

**MINUTES OF MEETING OF THE BOARD OF DIRECTORS  
NORTHTOWN MUNICIPAL UTILITY DISTRICT**

September 24, 2019

THE STATE OF TEXAS       §  
  §  
COUNTY OF TRAVIS       §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on September 24, 2019, at the Wells Branch Tech Center, 1421 Wells Branch Parkway, Suite 106, Pflugerville, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit “A”**.

All of the Directors were present, as follows:

Brenda Richter	-	President
Robin Campbell	-	Vice President
Chris Capers	-	Secretary
Lee Hill	-	Assistant Secretary
Felix T. Amaro, Jr.	-	Treasurer

Also present at the meeting were Mona Oliver, the District manager; Richard Fadal of TexaScapes, Inc.; Allen Douthitt of Bott & Douthitt, PLLC (“*Bott & Douthitt*”); Robert Anderson of Crossroads Utility Services, LLC (“*Crossroads*”); Lauren Smith of Public Finance Group, LLC; Deputy Oscar Gonzalez of the Travis County Sheriff’s Department; Scott Foster of 360 Professional Services, Inc.; JaMar Prince and Julio Castellero of Texas Disposal Services (“*TDS*”); and Sue Brooks Littlefield of Armbrust & Brown, PLLC (“*A&B*”).

Director Richter called the meeting to order at 5:45 p.m. and stated that the Board would first receive resident communications and Board member announcements. Director Hill reported that Travis County had begun treating the streets with a spray emulsion product that was labelled to say, if someone was applying it and there was a danger of it running into a waterway or stream, the user should notify the appropriate governmental entity. Director Hill asked if anyone notified the District of this application and Ms. Oliver responded that they had not. The Board directed Ms. Littlefield and Mr. Foster to draft a letter to the County asking to be notified of any such product application.

Director Richter stated that the Board would next consider matters relating to the District’s 2019-2020 budget and 2019 tax rate. Ms. Smith reviewed the financial analysis attached as **Exhibit “B”** and called the Board’s attention to the District’s certified assessed valuation of \$888,317,289. She recommended a \$0.2610 debt service tax rate and \$0.3690 operations and maintenance tax rate, keeping the same overall tax rate of \$0.63, which she noted had been published as the proposed tax rate. She noted that this would be a 4.47% increase in taxes on the value of an average home.

Director Richter then announced that the Board would conduct a public hearing on the District’s 2019 tax rate. Director Richter opened the public hearing and asked if there was anyone present wishing to address the Board on the District’s 2019 tax rate. Director Amaro stated that the final appraisal numbers had come in close to the projected amount. Director Hill stated that, with the proposed tax rate, the District would be increasing revenues by nearly 5%,

which he didn't think was needed since there was a surplus generated by the budget. Director Campbell pointed out that there were unknowns due to the District's aging utility system. There being no one else wishing to speak, Director Richter closed the public hearing. Director Hill stated that he would like to suggest a \$.364 operations and maintenance component along with a \$.2610 debt service component, for an overall tax rate of \$.625, which would bring the District an excess of \$2,850,000 in tax revenue, which was more than was in the draft budget.

Mr. Douthitt then reviewed the draft operating budget with the Board and reviewed the changes from the budget presented at the prior Board meeting, which he noted were largely due to the projected new connections in the KB Home section. He stated that he had carried these through to the service revenues. In response to a question from Director Hill, Mr. Douthitt confirmed that he had taken into account the new rate order, which had projected an increase in the base fee to the commercial users. He pointed out that it was a negative budget, largely due to projected capital expenses. Director Amaro stated that the budget took into account the potential for new bonds and that he did not have a concern about Director Hill's recommendation. After discussion, upon motion by Director Amaro and second by Director Hill, the Board voted unanimously to approve the Resolution Adopting Budget attached as **Exhibit "C"**, incorporating the fiscal year 2019-2020 budget, as presented. Director Campbell noted that this budget was actually pulling money out of the general fund. Director Hill acknowledged this, but pointed out that the budget still projected a surplus at the end of the fiscal year. Mr. Douthitt noted that the surplus was largely due to the delta between the City of Austin's projected wholesale rates and the rates currently being charged by the City.

Director Hill then moved that the Board adopt a \$.625 tax rate and approve the Order Levying Taxes attached as **Exhibit "D"**. Upon second by Director Amaro, the motion was adopted, with Directors Richter, Campbell, Capers, Hill and Amaro all present and voting "yes".

Director Richter stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the August 27, 2019 Board meeting and the Amended and Restated Information Form and Notice to Purchaser attached as **Exhibit "E"**. Upon motion by Director Capers and second by Director Campbell, the Board voted unanimously to approve the consent items.

