

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

July 2, 2018

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 special session, open to the public, at 7:00 p.m., on the 2nd day of July 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 Mr. Jim Sheffield, the District's General Manager; Mr. Josh Lee and Ms. Kendall Chattman of Jones & Carter, Inc., the District's Engineer; Mr. Harry Peyton of Arthur J. Gallagher & Co.; and Mr. Teddy Kirkpatrick, a resident of the District.

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.

PUBLIC COMMENTS

There were no public comments.

GENERAL MANAGER'S REPORT

Jim Sheffield presented the General Manager's Report. Mr. Sheffield reported that the District facilities are booked through July. Mr. Sheffield informed the Board that Michelle Adams, the new grounds manager, has inspected the sprinkler systems throughout the parks, and she has made the changes necessary to ensure everything is working correctly. Mr. Sheffield stated Ms. Adams has removed all the dead trees, and is now working on the trail system. Mr. Sheffield informed the Board they will be adding handrails to the boardwalk near the amenity pond.

Director Schneider inquired about how the District has been following up with water leak alerts. Mr. Sheffield informed the Board they have been very responsive to following up with water leaks when alerted. Director Flood noted he experienced a leak at his house this month and was not notified.

Director Kirkpatrick inquired about the restrooms being used at the park facilities. Mr. Sheffield said they have been locking up the restrooms due to the cameras not being placed correctly to view the facilities and to try and prevent any vandalism from occurring. Director Schneider inquired about the cameras around the facilities, and Mr. Sheffield stated he is working on getting the correct placement of the cameras to view the facilities. Director Kirkpatrick stated he met a security camera vendor at the Association of Water Board Directors conference, and proposed having the vendor meet with the Board at a later date to discuss the District's camera system.

APPROVAL OF MINUTES

There were no minutes for the Board's review and approval.

FUNDING OF PROPOSED TRAFFIC SIGNAL

Josh Lee presented the Board with an email received by the District Attorney's office from Harris County Precinct 4 regarding a traffic signal to be located at the intersection of Gosling Road and Root Road. Mr. Lee informed the Board Harris County was offering Northampton an opportunity to upgrade the proposed traffic signal from a standard strain pole and span wire system to a mast arm traffic signal design for the intersection. Upon a motion duly made and seconded, the Board voted to provide funds to Harris County to upgrade the traffic signal at the intersection of Root Road and Gosling Road to the mast arm system, pending Mr. Lee confirming the price for the total construction in the amount of \$10,000 and that the District has no future maintenance responsibility for the traffic signal.

HARRIS COUNTY FLOOD CONTROL LETTER OF UNDERSTANDING

Mr. Lee presented the letter of understanding between the District and Harris County Flood Control District ("HCFCD") to the Board regarding future repairs and maintenance of storm sewer outfalls in the District. Mr. Lee informed the Board the letter of understanding outlines that if and when repair for the agreed 30 storm sewer outfalls is needed, the District and HCFCD will share in the costs. Upon a motion duly made and seconded, the Board voted to approve and execute the letter of understanding with HCFCD.

A discussion ensued regarding the maintenance of the storm sewer outfalls. Mr. Lee stated the Board could consider doing a phasing plan of cleaning and televising the storm sewer lines. Mr. Sheffield proposed to have one of his employees perform a visible inspection and note repairs that need to be made. The Board agreed to have Mr. Sheffield inspect the storm sewer lines to note any repairs needed.

WATER PLANT NO. 3 CONSTRUCTION (PRINCIPAL PLANT SERVICES)

Mr. Lee informed the Board there are issues with the proposed foundation design of the elevated storage tank ("EST") due to the soil characteristics in the area of the proposed EST. Mr. Lee distributed an exhibit showing the original location of the EST and the new location of the EST that was changed due to design constraints. Mr. Lee stated the proposed foundation will not support the weight of the EST. Mr. Lee stated Landmark, the EST subcontractor to Principal Plant Solutions, presented three different options to change the foundation design to support the EST based on Terracon's, the geotechnical sub-contractor, report. The first option being to excavate to a depth of 5-feet, and install the foundation with a 62-foot diameter, the second option being to excavate to 10-feet and install the foundation with the original 45-foot diameter foundation, and the third option being to over-excavate to a 10-foot depth, and backfill 5-feet with cement sand and build the foundation with a 45-foot diameter. Mr. Lee informed the Board both options 2 and 3 have the potential for groundwater issues, as ground water was found at a depth of 12-feet in the vicinity of the EST location.

The Board, upon a motion duly made and seconded, voted to proceed with option 1, to excavate to a depth of 5-feet, and extend the foundation to a diameter of 62-feet. Mr. Lee stated option 1 will result in a change order in an amount not to exceed \$130,000. Mr. Lee also informed the Board of future potential cost savings, and plans to present the Board with the official change orders at the next regular Board meeting.

RENEWAL OF DISTRICT INSURANCE

Harry Peyton reported to the Board that he had sold his previous insurance company, AquaSurance, to Arthur J. Gallagher & Co. in January 2018. Mr. Peyton discussed the damage caused by Hurricane Harvey and its effects on the Houston insurance market. Mr. Peyton informed the Board the District's insurance renewal period was initiated on July 1, 2018 for a 14-month term. Mr. Peyton stated that the District's Auto, Workers Compensation, General Liability, Cyber-Liability, and Pollution Liability insurance coverage have been consolidated under TML; Director and Officer Liability insurance provided by Chubb; and Flood/Property insurance coverage is through Great American Insurance Company. He stated the coverages presented are superior and/or identical to what the District has previously had in the last year. Mr. Peyton stated the renewal date would now move from July 1st to October 1st for all insurance coverages.

Discussion ensued regarding the agency fees added, and Mr. Peyton noted TML does not charge commission, and the agency fees go directly to Arthur J. Gallagher & Co. to compensate for the time spent working on the insurance coverages. Upon a motion duly made and seconded, the Board voted unanimously to accept the District's new insurance policy for the 14-month term.

OTHER MATTERS

Director Schneider informed the Board that the Board of Directors of Auburn Lakes Municipal Utility District is now a full resident Board, and he wants to keep a good line of communication between the District and Auburn Lakes MUD. There being no further business to come before the Board, the meeting was adjourned.

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Secretary, Board of Directors