

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

April 25, 2017

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on April 25, 2017, 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
Kathy Haught	-	Secretary
Chris Capers	-	Assistant Secretary
Felix Amaro	-	Assistant Secretary

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 Oscar Gonzalez of the Travis County Sheriff's Office; Richard Fadal of TexaScapes, Inc.; Lee Hill, a resident of the District; Randy Wilburn of the Law Offices of Randall Wilburn; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B"). Jenn Schmidt of the Brookfield Homeowners Association (the "HOA") arrived later.

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 following consent items on the Board's meeting agenda: the minutes of the March 28, 2017 Board meeting and a Revised District Registration Form. Upon motion by Director Haught and second by Director Amaro, the Board voted unanimously to approve the consent items.

Director Richter then stated that the Board would discuss the proposed residence homestead exemption. She called the Board's attention to the Resolution Adopting and Exemption from Taxation of a Portion of the Appraised Value of Residential Homesteads attached as **Exhibit "B"** and noted that the minimum exemption that could be approved was \$5,000. Director Richter asked if the Budget/Finance/Investments Subcommittee had a recommendation. After discussion, the Board requested that the District's Budget/Finance/Investments Subcommittee work with the District's financial advisor to provide a formal analysis and a menu of options for an exemption of various percentage amounts with the understanding that the minimum exemption amount would be \$5,000.

Director Richter stated that the Board would next receive the security report and recognized Deputy Gonzalez. Deputy Gonzalez stated that, for the month of March, there had been four residential burglaries, which was the highest number in the past year. He stated that, in one case, it appeared the culprit was known and, in the other three cases, access was obtained through unlocked back gates. He noted that two burglaries of vehicles had occurred at the Pavilion parking lot and stated that it appeared that this area was now being targeted. Deputy Gonzalez stated that this problem could be curbed fairly easily with better cameras that provided information on license plates. He also reported that there had been a number of vandalism calls throughout Brookfield.

Director Richter then inquired if the Security Subcommittee had a proposal on a security camera budget. Director Haught stated that the consultant had a recommendation on the number and placement of additional cameras and that the estimate for the cameras and labor was \$5,500. Director Richter recommended approval of a budget for the additional cameras not to exceed \$7,000. Director Capers moved approval of the budget as proposed and Director Amaro seconded the motion, which was unanimously adopted. Director Richter asked the Security Subcommittee if this budget would accomplish everything that the subcommittee felt was needed and the subcommittee members confirmed that it should. Director Amaro stated that the additional cameras would give the officers better information to deter things like the vehicle burglaries. The Board then discussed a monthly security expenditure authorization. Upon motion by Director Capers and second by Director Haught, the Board voted unanimously to approve a security budget of \$1,000 per month. Ms. Oliver then requested approval of a budget for the annual Night Out event of \$3,000. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the National Night Out budget.

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal, who presented the plant of the month, the Tacoma Sands Esperanza, and explained that this plant was getting a lot of attention in the industry because it was a more compact Esperanza. He stated that it was an early and repeat bloomer. Mr. Fadal then reviewed his report, attached as **Exhibit "C"**, and stated that the perennial rye grass had been looking great due to all of the rain, but was now starting to die off. He recommended cutting the rye grass short and letting it transition down so the summer grass could come back. He also reported that ladybugs had been released in the landscape beds and added that they were occurring naturally now. He also explained that his crews were mowing around the wildflowers, so some of the areas were a little sketchy looking. Mr. Fadal stated that his company was up to date on its proposals, but that he would bring a summer color proposal to the next Board meeting.

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 "D"** and noted that the new District truck had arrived and was ready for pick up at the dealership. She stated that the total cost was \$26,842, which was below the budget. Ms. Oliver reported that the Solid Waste Subcommittee

had met with the new representative of Texas Disposal Systems (“TDS”) and that the representative had so far been very responsive. Director Haught stated that recyclable material was about 1/3 of the amount of the trash collected, which she thought was a significant percentage. She also stated that she had encouraged TDS to be present at National Night Out. Ms. Oliver then reported on an emergency repair at the corner of Griener and Howard. She stated that TexaScapes’ crew had completed the repair under her emergency repair authorization and added that the District would be reimbursed for all of the cost except the \$1,000 deductible through insurance. Ms. Oliver then reported that there had been an incident in which an unleashed dog in the park had become very aggressive with Mr. Robles. She stated that the owner had been very unresponsive and unwilling to control the dog and that another District worker had reported that the dog had also tried to bite him. She suggested that the Board consider authorizing the employees to carry Mace. Director Amaro stated that his first concern was the employees’ safety and Deputy Gonzalez explained that it was legal to carry Mace and there was no problem for employees to use it on aggressive animals. Director Haught stated that, along with this, she felt that the District should provide training and that the employees should always have Mace available. Director Richter stated that carrying Mace should be a policy and that it could be attached to the employee’s belt. The Board authorized Ms. Oliver to arrange and coordinate employee training and directed the Security Subcommittee to come back with a detailed policy. Ms. Oliver then noted that the renewal of the employee benefits coverage with Texas Municipal League Intergovernmental Risk Pool was due and presented a rerate notice and benefit verification form. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the continuation of coverage and execution of all renewal forms. Ms. Oliver then reported that the flier for the Clean-up Day would be included in the next water bill.

