

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

August 20, 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 20th day of August, 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, with the exception of Director Kirkpatrick, 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, Michelle Blevins, and Rich Rankin 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. of Jones & Carter, Inc., the District’s Engineer; Mr. Danny Pereyra of Environmental Allies, the District’s detention contractor; Mr. Justin Jenkins of McCall Gibson Swedlund Barfoot, PLLC, the District’s Auditor; Ms. Amanda White of D.R. Horton, a developer in the District; 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.

COMMENTS FROM THE PUBLIC

Mrs. Gause inquired as to who owns the land where the perimeter fences are located at Northampton Forest at Wellington. The perimeter subdivision fence is in need of repairs. Lisa June stated that per the Facebook page started by residents, Reserve “B” Northampton Forest Section 1 (per HCAD) is owned by the District. The fence in question is located at the north side of Root Road adjacent to Wellington and Northampton Elementary. Mrs. Gause stated property surveys show the perimeter fence is not on any individual’s property.

## GENERAL MANAGER'S REPORT

Mr. Sheffield stated progress was being made on the Northcrest Park summer kitchen. He stated the approximate cost of the water feature at the front of the park would be \$6,000 by an outside contractor. If the project was done in-house, the cost would be approximately \$3,000 and would take longer to complete. The Board authorized Mr. Sheffield to move forward on the project with a third party contractor.

Mr. Sheffield stated demolition of the old restrooms at the Northcrest pool was about to start and should take about one day to complete. He said they needed to ensure electrical and plumbing items were protected. He stated there would be no restroom facilities for about a three to four month construction period. He suggested an option to rent a portable facility at an approximate cost of \$4,000 monthly plus pump out charges, but felt this was too costly. He stated he would open the Activity Building for restrooms and the back-up plan would be to utilize port-a-cans.

Mr. Sheffield stated the owner of the Absey Press building was not available yet to meet, and they planned to meet the next week.

Mr. Sheffield said he contacted the Texas Department of Parks & Wildlife regarding hydrilla issues in the West Park lake. He said he planned to introduce grass carp to two ponds and noted this method was superior to chemical treatment.

Mr. Sheffield stated he had been considering whether or not to schedule the annual Girl Scout Jamboree and had been considering other groups as well. He said the Girl Scout Jamboree was a very large group that would run the facility over capacity, and he wanted the Board to review and approve scheduling these groups. He noted he planned to review all programs with the Board in January and reported that all of the neighborhood programs have grown.

## TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report for July 2018, a copy of which is attached hereto as an exhibit. She reported the District had collected 97.32% of the District's 2017 tax levy as of July 31, 2018. She stated the District's total taxes receivable in the amount of \$154,216.62. She said she expected to receive the certified tax rolls from HCAD tomorrow.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

## DEFINED AREA ROAD BONDS

Mr. Jenkins presented the Developer Reimbursement Audit which summarized reimbursable costs to D.R. Horton-Texas, Ltd from proceeds of the Series 2018 Defined Area Road Bonds which was set to close August 23<sup>rd</sup>. He reviewed procedures undertaken and adjustments made in preparing the audit. He stated the reimbursable amount due to the developer was \$2,577,652.57 which included \$86,445.42 in developer interest.

Upon motion duly made and seconded, the Board voted unanimously to approve the audit as presented and to disburse proceeds contingent upon closing of the bond sale.

## OPERATOR'S REPORT

Rich Rankin presented the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Rankin stated the water accountability rate for the previous month was 92.9%, and there were no excursions at the Wastewater Treatment Plant ("WTP") in July. He said 15 taps were completed in July.

Ms. Blevins stated she had created a map for Smart Meters and taps and she would continue to update it. She reported 1,199 Smart Meters, including 16 new taps, had been installed to date. She stated end caps were being installed on new taps until they were ready to connect. She reported there had been many issues with resetting meters, etc. Ms. Blevins stated there were \$4,870 in back-charges to D.R. Horton.

Ms. Blevins stated the leak detection survey performed by Accurate Meter and Supply which tested all lines in the District totaling 24 miles resulted in finding 22 leaks. She said the estimated water loss for one month was 950,000 gallons. She reported that all work orders had been prepared and the repair work had begun.

Mr. Clark reviewed with the Board a credit schedule to Klein Independent School District ("KISD") for repayment of overbilling French Elementary School, Northampton Elementary School, and Hildebrandt/Klein Oak High School, a copy of which is attached hereto as an exhibit. He stated \$45,499.43 would be credited to the schools over the next school year. He stated the schools would receive credits of approximately \$5,000 each per month from September 2018 through May 2019. Director Thomas stated it was very considerate of KISD to agree with this solution to the issue. Upon motion duly made and seconded, the board voted unanimously to approve the proposed credit schedule as presented.

