

NORTHTOWN MUNICIPAL UTILITY DISTRICT MINUTES OF BOARD OF DIRECTORS' MEETING

February 27, 2018

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on February 27, 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:

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

Director Robin Campbell was absent. Also present at the meeting were Mona Oliver, the District manager; Robert Anderson of Crossroads Utility Services, LLC (“*Crossroads*”); Scott Foster of 360 Professional Services, Inc.; Allen Douthitt of Bott & Douthitt, PLLC; Deputy Chris Williams of the Travis County Sheriff’s Office; Richard Fadal of TexaScapes, Inc. (“*TexaScapes*”); Trent Rush of Hitchcock Design Group; Anthony and Abigail Smith, residents of the District; and Sharon Smith 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. There being none, Director Richter stated that the Board would consider approving the consent items on the Board’s meeting agenda: the minutes of the January 23, 2018 Board meeting; the Interlocal Agreement with the City of Austin (solid waste and recycling services for Lakes at Tech Ridge) (“*Interlocal Agreement*”) attached as **Exhibit “B”**; and the Resolution Adopting Amended District Code of Ethics and Financial Investment, Travel and Professional Services Policy, Amended Investment Strategies and List of Qualified Brokers, and Confirming Annual Review (“*Resolution*”), attached as **Exhibit “C”**. Director Hill requested that the Interlocal Agreement be pulled for discussion. Upon motion by Director Capers and second by Director Amaro, the Board voted 4-0 to approve the minutes and the Resolution. Director Hill then referred to the map attached to the Interlocal Agreement and asked whether additional properties recently developed in the back of the District would also receive solid waste services under the Interlocal Agreement. He added that he thought the highlighted area on the map needed to be amended because it did not cover all the areas that would be served. After discussion, the Board asked Mr. Foster to closely review the Interlocal

Agreement and its Exhibit A and to report back on any needed changes later in the meeting.

Director Richter then stated that the Board would next discuss District security. Deputy Williams stated that he had nothing significant to report. Director Amaro stated that the Security Committee had no updates. Ms. Oliver added that she had no purchase requests.

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, Mexican Feathergrass. He stated that it occurred naturally in Texas, New Mexico, and Argentina and nowhere else in the world. Mr. Fadal added that it liked to be watered not more than once per week and went dormant during cold and hot weather. He then reviewed his report, attached as **Exhibit “D”**, and stated that it was time to rake the flower beds and that in the near future he might be adding sand to the beds.

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 her monthly report, attached as **Exhibit “E”**. She reported on her directive, which was to prepare and provide a list of tasks to the student volunteers of Pflugerville High School for performing their beautification project. She stated that the students would look for trash in the parks and the creek, and would clean all District signs. She added that they would bring their own gloves and trash bags and that the District would provide soap. Director Capers stated that solid waste collection was improving and that he and Ms. Oliver had a line of communication with Texas Disposal Systems (“*TDS*”), the District’s solid waste services provider. Ms. Oliver stated that TDS was being responsive to any problems. Director Richter asked whether the registration ledger was working well for the park and pavilion and Ms. Oliver replied it was working very smoothly. She reported that Austin Energy had shut off the meter at the front of the park and that the District had had to obtain a City of Austin (“*City*”) permit to make certain repairs for safety issues. She added that she called Central Texas Water Maintenance, the District’s well contractor, to make the repairs.

Director Richter stated that the Board would next discuss park matters. Director Richter drew the Board’s attention to the proposal from Hitchcock Design Group (“*HDG*”) for the District’s Parks Master Plan Update, attached as **Exhibit “F”**, and recognized Mr. Rush. Mr. Rush introduced himself and stated that he had been performing parks planning work for 25 years in and around Austin, including for Block House Creek and Wells Branch Municipal Utility District and currently averaged over \$1,500,000 in parks work every year. He stated that HDG would meet with the Board, have a kick-off meeting, and then inventory all green space within the District. He continued that HDG would preliminarily look at the big picture park amenities and data to compare the District with established standards for resident access to parks. ***He added that HDG would engage the community by means of an online survey approved by the Parks Subcommittee.*** Mr. Rush stated that, after reviewing and evaluating the results, HDG would meet with the Board and make