Director Richter stated that the Board would next discuss District security and recognized Deputy Gonzalez. Deputy Gonzalez presented the August security report and crime statistics. He stated that it had been a fairly slow month, with just two vehicle burglaries, one of which was a burglary by a family member reported by a family member. He added that there had also been a burglary on Darjeeling, where a resident had observed and reported the burglary, noting that the suspect had been apprehended.

Ms. Oliver then reported that the District had received a request for reconsideration of Ms. Pfiefer's ban from the District's parks. Ms. Oliver reminded the Board that this individual had been abusive to the District's staff, drove onto the District's property, and was issued a ban from the parks. Director Amaro stated that the Security Subcommittee recommended at least a one-year ban and then, if she wished for reconsideration, she should come to the January Board meeting and request reconsideration in person in order to ensure she understood why she was excluded and what she needed to do to be allowed to resume use. The Board direct Ms. Oliver and Ms. Littlefield to work on a response to Ms. Pfiefer to be signed by Ms. Oliver on behalf of the District. Ms. Oliver then gave an update regarding The National Night Out, noting that the participation by the mounted patrol and the Texas Parks and Wildlife was very well received. Director Amaro stated that the horses were great with the members of the community. Director Campbell requested photos for the website.

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal. Mr. Fadal first presented the plant of the month, Texas Sage, Silverado cultivar, and explained that, when Texas Sage bloomed, 80% of the time it indicated rain in five to seven days. Mr. Fadal then reviewed the landscape maintenance report attached as **Exhibit “F”**. He noted that his crews had found a few more of the invasive cabbage, which had been removed, and also had detailed a number of tree rings. He stated that fire ant activity was down except in the irrigated sports fields, so those fields had been treated. He called the Board’s attention to the proposal for the annual fall topdress and overseeding on the irrigated parks and soccer fields in the amount of \$13,448 attached at **Exhibit “G”**. Upon motion by Director Capers and second by Director Amaro, the Board voted unanimously to approve the proposal.

Director Richter stated that the Board would next receive the District manager’s report and recognized Ms. Oliver. Ms. Oliver called the Board’s attention to the monthly reports included in the meeting packet. Ms. Oliver reported that the Solid Waste Subcommittee had met with TDS regarding a resolution of the apparent underbilling for solid waste services. Director Hill stated that the Subcommittee and TDS had agreed to calculate a payment based on 11 months of service for 144 units and that a bill for this amount had been forwarded to the District’s bookkeeper. Director Hill recommended that the Board approve payment of the supplemental bill. Mr. Douthitt clarified that the supplemental bill was for 11 months, including August, but the 144 units had also been included on the regular August bill. He recommended payment and taking a credit against the September bill for the overpayment.

Ms. Oliver then reported that the cistern had a small pinhole leak and she hoped it would be patched the following day. Director Richter asked about the warranty and whether there was a multiple year warranty. Ms. Oliver stated that the cistern company was doing the patch work and recommended holding off on the stone work for a week to ensure that there were no other leaks. She then presented Pay Estimate No. 2 from Forsythe Brothers Infrastructure, LLC, in the amount of \$51,300, attached as **Exhibit “H”**, for the slab work and recommended approval. After discussion, upon motion by Director Capers and second by Director Amaro, the Board voted unanimously to approve the Pay Estimate.

Ms. Oliver then reported that Director Hill had requested that a policy to govern District’s vehicles be established. Director Hill requested that the Board appoint a “Vehicle Life Cycle Policy Subcommittee”, which would oversee the life cycle of vehicles, including ATVs, noting that this would also factor into the budget and that the policy would cover disposal of used vehicles. Ms. Littlefield agreed to provide Director Hill with a copy of the statute on disposal of surplus District property. After discussion, the Board agreed that Directors Hill and Capers would serve on the Vehicle Life Cycle Policy Subcommittee. Ms. Oliver then stated that she would bring an additional proposal relating to the uninterruptable power source to the next meeting.

Ms. Oliver then requested that the Office Construction Subcommittee be renamed the “New Facility Construction Subcommittee”, noting that this would avoid overlap of subcommittee functions and would allow the same subcommittee to oversee all architectural services, including for park pavilions. After discussion, upon motion by Director Campbell and second by Director Amaro, the Board voted unanimously to approved this change. Director Hill then requested that the Board delegate authority to the New Facility Construction Subcommittee to review all new facility construction projects and the Board agreed. Director Campbell clarified that this excluded utility infrastructure and the Board agreed. Mr. Foster then requested that the New Facility Construction Subcommittee be authorized to solicit qualifications and bring back a recommendation for selection of an architect to design the

District office and park pavilions. After discussion, upon motion by Director Amaro and second by Director Campbell, the Board voted unanimously to authorize the New Facility Construction Subcommittee to interview architects and bring back a recommendation on selection for an architect for the District office and park pavilions to the Board.