Director Richter then stated that the Board would discuss park matters. Ms. Oliver stated that the well was not working and the cause had not yet been determined and so the cost of repair was also unknown at this time. She stated that, if it was one of the electronic panels, the cost could be anywhere from \$2,500 to \$3,500 or \$4,500 to \$7,500, plus labor. Director Richter suggested that the Parks Subcommittee be authorized to approve the repair once the cause was determined. Ms. Oliver suggested approving the expenditure of up to \$10,000 for the repair. Mr. Douthitt pointed out that there was \$60,000 in the well maintenance budget and none of this had been expended. Upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to authorize the diagnostics and repairs for the well at a cost not to exceed \$12,000.

Director Richter then recognized Mr. Wilburn who reported that the original appeal of the rate case was moving forward and a two-hour trial was scheduled for May 9<sup>th</sup>. He stated that the Attorney General’s office had done a decent job on its brief, which was directed to the District court. He stated that the participating districts’ brief had been crafted toward the Court of Appeals. Mr. Wilburn then presented information from the City of Austin regarding its latest wholesale rate recommendations and explained that the City appeared to be rolling a lot of high dollar categories that had been disallowed by the Public Utility Commission (“PUC”) back into the rates and, that

these recommendations, if implemented, would raise the District's wholesale water costs 52% and wastewater costs approximately 43%. He stated that the City envisioned having two more meetings, one for the rate analysts to present what they had done noting that Mr. Joyce had already identified a couple of errors. He stated that he also anticipated an opportunity to inquire why the City had included PUC disallowed costs. He explained that the City intended to hire its own third party hearing examiner to hear a "mock case" and anticipated having them conduct the hearing starting in October. He recommended getting the participating districts' ad hoc committee together to determine how it wished to proceed. Mr. Wilburn then advised the Board that, in a recent case, the PUC had taken the position that it had jurisdiction to regulate rates inside a city. The Board then discussed the fact that the PUC's ruling required that any new rates to the participating districts be reviewed by the PUC before implementation. Mr. Wilburn noted that the City was saying these proposed rates would not be implemented until 2019. After discussion, Director Capers agreed to serve as an alternate subcommittee member in the event Director Campbell was unable to attend the proposed meeting.

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 "E"**, and reviewed it with the Board. He requested that the Howard Lane drainage/access easement be brought up in executive session to allow the Board to receive legal advice. Mr. Foster stated that he was optimistic that work to repair the malfunctioning Village@Northtown detention pond would begin soon and be completed in the summer. He then presented Pay Estimate No. 4 in the amount of \$207,584.28, attached as **Exhibit "F"**, from CC Carlton Industries for the John Henry Faulk Water and Wastewater Improvements and recommended approval. Director Capers moved approval of the Pay Estimate and Director Haught seconded the motion, which was unanimously adopted. Mr. Foster reminded the Board that the Lakes retail center covenant had recently been amended for a specific tract and reported that the developer of that tract had come in for the preliminary discussion and had paid the escrow.

Mr. Foster then reported that the annual report for the District's MS4 permit had been filed, and a representative of the Texas Commission on Environmental Quality had inspected the District's facilities and paperwork on April 6<sup>th</sup>, noting that there had been a four hour meeting with the inspector. He stated that he felt the District had passed, but that there were a few administrative/paperwork items that he expected would be discussed.

Mr. Foster then advised the Board that the License Agreement for the fence project had been approved by the Commissioner's Court earlier in the day and, based on that approval and the easement that had been obtained from the Brookfield HOA, the District was in a position to proceed with bidding of the project. He stated that he expected to open bids June 6<sup>th</sup> and bring a recommendation for contract award to the Board at its June meeting.

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 “G”**. He recommended approval of a transfer from the District’s JP Morgan Chase operating account to the JP Morgan Chase manager’s account in the amount of \$22,400; a transfer from the District’s Compass lockbox account to the TexPool general operating account in the amount of \$90,000; and a transfer from the District’s Logic operating account to JP Morgan Chase operating account in the amount of \$100,000, as reflected 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, including deposit refunds and utility payments, and the payments being presented for approval. He noted that the per diem to Director Campbell would need to be voided due to his absence. After discussion, upon motion by Director Haught and second by Director Amaro, the Board voted unanimously to approve the payment of the bills and invoices, with the void noted, and the transfers as recommended.

