

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

April 16, 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 16th day of April, 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. 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; Ms. Lisa June, employee of the District; Mr. Joshua Lee, P.E. and Ms. Kendall Chattman, D.E., of Jones & Carter, Inc., the District's Engineer; Mr. Bill Gause and Ms. Chris Gause, residents in the District; Mr. Danny Pereyra of Environmental Allies, the District's Mowing/Detention Contractor; Mr. Stephen Flores of D.R. Horton; Mr. Steven Freeman of Kimley-Horn and Associates, Inc.; Mr. Mark Terpstra of Caldwell Companies; Ms. Michelle Adams of Chateau Gardens; 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.

GENERAL MANAGER'S REPORT

Mr. Sheffield stated the electronic sign for Northampton Center was out. He stated the electric panel was about two years past its twelve-year expected life span and was obsolete. He said new equipment was much cheaper and he recommended using LEDs which have an expected life expectancy of about 25 years. He said he would obtain costs for replacement of the sign for later discussion with the Board.

Mr. Sheffield stated the restrooms at West Park were nearly complete and a security fence would be added. He stated the pools were open, but it had been too cold for use by residents.

Mr. Sheffield introduced Michelle Adams. Ms. Adams discussed irrigation and landscape matters. She described her approach to providing landscaping services, etc. and stated she wanted to balance the District's sprinkler systems. Mr. Sheffield recommended that Ms. Adams be engaged to work for the District and noted a scope of work had not yet been negotiated.

Director Schneider proposed restarting distribution of the new neighbor welcoming kit. Ms. June agreed to prepare an example kit including a recycling bin, a Smart Meter, an introduction to recreational facilities, etc.

Director Thomas stated he had received an inquiry from a current resident who had already paid his recreational fee and is moving May 1<sup>st</sup>. Upon motion duly made and seconded, the Board voted unanimously to approve pro-rating the recreational fees when a resident moves out of the neighborhood.

At this time, the pledge of allegiance and an invocation were led by Director Thomas.

#### COMMENTS FROM THE PUBLIC

There were no comments from the public.

#### APPROVAL OF MINUTES

Minutes of the meeting of the Board of Directors held on March 19, 2018 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as amended. The Certified Agenda of Executive Session held on March 19, 2018 was presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the Certified Agenda of Executive Session as presented.

#### 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 94.33% of the District's 2017 tax levy as of March 31, 2018 and 95.5% to date. She reviewed multiple tax transfers with the Board.

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 stated all surplus funds were accounted for and stated the Water Plant No. 3 project was the only project remaining to be funded. She reported the Water Plant No. 3 project was over budget and would require approximately \$100,000 to \$150,000 additional capital.

Ms. Schmidt stated that \$226,832.04 of the meter replacement program costs had been funded from surplus funds and the cost to date for the project was \$434,367.45. She reviewed

the third month of the year-to-date budget. Ms. Schmidt next reviewed 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, Investment Report, and payment of the checks as presented.

### OPERATOR'S REPORT

Michelle Blevins presented the Operator's Report, a copy of which is attached hereto as an exhibit. Ms. Blevins stated the District's water accountability rate for the previous month was 93.76%, and there were no excursions at the Wastewater Treatment Plant in March. She reported that a faulty 2" air relief valve at Water Plant No. 2 had been determined to affect the recent water accountability figures. She said they had reviewed six months of data and would request a credit for Regional Water Authority fees. Ms. Blevins noted the Operator was tracking well production figures after the air valve replacement.

Ms. Blevins presented a draft Drinking Water Quality Report. Upon motion duly made and seconded, the Board voted unanimously to approve the report. She reported there were 13 new taps in Hampton Creek.

Mr. Sheffield stated the Operator had discovered a 15-17 foot deep water line in Hampton Creek. He said it was very costly for the Operator to make taps for this line. He said the solution was to install a subline at this location at a higher depth. He noted the portions of the water line running under gas lines were encased in steel. He also stated the lines had to be installed at this depth to cross pipelines in the area. Mr. Sheffield said he thought the Developer should pay the extra cost of installing a new sub-main. The Board determined it was satisfied with the plan to install the sub-main and charge D.R. Horton.

Ms. Blevins reported 703 total Smart Meters had been installed and installation had begun on Smart Meters for the Maintenance Fund esplanades.

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

### ENGINEER'S REPORT

Mr. Lee deferred his report to allow visiting developers speak to the Board first.

Steven Freeman, an Engineer, and Mark Terpstra, developer, proposed developing the tract as a 4.6 acre mixed-use commercial development and requested an annexation feasibility study. The development will consist of two fast food restaurant pads and a service station/car wash (auto center). Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer to proceed with the feasibility study subject to receipt of the \$15,000 deposit. The deposit check was presented at this time.

