

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

March 22, 2016

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on March 22, 2016, 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 members of the Board were present, constituting a quorum:

Brenda Richter	-	Vice President
Kathy Haught	-	Secretary
Chris Capers	-	Assistant Secretary

Director Robin Campbell was absent and Director Felix Amaro arrived later. Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; District employee Ernest Robles; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Richard Fadal of TexaScapes, Inc. ("TexaScapes"); Scott Foster of 360 PSI, Inc.; Deputy Oscar Gonzales of the Travis County Sheriff's Department; Lee Hill, a resident 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 next consider approving the minutes of the February 23, 2016 Board meeting. Upon motion by Director Capers and second by Director Haught, the minutes were approved by the unanimous vote of Directors Capers, Haught, and Richter.

Director Richter stated that the Board would next receive the security report and recognized Deputy Gonzalez. Deputy Gonzalez stated that February's report looked good. He discussed various incidents included in the report, and provided details relating to those incidents. Director Amaro arrived at this time.

Director Richter then stated that the Board would receive the landscape maintenance report and recognized Mr. Fadal. Mr. Fadal presented the plant of the month, the Shasta Daisy, noting that it was not native to Texas or to the United States, but was adaptive and grew well in Central Texas. He described the origin of the hybridization process that resulted in the Shasta Daisy at the end of the nineteenth century. He noted that they were perennials and grew in small bunches, which made them nice for use as ground cover. Mr. Fadal then reviewed the landscape maintenance report, attached as **Exhibit "B"**, and mentioned that the Live Oak leaf fall was about

80-90% complete for the year and would be over by the end of the month. He noted that all tasks in the monthly report had been performed and provided updates on proposals that had previously been approved by the Board.

Director Richter then stated that the Board would receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver called the Board's attention to her monthly report, attached as **Exhibit "C"**. She stated the Solid Waste Subcommittee had met with Texas Disposal Services ("**TDS**") the preceding month, and added that there had been an average of 35 bulky waste pick-ups per month. Director Haught mentioned that the Subcommittee had toured the TDS facility. Director Capers stated that the tour was very educational and that the facility had enough land to last for decades. He added that the facility was holding some of the recyclables collected until the market for recyclables improved. Ms. Oliver advised the Board that Clean-Up Days were set for June 4<sup>th</sup> and June 11<sup>th</sup>, and that a flyer about the Clean- Up Days would be provided to Crossroads for inclusion in the May water bills. She noted that the Subcommittee recommended paying \$1,600 to the Scouts for their assistance with the Clean-Up Days. Director Capers moved approval of the payment to the Scouts and, upon second by Director Amaro, the motion was unanimously adopted. Ms. Oliver stated that 30 dumpsters would be provided for the current year, but the District would begin to scale back on the number of dumpsters in 2017.

Director Richter stated that the Parks Subcommittee had nothing to report.

Director Richter then recognized Mr. Foster, who presented his report, attached as **Exhibit "D"**. Mr. Foster stated that the status of the development items remained unchanged from the preceding month. Mr. Foster then presented the proposal for a fence and facility assessment attached as **Exhibit "E"**, noting that it was a new project that had been under discussion for some time. He stated that Ms. Oliver had provided a list of 12 locations in the District where fences could be placed, including the lift station, parks, ponds, and roads. Mr. Foster added that the District was considering extending the East Lift Station driveway to Tudor House Road. He emphasized that the first phase was merely to conduct studies on the options. Director Haught moved approval of the proposal and, upon second by Director Amaro, the Board voted unanimously to adopt the motion. Director Richter thanked the Infrastructure Subcommittee for putting the list together. She mentioned that a fence along Wells Branch Parkway would match the fence on Howard Lane, that standardization would present a nice appearance, and that it would be helped by treating the facilities holistically. Director Capers mentioned that the fence work involved many subject matter areas, and that the Directors would coordinate through the District's attorney to ensure that involvement of multiple subcommittees would not inadvertently result in discussions by a quorum of the Board. Mr. Foster then presented the proposal for the 50-acre park pedestrian bridge study attached as **Exhibit "F"**, noting that it had been a budgeted item for several years, but had been displaced due to work that had been required in response to various floods. Director Richter mentioned that the bridge had been in the District's budget for five years. She noted that the bridge had to cross a large area of 100-year floodplain and, as a result, it would be expensive, but that it was important because a bridge was the only way for residents to gain access to and across the property. She asked Mr. Foster to discuss the proposal with the City of Austin ("**City**"). Director Haught asked whether a