recommendations to the District, followed by one final Board meeting that would include a presentation for final approval to complete a 5- to 10-year plan. Mr. Rush stated that the plan would include information that Mr. Foster could use in preparing capital improvement project budgets for the District and address where parks would fit in the overall picture. Mr. Foster stated that he supported the proposal and Director Richter mentioned that the Board was endeavoring to improve connectivity of the District residents, not just by car but also on foot. Ms. Oliver asked what the time period from approval of the proposal to delivering the final product would be and Mr. Rush responded that the entire project would take 12 to 16 weeks. Directors Richter and Hill noted it was a timely project given the way roadways were being developed in and around the District. Mr. Rush discussed the concepts of accessible play and experiential play. Upon motion by Director Amaro and second by Director Hill, the Board voted unanimously to approve HDG's proposal for a Parks Master Plan Update for the amount of \$23,500, with acknowledgment that there would be some additional miscellaneous reimbursable expenses, such as printing and mileage. Director Richter then presented the proposal from 360 Professional Services, Inc. for the 2018 Parks Master Plan Assistance, attached as **Exhibit "G"**, mentioning that the item had been on the agenda for quite some time and that the Park Subcommittee was ready to take action. She noted that Mr. Foster proposed to provide assistance in the update of the Parks Master Plan at a cost of \$7,500. After discussion, upon motion by Director Capers and second by Director Amaro, the Board voted 4-0 to approve the proposal for the 2018 Parks Master Plan Assistance, as presented. Director Richter then presented the proposal from TexaScapes for dog park maintenance, attached as **Exhibit "H"**, stating that TexaScapes would revamp the small and large dog parks at the same time it was performing some fence and tree work. She added that trees with exposed roots that created trip hazards would be replaced. Upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to approve the proposal from TexaScapes. Director Richter mentioned that ample funds had been budgeted for the work that the Board had approved.

Director Richter stated that the Board would next receive the engineer's report and recognized Mr. Foster. Mr. Foster presented his report, attached as **Exhibit "I"**, and reviewed it with the Board. He stated that he had reviewed the draft Interlocal Agreement with the City of Austin for solid waste services that had been discussed at the beginning of the meeting. Director Hill reiterated that he thought the map was outdated and that new developed areas would be subject to the Interlocal Agreement. He recommended amending the exhibit, correcting the area on the map identified for services, and presenting it to the City for approval. **Upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the Interlocal Agreement with the amendment of the exhibit as discussed.** Mr. Foster then stated that the developer of the Heatherwilde Retail Center had still not requested a preconstruction meeting for wastewater service. He added that he had informed the developer that a water meter would not be issued for the project until the wastewater line was installed and accepted. He noted that, as a result, the Center would not be able to open in March. Mr. Foster stated that the Harris Ridge extension project had made great headway, with more progress in the preceding four to five weeks than had occurred in the preceding five years. Mr. Foster noted that he expected the John

Henry Faulk project to be finally accepted the following week. He stated that the KB Home subdivision was under review by the City, he expected it to be under construction soon, and he would be bringing related easements to the Board for consideration. Mr. Foster advised the Board that, with regard to the District fence facility assessment, the bridge had been completed and was operational. He added the trail to the elementary school had also been completed and that it provided great connectivity. Mr. Foster then presented Pay Estimate No. 5 in the amount of \$61,227.58, attached as **Exhibit “J”**, for the fence and facility assessment and recommended approval. Director Capers moved approval of the Pay Estimate and Director Amaro seconded the motion. Director Hill asked what portions of the work the District was paying. Mr. Foster discussed the percentage completion process and provided estimates of the status of completion of various segments. Director Hill stated that it felt like a lot of work was getting done, but not a lot of work was being completed. Mr. Foster replied that he shared Director Hill’s concerns because three separate contractors were working on the project. Director Hill asked whether work on the dog park would be timely completed. **Mr. Foster responded that he would communicate that question to the contractor and noted that, while extensive recent rains had caused difficulty in completing some of the work, that did not mean other work could not be completed.** He stated that the completion date was currently the end of April. Director Richter emphasized that, when the dog park was started, it needed to be timely completed and partial completion for weeks on end was not acceptable. Director Amaro asked Mr. Foster to clarify, from a planning perspective, what was meant by “meeting the target date” if the contractor was also planning to start the dog park. Director Richter then called for a vote and the motion to approve Pay Estimate No. 5 was adopted with Directors Richter, Capers, and Amaro voting in favor and Director Hill voting against. **Director Amaro suggested that Mr. Foster mention to the contractor that, for the first time, the Board had not unanimously approved a pay estimate.** Mr. Foster then briefly discussed the Dessau Road force main study update. He stated that the MS4 Parks Subcommittee signed the annual MS4 report and that the changes primarily related to decreasing the frequency of pond inspections.