David Broussard, an Engineer representing Woodlands Sportsplex, requested service to a proposed 1.4 acre commercial tract within the boundaries of the District. He stated the utilities were already in place. It was determined the District's Engineer would follow the usual plan review process and the property owners would apply for taps.

Josh Lee stated Sherry Grant was no longer with Jones & Carter, Inc. and introduced Ms. Kendall Chapman, who will now be working with District.

Josh Lee reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. He stated a site cleaning was performed today at Water Plant No. 3 and sound walls were going in for well drillers.

Mr. Lee stated Black Castle General Contractor continues to work on the 2017 Root Road, Kingscrest, and Bridgeway Lift Station rehabilitations project and the project should be complete in about eleven days. He stated he was waiting for the signed TPDES permit for the Wastewater Treatment Plant.

Mr. Lee stated he had received an update from Harris County Flood Control District regarding storm sewer and drainage repairs within the District. He said they were getting close to repairing two problem areas. Mr. Lee said he will visit the site with Director Kirkpatrick.

Mr. Lee said they are continuing to work through the process with FEMA for assistance related to Hurricane Harvey. He stated there are two repair issues, gabion baskets and M-102. He stated Harris County also submitted a claim for four areas to repair on M-102. Mr. Lee is coordinating with the County. He said the "owner's share" needed to be paid by Northampton Municipal Utility District and Harris County. He noted some gabion repair money may be successfully re-directed to the Willow Creek sanitary sewer line crossing project.

Mr. Lee stated that Stephen Flores was the new Assistant Land Development Manager for Hampton Creek. He said the developer continues to work on punchlist items of the Hampton Creek Phase II pond. Mr. Lee stated that concrete cap repairs and pipe recoating of the sanitary sewer crossing over Willow Creek was underway. Mr. Lee stated the Engineer was ready to advertise for bids to make Water Plant improvements. He noted these improvements would be paid out of the District's operating funds.

Mr. Lee stated cleaning and televising of two storm sewer lines on Creekview Drive was performed and some debris was found, but the lines were generally in good shape. No obvious points of failure were found in the sinkholes. He said they could line these and epoxy rehab the manholes. He recommended cleaning the lines, filling sinkholes, and rehabilitating the manholes.

Mr. Lee said he could not explain the erosion in the yard adjacent to the pool. Mr. Sheffield recommended sharing the information with the homeowner. Director Bennett recommended performing dye testing first. Mr. Lee stated he wanted some guidance on how to proceed with Harris County Flood Control District. He said only two lines had been investigated. Mr. Lee, Mr. Hays, and Mr. Sheffield will review and prepare proposals for recommended options.

Mr. Lee stated one Estimate of Value had been received for the District. The Estimate of Value for the Defined Area had not yet been received. He said the Financial Advisor would perform a bond capacity analysis. He said the District will consider Defined Area Road Bonds and water, sewer, and drainage Bonds.

Mr. Lee stated the landowner of the Dave's Express gas station had requested a revised access easement for the Root Road Lift Station. He requested authorization from the Board to

revise the access easement documents according to the new proposed site plan provided by the developer.

Mr. Lee presented Pay Estimate No. 1 in the amount of \$63,945.00 to Principal Plant Services, LLC for Water Plant No. 3; and Pay Estimate No. 4 in the amount of \$14,250.00 to Clearwater Utilities, Inc. for Hampton Creek Section 8 Water, Sanitary, Force Main, and Drainage. Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimates as presented.

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 Special Purpose District Report (per S.B. 625) had been filed with the Texas Comptroller. He reported that three month's work had been billed for the Directors Election and that administration of Directors Oaths, Statements, and reconstitution of the Board of Directors would take place at the regular Board meeting next month.

Mr. Wallace stated he had received a response from Randy Nerren regarding pending detention pond conveyance documents. Mr. Wallace said Mr. Nerren wants to develop nine lots. He said some analysis of reimbursement needs to be performed and Mr. Nerren needed the cost of water, sewer, and drainage. He said lines are in front of the property. Mr. Wallace asked the Board if it wanted to consider entering a reimbursement agreement with Mr. Nerren. It was determined that Mr. Wallace would respond to Mr. Nerren to obtain additional information before proceeding.

#### EXECUTIVE SESSION

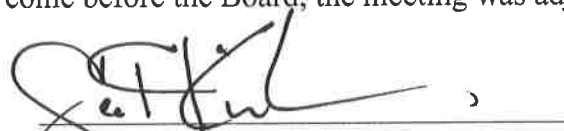
The Board adjourned at 9:02 p.m. to enter Executive Session to discuss personnel matters.

Upon motion duly made and seconded, the Board voted unanimously to approve a position of grounds manager. Director Flood abstained.

The Executive Session concluded at 9:17 p.m.

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



  
Secretary, Board of Directors