Director Richter then stated that the Board would discuss District parks and recreational facilities. Ms. Oliver stated that the old mile markers had been removed and that she had been provided a sample of the proposed new mile markers. Director Amaro stated that he very much appreciated the Park Subcommittee's attention to detail.

Director Hill stated that there had been some activity at 100 Friendship Quilt and requested that Ms. Oliver and Ms. Littlefield look into this. They agreed to do so.

Director Richter stated that the Board would next receive the engineer's report and recognized Mr. Foster. Mr. Foster reviewed his report, attached as **Exhibit "I"**. Mr. Foster reported that Ms. Littlefield had made contact with Mr. Nias and was coordinating a meeting about the Village@Northtown park tracts. He reported that John Henry Faulk Road was now open, but had not been accepted because the close-out documents and punch list were still pending. He stated that he would bring another update to the Board in October. Mr. Foster pointed out that homes were going up in the KB Home section, noting that 148 homes were projected and he expected full build-out by 2020. He stated that the Dessau Road force main plans had been submitted to City and County and were currently under review.

Director Richter then recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt presented the updated cash activity report attached as **Exhibit "J"** and reviewed it with the Board. He recommended approval of a transfer by check from the District's JP Morgan Chase Bank operating account to the ABC Bank customer refund account in the amount of \$5,000; a transfer by check from the JP Morgan Chase Bank operating account to the ABC Bank operating account in the amount of \$175,000; a transfer from the JP Morgan Chase Bank operating account to the ABC Bank manager's account in the amount of \$41,000; a transfer from the District's Compass Bank lockbox account to the TexPool operating account in the amount of \$60,000; and a transfer from TexPool operating account to the ABC Bank operating account in the amount of \$500,000, as listed on page one of his report. Mr. Douthitt then reviewed the checks being presented for approval and called the Board's attention to the additional payments that had been added to the check register after the packet date, including additional director per diems, a fee for arbitrage rebate review, the force main plan submittal fee to the City of Austin, an employee retirement plan administrative fee, the pay estimate for the cistern project, the payments to TDS, an additional payment to TexaScapes, rate case related fees and paying agent fees. He then reviewed the activity in the manager's account for the prior month. He stated that the District was currently ahead of budget. After discussion, upon motion by Director Amaro and second by Director Campbell, the Board voted unanimously to approve the transfers and the payment of bills and invoices as presented.

Director Richter then recognized Mr. Anderson for the purpose of receiving the operations manager's report. Mr. Anderson reviewed Crossroads' report, attached as **Exhibit "K"**, noting that all lab results had been satisfactory during the prior reporting period and that the District had a reported water loss of 4.04%. He stated that he had three write-offs to present, noting that one had paid, reducing amount \$279.56. He stated that the District currently had 2,946 occupied single family connections and a total of 3,018 accounts. Upon motion by Director Amaro and second by Director Campbell, the Board voted unanimously to approve the write-offs.

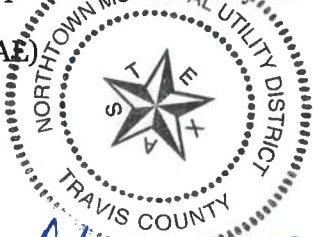
Mr. Anderson then stated that the Rate Order Subcommittee recommended that the Board approve the Order Establishing Services Rates, Charges and Tap Fees and Adopting Rules and Policies with Respect to the District's Water, Wastewater and Drainage Systems attached as **Exhibit "L"**. Director Hill pointed out that this clarified the fee for the multifamily residential projects, noting that it was recommended that the Order be effective January 1. After discussion, upon motion by Director Hill and second by Director Amaro, the Board voted unanimously to approve the Order.

There being no developers' and landowners' reports, Director Richter recognized Ms. Littlefield for the purpose of receiving the attorney's report. Ms. Littlefield stated that the attorney directives were complete. She then advised the Board that the District had received a clean report from BLX Group on its arbitrage rebate review of the District's \$3,340,000 Unlimited Tax and Revenue Refunding Bonds, Series 2014.

