

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

September 25, 2018

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on September 25, 2018, 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”**.

The following Directors were present, constituting a quorum:

Chris Capers	-	Secretary
Lee Hill	-	Assistant Secretary
Felix T. Amaro, Jr	-	Assistant Secretary

Director Brenda Richter and Director Robin Campbell were absent. Also present at the meeting were Mona Oliver, the District manager; Robert Anderson and Jorge Villareal, of Crossroads Utility Services, LLC (“*Crossroads*”); Scott Foster of 360 Professional Services, Inc.; Richard Fadal of TexaScapes, Inc.; Allen Douthitt of Bott & Douthitt, PLLC; Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC; Deputy Oscar Gonzalez of the Travis County Sheriff’s Department; and Sue Brooks Littlefield of Armbrust & Brown, PLLC (“*A&B*”).

Director Amaro called the meeting to order at 5:45 p.m. and stated that the Board would first receive resident communications and Board member announcements. He asked if there were any residents present wishing to address the Board. Director Hill announced that there would be a hearing at the Travis County Commissioner’s Court on October 9th regarding Village@Northtown. Mr. Foster explained that this hearing related to the KB Home subdivision.

Director Amaro stated that the Board would next consider approving the consent items on the Board’s meeting agenda: the minutes of the August 28, 2018 Board meeting and the proposal from McCall Gibson Swedlund Barfoot PLLC for audit services for the fiscal year ending September 30, 2018 attached as **Exhibit “B”**. Upon motion by Director Capers and second by Director Hill, the Board voted 3-0 to approve the consent items.

Director Amaro then stated that the Board would discuss District security. Deputy Gonzalez addressed the Board and reported that crime statistics had decreased substantially from the summer, but there had been a couple of property crimes. He noted that there had not been any burglaries of residences in August. Deputy Gonzalez thanked the Board for increasing the patrol hours, noting that the additional police

presence was a big deterrent. He stated that he and the other deputies would be present for the National Night Out event, rain or shine. Ms. Oliver then reviewed the plans for the National Night Out, and thanked Deputy Chad Carter for helping coordinate. She stated that the Sheriff's Department was going to provide additional signage on the road providing directions to the event and encouraged the Board members to attend.

Director Amaro then stated that the Board would consider landscape maintenance matters. He recognized Mr. Fadal, who presented his report, attached as **Exhibit "C"**. Mr. Fadal discussed the plant of the month, Rock Rose or Pavonia. He stated that it was a native and bloomed from April to October. He stated that it did get a little leggy during its growing season, but that it could be trimmed back. Mr. Fadal then reported that regular maintenance was on schedule and that his crews were about to start treating for fire ants. He stated that his crews were also doing clearance pruning of the trees. He then called the Board's attention to the proposal for topdressing and overseeding of the soccer field and parks attached as **Exhibit "D"** and requested approval. Director Hill inquired whether the District had much ragweed and Mr. Fadal stated that there was ragweed, but his crews tried to remove it whenever possible since it crowded out the desirable native plants. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 3-0 to approve the proposal.

Director Amaro stated that the Board would next receive the District manager's report and recognized Ms. Oliver, who called the Board's attention to her monthly report, attached as **Exhibit "E"**. Ms. Oliver stated that the busy season for renting the Pavilion was over, but noted that there had been \$400 in rentals the prior month. She advised the Board that she had received two quotes for the MeadowPointe fence extension and asked how the Board wished to proceed. She requested authorization to engage Ms. Littlefield and Mr. Foster to assist in obtaining the required easements and the Board authorized her to do so. Director Amaro inquired how long the fence proposals would be good for, and Ms. Oliver agreed to contact the bidders to determine this. Director Capers then moved that the Board authorize Ms. Oliver to proceed with the project, subject to receipt of the required easements. Upon second by Director Hill, the motion was adopted. Ms. Oliver then called the Board's attention to the memo on changes in the Texas Municipal League Intergovernmental Risk Pool insurance coverage. The Board directed Ms. Oliver to obtain a proposal to increase computer fraud coverage to \$1,000,000 through Victor O. Schinnerer.

Director Amaro stated that, as there were no park matters to discuss, the Board would next receive the engineer's report and recognized Mr. Foster. Mr. Foster presented his report, attached as **Exhibit "F"**, and reviewed it with the Board. He noted that KB Home was currently working in Village@Northtown Section 3 and that he expected that KB Home would get its permit in October and start construction in November. Director Hill inquired if John Henry Faulk would be far enough along to provide access and Mr. Foster responded that he was leaving this to Village@Northtown and KB Home. He stated that John Henry Faulk was now under construction and Village@Northtown had permits to construct the entire project in phases. Director Hill inquired if this would be connected to the Harris Ridge Extension and Mr. Foster responded that he felt this would occur by the following summer. Mr. Foster then