Upon motion duly made and seconded, the Board voted unanimously to approve the Operator'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. Ms. Schmidt stated she was prepared to disburse funds from the Series 2018 Defined Area Road Bond closing and would handle the reimbursement wire transfer to D.R. Horton.

Ms. Schmidt stated a payment of \$75,417.50 had been made to CFG Industries, LLC for pay estimate number 2 for Water Plant No. 1 and 2 improvements. The Board stated it wanted the Bookkeeper to track pumpage fees vs. collections.

Ms. Schmidt reviewed the seventh month of the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, Investment Report, and payment of the checks are presented.

## ENGINEER'S REPORT

Mr. Josh Lee presented the Engineer's Report, a copy of which is attached hereto.

### Water Well No. 1 Rework

Mr. Lee stated the bid package for the Water Well No. 1 Rework project had been prepared and requested authorization to begin advertising for bids. He stated he wanted to get on-site by mid-October. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to advertise for bids on the project.

### Water Plant No. 3

Mr. Lee stated the well driller, Alsay, was on-site and would be running well tests. He said the Elevated Storage Tank foundation project would begin in October.

### 2017 Root Road, Kingscrest, and Bridgeway Lift Station Rehab

Mr. Lee stated Black Castle General Contractor had completed the Lift Station Rehab project. He said the Engineer issued a punch list after the final inspection and the contractor was working to complete the items by the end of next month.

### Storm Sewer Maintenance

Mr. Lee stated he had received the executed Letter of Understanding Harris County Flood Control District and the District for future storm sewer outfall repairs. He said there were three storm sewer repair projects to be completed over the next couple of months.

### FEMA Request for Public Assistance

Mr. Lee reported receipt of the first check from FEMA for public assistance. The check was in the amount of \$21,165.26 related to Category B, Emergency Protective Measures. Mr. Lee then reviewed other categories of pending FEMA claims.

### Water Plant Improvements Project

Mr. Lee reported that due to increasing water demands during the summer months, the Engineer requested the contractor to delay any further work on the Water Plants Improvement project until October 2018. He noted the District is current on payments to the contractor.

### Creekview Land Acquisition for Lift Station

Mr. Lee stated that there may be another property to consider for this Lift Station. The Board determined they would like more information and the matter was tabled at this time.

### Klein Independent School District Capacity Request for Hildebrandt Intermediate School

Mr. Lee reported the request from KISD for an additional 1,000 gpd capacity had been withdrawn. He stated the current contract between the District and KISD for Hildebrandt Intermediate School provides for 135,000 gpd for water and 70,000 gpd for waste water. He

noted that over the last 14 months, the water allowance was exceeded twice and the waste water allowance was never exceeded. Mr. Lee stated a new tap wasn't needed and that he would continue to monitor the issue.

#### 2018 Update to Water Model and Flushing Plan

Mr. Lee stated he hoped to present the updated flushing report at the next regular Board meeting.

#### Bond Application Report No. 18

Mr. Lee presented a tentative schedule of the Bond Application Report No. 18 in the amount of \$5,295,000 with a proposed closing in March 2019.

#### Pay Estimates and Change Orders

Mr. Lee presented Pay Estimate No. 5 in the amount of \$543,155.40 to Principal Plant Services, LLC for Water Plant No. 3; Pay Estimate No. 7 in the amount of \$58,279.63 to Black Castle General Contractor for construction of Root Road, Kingscrest, and Bridgeway Lift Station rehabilitations; and Pay Estimate No. 2 in the amount of \$75,417.50 to CFG Industries, LLC. Upon motion duly made and seconded, the Board voted unanimously to approve the pay estimates as presented.

#### PENDING DEVELOPMENTS AND ANNEXATIONS

Mr. Lee stated the annexation package for the 4.133 acre Rye Street Development (10 acre total development) was under review by the City of Houston. He reported he had not received the revised plans for review for the proposed 1.4 acre Woodlands Sportsplex development. He stated the 28 acre annexation for Landmark Companies/Apt Con LLC was on hold per the developer and the developer has the property under contract. Mr. Lee stated the proposed 4.9277 acre annexation tract for Caldwell Companies was under contract and the current owner of the property would be signing the annexation petitions.

#### Hampton Creek Phase III Detention Pond

Mr. Lee stated there was no movement regarding the status of conveyance of this pond to the District.

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

#### ATTORNEY'S REPORT

Mr. Wallace reported the District had received the final Air Quality Permit.

OTHER BUSINESS

Director Thomas presented a draft of the revised Drought Contingency Plan. A discussion ensued among the Board in which the consensus was there was a need to simplify the document. Director Thomas proposed receiving comments from the Board members and would said he would like to complete this by the next recreational Board meeting.

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



  
Secretary, Board of Directors