Director Richter stated that the Board would conduct consultant reviews and announced that the Board would convene in executive session as authorized by Section 551.074 of the Texas Government Code to discuss personnel matters. She announced that the time was 6:42 p.m. After the executive session for consultant reviews of Texas Disposal Systems, Inc. and TexaScapes, Inc., the Board reconvened in open session at 7:10 p.m. and Director Richter announced that no action had been taken in executive session.

There, being no further business to come before the Board, upon motion by Director Campbell and second by Director Amaro, the Board voted unanimously to adjourn the meeting.

(SEAL)



  
Chris Capers, Secretary  
Board of Directors

Date: Oct 22 2019

CERTIFICATE OF PROVISION OF NOTICE OF MEETING FOR  
NORTHTOWN MUNICIPAL UTILITY DISTRICT  
TO THE TRAVIS COUNTY CLERK'S OFFICE

THE STATE OF TEXAS       §

COUNTY OF TRAVIS       §

I, Brian K. Gilbert, hereby certify that at 1:58  
P.m. on Sep. 19, 2019, I provided two (2) copies of the attached  
notice of meeting of the Board of Directors of Northtown Municipal Utility District to the Travis  
County Clerk's office located at 5501 Airport Blvd., Austin, Texas for subsequent posting in  
accordance with Section 551.054 of the Texas Government Code.

I understand that the attached notice was provided to the County Clerk in order to  
comply with the Open Meetings provision of Chapter 551 of the Texas Government Code and  
that the Board of Directors of Northtown Municipal Utility District will rely on this certificate in  
determining whether the provisions of Chapter 551 of the Government Code have been satisfied.

Witness my signature this 19 day of September, 2019.

Brian K. Gilbert  
Printed Name: Brian K. Gilbert  
Company: Diligent Delivery

CERTIFICATE OF POSTING FOR  
NORTHTOWN MUNICIPAL UTILITY DISTRICT  
AT

(1) 14401 Harris Ridge Blvd. (park pavilion)  
(2) 1421 Wells Branch Parkway, Suite 106 (district office)  
PFLUGERVILLE, TEXAS 78660

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Ernest Robles, hereby certify that at  
1:30 p.m. on September 18, 2019, I posted a copy of the  
attached notice of meeting of the Board of Directors of Northtown Municipal Utility District at a  
place readily accessible and convenient to the public within the boundaries of the District at the  
locations noted above.

I understand that the notice was posted in order to comply with the Open Meetings  
provisions of Chapter 551 of the Government Code and that the Board of Directors of Northtown  
Municipal Utility District will rely on this certificate in determining whether the provisions of  
Chapter 551 of the Government Code have been satisfied.

Witness my signature this 18<sup>th</sup> day of September, 2019.

Ernest Robles  
Printed Name: Ernest Robles  
Company: Northtown MUD

NORTHTOWN MUNICIPAL UTILITY  
DISTRICT

ORIGINAL  
FILED FOR RECORD

September 24, 2019

TO: THE BOARD OF DIRECTORS OF NORTHTOWN MUNICIPAL UTILITY  
DISTRICT AND ALL OTHER INTERESTED PARTIES:

Notice is hereby given that the Board of Directors of Northtown Municipal Utility District will hold a meeting at **5:45 p.m. on Tuesday, September 24, 2019**, at the District office located at the Wells Branch Tech Center, 1421 Wells Branch Parkway, Suite 106, Pflugerville, Texas. The following matters may be considered and acted upon at the meeting:

**PUBLIC INPUT**

1. Resident communications and Board member announcements;

**BUDGET / TAX ITEMS**

2. 2019-2020 budget and 2019 tax rate, including:
  - (a) Budget/Finance/Investments Subcommittee report;
  - (b) Conduct public hearing on 2019 tax rate;
  - (c) Budget for fiscal year 2019-2020, including Resolution Adopting Budget;
  - (d) Record vote on 2019 tax rate and adoption of Order Levying Taxes;

**CONSENT**

*(These items may be considered and acted upon collectively. Any of these items may be pulled for discussion upon the request of any member of the Board.)*

3. Minutes of August 27, 2019 Board meeting;
4. Amended and Restated Information Form and Notice to Purchaser *(if necessary for tax rate change)*;

**DISCUSSION/ACTION ITEMS**

5. District security, including:
  - (a) Report from Travis County Sheriff's Department, including related action items;
  - (b) Security Subcommittee report, including:
    - (i) Request for reconsideration of ban from District parks, including Subcommittee recommendation and related action;
    - (ii) Purchase requests and related action items;
  - (c) National Night Out, including expenditure report;
6. Landscape maintenance report and related action items, including proposals;
7. District manager's report and related action items, including:
  - (a) Restrictive Covenant Subcommittee report, including covenant violations, and enforcement actions;
  - (b) Monthly expenditure report;
  - (c) Reservation ledger;