Director Amaro then recognized Mr. Anderson for purposes of receiving the utility operator’s report. Mr. Anderson presented Crossroads’ report, attached as **Exhibit “H”**, and noted that the District had 2,952 occupied single-family connections, a total of 3,836 accounts, and an estimated population of 11,346 as of the end of March. He reported that the District had received satisfactory lab results for all water samples and had experienced a water loss of 7.41% during the prior reporting period. He stated that he would bring a report from JBS Leak Detection to the Board’s next meeting. Mr. Anderson stated that the District had received a 100% in a recent TCEQ facilities inspection. He then called the Board’s attention to the write-offs set forth on **Exhibit “I”** and recommended approval. He distributed detail on the write-off for \$679.80 and explained that the customer had apparently had a leak, but instead of working with Crossroads he had moved out. Director Haught moved approval of the write-offs and Director Amaro seconded the motion, which was unanimously adopted.

Director Richter stated that the Board would next hear from developers’ and landowners’ representatives. There being none, Director Richter stated that the Board would receive the attorney’s report and recognized Ms. Littlefield. Ms. Littlefield called the Board’s attention to the 2017 estimated net taxable value received from the Travis Central Appraisal District dated April 3, 2017, attached as **Exhibit “J”**, and a claims report from the Texas Municipal League Intergovernmental Risk Pool.

At 6:45 p.m., Director Richter stated that the Board would next convene in executive session in order to receive legal advice from the District’s attorney as permitted under Section 551.017 of the Texas Government Code. At 6:49 p.m., the Board reconvened in regular session and Director Richter announced that no action had been taken in executive session.


Director Richter then proposed that Ms. Littlefield and Mr. Foster be authorized to proceed in an effort to obtain a drainage/maintenance easement by the next Board meeting.

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

(SEAL)



Date: April 25, 2017

  
Kathy Haught, Secretary  
Board of Directors

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 11:36  
a.m. on April 20, 2017, 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 April, 2017.

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



**ORIGINAL  
FILED FOR RECORD**

**NORTHTOWN MUNICIPAL UTILITY DISTRICT  
AGENDA**

April 25, 2017

**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, April 25, 2017**, 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 March 28, 2017 Board meeting;
- 3. Revised District Registration Form;

**DISCUSSION/ACTION ITEMS**

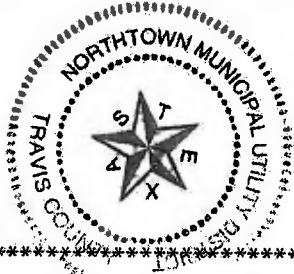
- 4. Proposed residence homestead exemption, including Resolution Adopting an Exemption from Taxation of a Portion of the Appraised Value of Residential Homesteads;
- 5. District security, including:
  - (a) Report from Travis County Sheriff's Department;
  - (b) Subcommittee report, including:
    - (i) Monthly expenditure report;
    - (ii) Purchase requests;
    - (iii) Budget for proposed additional security cameras;
  - (c) Budget for National Night Out;
- 6. Landscape maintenance, including:
  - (a) Directive;
  - (b) Report from landscape maintenance contractor;
- 7. Report from District manager, including:
  - (a) Maintenance report;
  - (b) Restrictive covenant violations and enforcement actions;
  - (c) Monthly expenditure report;
  - (d) Solid waste services, including:
    - (i) Monthly report from Texas Disposal Services;
    - (ii) Report from Solid Waste Subcommittee;
  - (e) Purchase requests;



- (f) Employee safety and training, including response to unleashed dog incident in park;
  - (g) Damage to masonry wall on Greinert Drive, including incident report and repair costs;
  - (h) Renewal of Texas Municipal League employee benefits coverage, including:
    - (i) Rerate notice and Benefit Verification Form;
    - (ii) Continuation of Coverage of Administrative Agreement;
  - (i) Clean up days;
8. Park matters, including:
    - (a) Report from Subcommittee;
    - (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, including approval of any pay estimates or change orders;
      - (vi) The Lakes Retail Center;
    - (c) MS4 compliance update;
    - (d) District Fence and Facility Assessment, including License Agreement with Travis County;
    - (e) 50-Acre Park Pedestrian Bridge Study;
  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 utility operator, including:
    - (a) Utility operations and repairs;
    - (b) Billing report and write-offs;
    - (c) Leak detection;
  12. Wholesale rate case matters, including report from District's rate counsel;
  13. Reports from developers' and landowners' representatives;
  14. Attorney's report, including
    - (a) 2017 estimated taxable value;
    - (b) Texas Municipal League Intergovernmental Risk Pool Summary of Claim Experience Report;
  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) and discussing security personnel or devices (Section 551.076). 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)



*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 20 day of

April 20 17

Dana DeBeauvoir  
County Clerk, Travis County, Texas

By \_\_\_\_\_ Deputy

**J. S. WILLIAMS**



**FILED AND RECORDED**  
OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

Apr 20, 2017 11:36 AM 201780573

WILLIAMSJ: \$3.00

Dana DeBeauvoir, County Clerk  
Travis County TEXAS

{W0732968.3}

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  
9:00 A.m. on April 20<sup>th</sup>, 2017, 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 20<sup>th</sup> day of April, 2017.

Ernest Robles  
Printed Name: Ernest Robles  
Company: NORTHTOWN MUD