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 “K”**. He recommended approval of four transfers: (1) from the District’s JP Morgan Chase Operating Account to the JP Morgan Chase Manager’s Account in the amount of \$27,900.00; (2) from the District’s Compass Bank Lockbox Account to the JP Morgan Chase Operating Account in the amount of \$90,000.00; (3) from the District’s Logic Tax Account to the Logic General Operating Account in the amount of \$829,788.94; and (4) from the District’s Logic Tax Account to the Logic Debt Service Account in the amount of \$740,000.00, as noted on page one of his report. He mentioned a pay estimate from Fencerete America, Inc., in the amount of \$61,227.58. Mr. Douthitt then reviewed the payments that had been made out of the manager’s account during the prior month, noting that these had primarily been utility payments, deposit refunds, and other time-sensitive payments, and the payments were being presented for approval, noting that the per diem to Director Campbell would need to be voided due to his absence from the Board meeting. He mentioned that the District

budget was running well ahead of plan because utility payments were lower than budgeted for, due to the ongoing rate litigation with the City. After discussion, upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the transfers and payments as recommended, with the void noted.

Director Richter then recognized Mr. Anderson for purposes of receiving the operations manager's report. Mr. Anderson presented Crossroads' report, attached as **Exhibit "L"**, noting that the District had 2,951 occupied single-family connections and a total of 3,015 accounts as of the end of January. He reported that all lab results had been satisfactory after a retest following a failure. He explained that a Bac-T test could fail for many reasons and added that that was why the protocol included a retest. He noted that the District's water loss had been 14.41% during the prior reporting period. He stated that, in March, James Schiele would start the final phase of the leak detection study, and added that it would be a long process, most likely running two months. He then presented the write-off list attached as **Exhibit "M"** and requested approval. Upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to approve the write-offs. Mr. Anderson then mentioned that pump no. 1 at the lift station was working beautifully and had been put back in service before pump no. 2 failed. He stated that it was not unexpected for pump no. 2 to have the same issues as pump no. 1 because they had a similar lifespan. Mr. Anderson then discussed the cost considerations of repair versus replacement of pump no. 2, noting that the cost to rebuild pump no. 1 was \$40,000, purchasing a new pump from PSI Pumps would cost \$97,000, and purchasing a new pump from the Flyht Pump, the manufacturer, would cost \$62,000 because it would come directly from the factory. Based on those cost comparisons, Mr. Foster recommended replacing the pump rather than repairing it, and procuring it from the manufacturer. Director Richter asked how much was in the budget for pump replacement and Mr. Anderson and Mr. Douthitt replied that there were sufficient funds budgeted. Director Amaro recalled that the Board had budgeted for two failures. Director Hill moved that the Board authorize replacement of the pump at a cost not to exceed \$70,000. Director Amaro seconded the motion, which was adopted by a vote of 4-0. Mr. Anderson noted that Crossroads did not mark up the equipment but provided it at cost.