reported that there was still no guidance from the Texas Commission on Environmental Quality (“TCEQ”) for the MS4 Permit, but that he would provide a proposal for this work when he received the guidance. Mr. Foster stated that the TCEQ was about nine months behind and had not yet reviewed the District’s 2018 report. Mr. Foster then reported that, after Labor Day, emergency services had been required to assess the repair of the Dessau force main and that he was working on facilitating a phased repair. Mr. Foster added that it had rained between six and eight inches, which made the repair a major undertaking that took almost a week to complete. Mr. Anderson then introduced Mr. Villareal, who explained the scope of the repair work. Mr. Villareal explained that Crossroads had been aware that the challenge would be to find a good section of pipe. He stated that the top of the pipe was deteriorated and that they had cast in place a temporary manhole on the 16-inch main while leaving the 14-inch main in operation. He reviewed the challenges with traffic control as well as the rain, noting that rain had undermined the flow fill that was used to stabilize the temporary manhole, which had prevented proceeding. Mr. Villareal added that it had taken a full day to clear the area and that the only thing that wasn’t completed was lining the manhole, because the City had insisted on reopening Dessau. He stated that there were three manholes, which would require over three days of work. Mr. Villareal stated that he ordered another manhole of a type recommended by the City of Austin, which was coated and engineered, to replace the temporary manhole. Director Hill stated that he was concerned that the rest of the Board, beyond the Subcommittee, was not receiving updates and that he would like to receive additional information. Ms. Littlefield suggested that the engineer provide minutes from the committee meetings distributed via blind copy email to the entire Board. Director Amaro stated that the Subcommittee had been highly involved, but agreed that it was important for the full Board to be apprised. Mr. Foster stated that he would do better at providing meeting notes. Director Amaro asked for information on how the relationship with the City of Austin had worked through this process and Mr. Foster responded that he sent a hand sketch to the City and the City had recommended a phased approach and basically came up with the same solution, noting that the City had been very responsive and cooperative. Director Hill asked where the District went from here and Mr. Foster stated that, basically, the District was looking at doing a full replacement project with a new force main all the way to Harris Ridge. Mr. Foster added that a new force main was already in place from Howard Lane to Harris Ridge. Mr. Foster then presented the authorization letter attached as **Exhibit “G”** to allow his firm to start studying a possible alignment for the force main along Dessau Road. He stated that this was a year to a year and one-half project. Director Amaro stated that this occurrence had educated the City on the need to proceed with this project on an expedited basis. Mr. Foster agreed that there was now more of a sense of urgency. Mr. Anderson stated that there were invoices from Peabody in the amount of \$250,000, and invoices from Wastewater Transport for pumping and hauling for about \$252,000. He stated that he was still working on obtaining a surveying proposal. Upon motion by Director Hill and second by Director Capers, the Board voted 3-0 to approve the proposal from 360 Professional Services, Inc.

Director Amaro then recognized Mr. Douthitt for purposes of receiving the bookkeeper’s report. Mr. Douthitt presented the updated cash activity report attached as **Exhibit “H”**. He recommended approval of a transfer by check from the District’s

JP Morgan Chase Bank operating account to the JP Morgan Chase Bank manager's account in the amount of \$16,400; a transfer from the District's Compass Bank lockbox account to the JP Morgan Chase Bank operating account in the amount of \$80,000; a transfer from Logic tax account to Logic operating account in the amount of \$20,725.88; a transfer from the Logic tax account to the Logic debt service account in the amount of \$10,000; and a transfer from the Logic general operating account to JP Morgan Chase Bank operating account in the amount of \$250,000, as noted on page one of his report. Mr. Douthitt then reviewed the payments that had been made out of the bookkeeper's account during the prior month, noting that these had primarily been utility payments, deposit refunds, and other time-sensitive payments. Mr. Douthitt pointed out that the per diems to Director Richter and Director Campbell would be voided due to their absence from the meeting, but pointed out that there were additional per diems to Directors Campbell, Amaro and Capers for subcommittee work. Mr. Anderson stated that Crossroads had made an effort to get a reduction in the invoice for pumping and hauling and requested Board authorization to pay the invoice to Wastewater Transport. Mr. Douthitt asked that the Board increase the transfer to the Chase Bank operating account to \$500,000 and approve a check to pay Wastewater Transport with two signatures and authorization for Director Amaro to sign and release the payment on receipt of the invoice, and approve the other transfers and payments as recommended, with the voids noted. Upon motion by Director Hill and second by Director Capers, the Board voted 3-0 to do so.