study had been done in the past, or how the cost estimates had been determined, and Mr. Foster replied that some preliminary work had been done. Mr. Foster stated that he would work with the City's Development Assistance Center to get their buy-in and to allow the project to proceed as quickly and efficiently as possible. He added that part of the delay was not due to lack of need, but due to the complexity of the City process. He noted that sidewalks were no longer considered impervious cover by the City and that this provided positive movement on greenbelts. Mr. Anderson asked whether the developer of the adjacent property could be required to pay for a bridge and Mr. Foster responded that the bridge was not contiguous to non-District property and so such a requirement could probably not be imposed. Director Haught asked whether parkland fees from the adjacent development could be used to reimburse some of the expenses, and Mr. Douthitt replied that they could. Director Amaro mentioned that there had recently been a 500-year flood on the property, and that the flood would help determine where the bridge really needed to be. After discussion, upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the proposal.

Director Richter then recognized Mr. Douthitt, who presented the updated cash activity report attached as **Exhibit "G"**. He recommended approval of a transfer in the amount of \$15,600 from the District's Chase operating account to the Chase manager's account and a transfer in the amount of \$150,000 from the District's Logic operating account to the Chase operating account. He then reviewed the Director and vendor payments that were being presented for approval. He stated that he would void the per diem for Director Campbell due to his absence. Mr. Douthitt called the Board's attention to the additional payments that had been added to the report since the packet date and to the payments that had been made out of the manager's account since the last Board meeting, noting that these included deposit refunds and petty cash reimbursements. He stated that the District was still running slightly ahead of plan. He mentioned that no wholesale water and wastewater invoice had been received from the City and requested signatures from two directors on a blank check payable to the City so that when the invoice was received, the check could be completed and approved by a third signatory and the invoice paid. He advised the Board that Mr. Anderson had met with Jay Joyce regarding the wholesale rate case, and that the Public Utility Commission ("*PUC*") order required compliance by April 1. He stated his understanding was that the approved rates should appear on the City's invoice for the District at the end of May or beginning of June, and that a refund or credit should be on the City's bill to the District for the delta between the rate charged and the rate approved for the period between 2012 until the effective date of the PUC order. The Board discussed whether those funds should be held in case of any change resulting from an appeal and Mr. Douthitt mentioned that the Wholesale Water and Wastewater Rate Challenge Subcommittee might want to consult with the District's rate counsel. Director Amaro asked whether Mr. Douthitt could segregate the funds until the Subcommittee was able to consult with counsel and Mr. Douthitt replied that he could. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the payment of the bills and invoices and the transfers as recommended. Mr. Hill asked how the funds from the City would be returned to the customers and Mr. Douthitt stated that he would consult with the Subcommittee and Mr. Anderson on that question.

Director Richter then recognized Mr. Anderson for purposes of receiving the general manager's report. Mr. Anderson noted that the District had 2,950 occupied single-family connections, a total of 3,838 accounts, and an estimated population of 10,095 for the month of February. He added that the District had satisfactory lab results for its water samples and had a reported 5.83% water loss during the prior reporting period, which he stated was good. Mr. Anderson then called the Board's attention to the write-off set forth on **Exhibit "H"** and recommended approval. Upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to approve the write-off.

Director Richter stated that the Board would next discuss the District's identity theft prevention program. Mr. Anderson reminded the Board that the District was required to annually review its "red flag rules" and had done so for the preceding five years. He stated that Crossroads administered the plan, the program was effective, there had not been any security breaches or complaints, and Crossroads did not recommend any changes to the program at this time. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the Resolution Confirming Annual Review of Identity Theft Prevention Program attached as **Exhibit "I"**. Mr. Anderson mentioned that lift stations 1 and 2 were operating very well, but that ferrous sulfate had corroded some of the chains, which would be replaced with Teflon chains free of charge by the tank installer.

Director Richter then stated that the Board would receive the attorney's report and recognized Ms. Smith, who noted that the Board had been provided with an update on the wholesale rate case earlier in the meeting and that she had nothing additional to report.

Director Richter noted that there were no developers or landowners present wishing to address the Board. There being no further business to come before the Board, upon motion by Director Haught and second by Director Amaro, the Board voted unanimously to adjourn the meeting.

(SEAL)

---

Kathy Haught, Secretary  
Board of Directors

Date: April 26, 2016