Director Richter stated that the Board would next receive the attorney's report and recognized Ms. Smith. Ms. Smith stated that Mr. Anderson had provided information for updates to the District's Water Conservation and Drought Contingency Plan and Resolution Designating Water Conservation Coordinator and Confirming Annual Review of Water Conservation and Drought Contingency Plan. The Board agreed that Ms. Oliver's name needed to be added to Section 3 of the Resolution, which designated the District's water conservation coordinator. After discussion, upon motion by Director Capers and second by Director Amaro, the Board voted 4-0 to approve the Plan, as modified, attached as **Exhibit "N"**.

Director Hill asked that the subcommittee list be updated. The Board discussed when the CASE registration and lodging information would be available. Mr. Douthitt stated that the hotel reservations were open.

There being no further business to come before the Board, upon motion by Director Capers and second by Director Amaro, the meeting was adjourned.

(SEAL)



Chris Capers, Secretary
Board of Directors

Date: 3/27/18

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 10:40
a.m. on February 18 22, 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 22 day of February, 2018.

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

**NORTHTOWN MUNICIPAL UTILITY DISTRICT
AGENDA**

February 27, 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, February 27, 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 ITEMS

2. Minutes of January 23, 2018 Board meeting;
3. Interlocal Agreement between Northtown Municipal Utility District and the City of Austin (solid waste and recycling services for the Lakes at Tech Ridge);
4. Resolution Adopting Amended District Code of Ethics and Financial Investment, Travel and Professional Services Policy, Amended Investment Strategies and List of Qualified Brokers, and Confirming Annual Review;

DISCUSSION/ACTION ITEMS

5. District security, including:
 - (a) Report from Travis County Sheriff's Department;
 - (b) Subcommittee report, including purchase requests;
6. Landscape maintenance, including report from landscape maintenance contractor;
7. District manager's report, including:
 - (a) Directive;
 - (b) Monthly report;
 - (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;
8. Park matters, including:
 - (a) Subcommittee report:
 - (i) Parks Master Plan update, including
 - (A) Proposal from Hitchcock Design Group; and
 - (B) Proposal from 360 Professional Services for 2018 Parks Master Plan Assistance;

- (ii) TexaScapes Proposal 9278 for dog park maintenance, grass and trees; and
 - (iii) Purchase requests;
 - (b) Monthly expenditure report;
 - (c) Repairs and maintenance;
9. Report from District engineer, including:
- (a) Directive;
 - (b) Development update, including:
 - (i) Pflugerville ISD tract;
 - (ii) Village at Northtown, Section 2;
 - (iii) Heatherwilde Retail Center;
 - (iv) Harris Ridge Extension Project;
 - (v) John Henry Faulk Water and Wastewater Improvements;
 - (vi) Village at Northtown Section 3, Lot 5, Block C (KB Home);
 - (vii) Village at Northtown Section 3 (John Henry Faulk Road);
 - (c) District Fence and Facility Project, including approval of any pay estimates and change orders;
 - (d) Dessau Road Force Main Study update;
 - (d) MS4 Permitting and 2018 Pond Inspection update;
10. Report from District's bookkeeper, including:
- (a) Payment of bills and invoices;
 - (b) Fund transfers;
 - (c) Investments;
 - (d) Developer escrow report and reconciliation;
11. Report from District's operations manager and utility operator, including:
- (a) Utility operations and repairs;
 - (b) Billing report and write-offs;
12. Reports from developers' and landowners' representatives;
13. Attorney's report, including Water Conservation and Drought Contingency Plan and Resolution Designating Water Conservation Coordinator and Confirming Annual Review of Water Conservation and Drought Contingency Plan;
14. 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.



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.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Feb 22, 2018 10:40 AM 201880321

GONZALESM: \$3.00

Dana DeBeauvoir, County Clerk
Travis County TEXAS

Came to hand and acted on a Bulletin Board in the Courthouse
Austin, Travis County, Texas on this the 22 day of
February 2018
and *Dana DeBeauvoir*
County Clerk, Travis County, Texas
By *Michael P. Gonzales* Deputy

MICHAEL P. GONZALES



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
9:15 A.m. on February 22, 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 22nd day of February, 2018.

Ernest Robles
Printed Name: Ernest Robles
Company: Northtown MUD