Director Amaro then recognized Mr. Anderson for purposes of receiving the operations manager's report. Mr. Anderson reviewed Crossroads' report, attached as **Exhibit "I"**, noting that the District had 2,952 occupied single-family connections and a total of 3,017 accounts as of the end of August. He reported that all lab results had been satisfactory. He noted that the District's water loss was 4.95%, which was down from the prior month. Mr. Anderson then advised the Board that he had intended to present the two write-offs listed on **Exhibit "J"**, totaling \$630.08, but that one customer, who owed \$350, had paid earlier in the day and so \$270.26 was the only write-off pending. He requested approval of the write-off, noting that the customer deposits had been applied to both accounts. Upon motion by Director Capers and second by Director Hill, the Board voted 3-0 to approve the write-off.

Director Amaro then stated that he and Director Campbell had met in order to follow-up on the resident's concern about the customer security deposit policy and had discussed limiting the potential of any refund to homeowners who, over a defined period of time, had no late payments or disconnections, and not making anyone eligible whose history had resulted in their having an increase in the basic amount of security deposit. He also suggested that any refunds be made only upon the customer's request since Crossroads had no tracking mechanism. He also stated that, if there was a subsequent late payment, then the customer would have to reestablish a security deposit. Director Capers asked if there would be any additional cost to the District, and Director Amaro responded that there would not be. Director Hill stated that he was not excited about this proposal. Mr. Anderson stated that it was customary for districts to hold security deposits. After further discussion, no action was taken.

There being no developers' or landowners' representatives, and no further business to come before the Board, upon a motion by Director Capers and second by Director Hill, the Board voted 3-0 to adjourn.

(SEAL)



Chris Capers, Secretary
Board of Directors

Date: 10/23/18

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 10:38
a.m. on Sep. 20, 2018, 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 20 day of September, 2018.

Brian K. Gilbert
Printed Name: Brian K. Gilbert
Company: Capitol Courier

NORTHTOWN MUNICIPAL UTILITY DISTRICT

STAYS IN FILE

September 25, 2018

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 25, 2018**, 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;

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.)

2. Minutes of August 28, 2018 Board meeting;
3. Audit services, including proposal from McCall Gibson Swedlund Barfoot PLLC for audit for fiscal year ending September 30, 2018;

DISCUSSION/ACTION ITEMS

4. District security, including:
 - (a) Report from Travis County Sheriff's Department;
 - (b) Subcommittee report, including purchase requests;
 - (c) National Night Out, including expenditure report;
5. Landscape maintenance, including:
 - (a) Monthly report
 - (b) Proposal for parks and soccer field topdress and overseed;
6. District manager's report, including:
 - (a) Monthly report;
 - (b) Restrictive Covenant Subcommittee report, including recommendation regarding policy to address obstructions in District drainage easements;
 - (c) Restrictive covenant violations and enforcement actions;
 - (d) Monthly expenditure report;
 - (e) Reservation ledger;
 - (f) Solid waste services, including monthly report from Texas Disposal Services;
 - (g) Purchase requests and/or proposals;
 - (h) Meadow Pointe fence extension, including:
 - (i) Status of related easement;
 - (ii) Review of proposals and awarded of contract
 - (i) Insurance renewal, including policy coverage changes:

7. Park matters, including:
 - (a) Subcommittee report:
 - (i) Purchase requests;
 - (ii) Proposals;
 - (b) Monthly expenditure report;
 - (c) Repairs and maintenance;

8. Report from District engineer, including:
 - (a) Development update, including;
 - (i) Pflugerville ISD tract;
 - (ii) Village at Northtown, Section 2;
 - (iii) Heatherwilde Retail Center;
 - (iv) Harris Ridge Extension Project;
 - (v) Village at Northtown Section 3, Lot 5, Block C (KB Home, including review of bid tabulation and award of contract);
 - (vi) Village at Northtown Section 3 (John Henry Faulk Road);
 - (vii) Village at Northtown Multifamily (Yintai);
 - (b) MS4 Permitting and 2018 Pond Inspections update;
 - (c) Dessau Road Force Main Replacement, including proposal;

9. Report from District's bookkeeper, including:
 - (a) Payment of bills and invoices;
 - (b) Fund transfers;
 - (c) Investments;
 - (d) Developer escrow report and reconciliation;

10. Report from District's operations manager and utility operator, including:
 - (a) Budget/Finance/Investments Subcommittee recommendation regarding security deposit policy;
 - (b) Utility operations and repairs;
 - (c) Billing report and write-offs;

11. Reports from developers' and landowners' representatives;

12. Attorney's report, including directive;

13. 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 Paul 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 20th day of

September 2018.

Dana DeBeauvoir

County Clerk, Travis County, Texas

By *A. Macedo* Deputy

A. MACEDO



FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Sep 20, 2018 10:38 AM

201881522

MACEDOS: \$3.00

Dana DeBeauvoir, County Clerk

Travis County TEXAS

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 7:30 A.m. on September 19, 2018, 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 19th day of September, 2018.

Ernest Robles
Printed Name: Ernest Robles
Company: Northtown MUD