{W0920727.3}

EXHIBIT A



- (d) Solid waste services, including
    - (i) Texas Disposal Services monthly report;
    - (ii) Solid Waste Subcommittee report, including recommendation regarding resolution of billing issue;
  - (e) Purchase requests and/or proposals;
  - (f) Well cistern project, including pay estimates and/or change orders;
  - (g) District vehicle policy, including proposed appointment of "Vehicle Life Cycle Policy Subcommittee" and delegation of authority to Subcommittee (*Director Hill*);
  - (h) Update regarding uninterruptable power source project and related action;
  - (i) Report from Office Construction Subcommittee and related action, including:
    - (A) Renaming Subcommittee as "New Facility Construction Subcommittee (*Director Hill*);"
    - (B) Delegating authority to review all new facility construction projects to Subcommittee (*Director Hill*);
    - (C) Authorizing Subcommittee to interview architects and solicit bids/proposals for District office and park pavilions (*Mr. Foster*);
8. District parks and recreational facilities and related action items, including:
- (a) Subcommittee report;
  - (b) Purchase requests and proposals;
  - (c) Monthly expenditure report;
  - (d) Repairs and maintenance;
  - (e) Meadowpointe and Wildflower Park improvements, including pay estimates, change orders, and project acceptance;
9. District engineer's report and related action items, including:
- (a) Directive;
  - (b) Development update, including:
    - (i) Pflugerville ISD tract;
    - (ii) Village at Northtown, Section 2;
    - (iii) Harris Ridge Extension Project;
    - (iv) Village at Northtown Section 3, Lot 5, Block C, including pay estimates and/or change orders and project acceptance;
    - (v) Village at Northtown Section 3 (John Henry Faulk Road), including approving any pay estimates and/or change orders;
    - (vi) Village at Northtown Multifamily (Yintai);
    - (vii) Edenbrook Multifamily;
    - (viii) Village at Northtown Multifamily (North Wells Branch), including developer request for access through future parkland;
    - (ix) Lakes Retail Center;
  - (c) MS4 Permitting update;
  - (d) Dessau Road force main replacement project;
  - (e) Village at Northtown parkland dedication;
10. District bookkeeper's report and related action items, including:
- (a) Directive;
  - (b) Payment of bills and invoices;
  - (c) Fund transfers;
  - (d) Investments;
  - (e) Developer escrow report and reconciliation;

- 11. District operations manager and utility operator's report and related action items, including:
  - (a) Utility operations and repairs;
  - (b) Billing report and write-offs;
  - (c) Water use restrictions;
  - (d) Rate order matters, including Amendment to Order Establishing Service Rate, Charges, and Tap Fees and Adopting Rules and Policies with Respect to the District's Water, Wastewater and Drainage Systems;
- 12. Reports from developers' and landowners' representatives;
- 13. Attorney's report, including:
  - (a) Directives;
  - (b) Arbitrage review;
  - (c) Update on Village@Northtown parkland dedication;
- 14. Consultant reviews, including:
  - (a) Texas Disposal Systems, Inc.;
  - (b) TexaScapes, Inc.;
- 15. Future agenda items.

The Board of Directors is authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code, to convene in closed or executive session for certain purposes, including receiving legal advice from the District's attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); discussing security personnel or devices (Section 551.076); or discussing information technology security practices (Section 551.089). If the Board of Directors determines to go into executive session to discuss any item on this agenda, the presiding officer will announce that an executive session will be held and will identify the item to be discussed and the provision of the Open Meetings Act that authorizes the closed or executive session.

(SEAL)



*Eric Brown Littlefield*

Attorney for the District

\*\*\*\*\*  
 Northtown Municipal Utility District is committed to compliance with the Americans With Disabilities Act. Reasonable accommodations and equal access to communications will be provided upon request. Please call Armbrust & Brown, PLLC at (512) 435-2300 for additional information.

Came to hand and posted on a Bulletin Board in the Courthouse,  
 Austin, Travis County, Texas on this the 19th day of  
September 2019.

Dana DeBeauvoir  
 County Clerk, Travis County, Texas  
 By [Signature] Deputy

**D. CAMPOS JR.**



**COPY**  
 OFFICIAL PUBLIC RECORDS  
*Dana DeBeauvoir*  
 Dana DeBeauvoir, County Clerk  
 Travis County, Texas

{W0920727.3}

**201981354**

Sep 19, 2019 01:58 PM  
 Fee: \$3.00 CAMPOSD