined Area paving bond issue. He said D.R. Horton needed to resolve their accounting of reimbursements in order to proceed. Mr. Lee stated the Engineer is scheduling the annual inspection of District facilities.

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

DOVERSHIRE PLACE

Mr. Lee stated the paving was in place in Dovershire Place, Section 1 and he was unsure of who the builders would be.

OTHER MATTERS

Mr. Wallace reported there had been no changes in the status of pending annexations. Mr. Wallace presented the District 2018 Calendar, a copy of which is attached hereto. Upon motion duly made and seconded, the Board voted unanimously to approve the calendar as presented.

PARKS MASTER PLAN

The Board met at the January 11, 2017 Special Meeting to discuss the Parks Master Plan. Jim Sheffield said he was putting together a project list and budget and would distribute it to the Board once complete. He said new restrooms at Northcrest were a priority and the fitness center expansion was not resolved yet. He stated the District plans to set aside funds from year to year to avoid selling additional park ponds.

Mr. Sheffield said he needs to know by about September if plans are able to proceed on the property owned offered for sale to the District by Randy Nerren. A discussion ensued among the Board. It was determined the Board could not guarantee the District would purchase the land in two years and an appraisal also needs to be performed. The Board requested Mr. Wallace to speak with Mr. Nerren again regarding the possibility of a two year lease with an option to purchase as well as the District's need for an appraisal.

ATTORNEY'S REPORT

Mr. Wallace discussed the May 5, 2018 Directors Election. He noted the election was called February 5, 2018 and reviewed the election calendar. He noted Applications for a Place on the Ballot are accepted January 17, 2018 through February 16, 2018 at 5:00 p.m. He stated the Notice of Election to Use Paper Ballots had been filed. He stated the need to locate personnel and polling places.

Mr. Wallace reviewed S.B. 625 regarding the Comptroller's database for political subdivisions. He said the start date of this regulation is January 31, 2018 and Districts have 90 days to complete the template and upload the information required. Upon motion duly made and seconded, the Board voted unanimously to approve the Attorney's Report as presented.

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

(SEAL)





Secretary, Board of Directors