

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

May 21, 2019

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A special meeting of the Board of Directors of Northtown Municipal Utility District was held on May 21, 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”**.

The following Directors were present, constituting a quorum:

Brenda Richter	-	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; Scott Foster of 360 Professional Services, Inc.; Justin Taack of Public Finance Group, Inc.; and Sue Brooks Littlefield of Armbrust & Brown, PLLC (“**A&B**”).

Director Richter called the meeting to order at 5:45 p.m. Director Hill proposed that the Board salute Director Campbell for his 20 years of service. Director Amaro seconded the motion, which was adopted by a vote of 4-0.

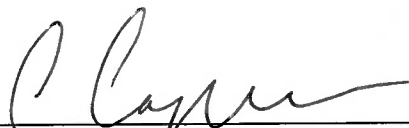
Director Richter then stated that the Board would conduct a worksession on the Dessau Road Force Main Replacement project. Mr. Foster pointed out that he had passed out a rough budget and a schematic showing what was being designed around, attached as **Exhibit “B”**. He stated that the budget was conservative and included contingencies and allowances for placeholders, as he wanted to ensure there were no surprises. Mr. Foster stated that the targeted budget was \$6.5 Million and, although the draft budget was \$7.2 Million, he still felt \$6.5 Million was a reasonable goal. Director Richter asked if this budget included his engineering fees and Mr. Foster confirmed that it did. He pointed out the existing utility facilities shown on the schematic and explained that these facilities would affect the timing of the contractor’s work, since the contractor would be required to mark and avoid these utilities. The Board discussed the anticipated level of accuracy of the schematic and Mr. Foster confirmed that the contractor would find out how accurate it was once it began digging. He added that the force mains would be on top of each other because this was the only available assignment. Director Hill asked if there was an option to convert from one pipe to another and Mr. Foster stated that he would discuss this with Mr. Anderson. Director Capers asked what would happen if the contractor hit something that it was not expecting to hit. Mr. Foster responded that there was a general project contingency in

the budget that was, in part, to address this kind of unknown. He added that the contractor should be able to identify different kinds of material which was an indication of a facility being in place. Director Richter asked who would be expected to bid on the project and Mr. Foster responded that some of the bigger contractors were likely to bid, and added that the District's prequalification policy would be important to ensure that qualified contractors with this type of experience in an urban setting were the only bidders. He stated that the City and County would also offer their ideas, noting that, if boring was required, it would increase the price, but there was an allowance included for this. Director Hill stated that, of course, the District would require a good traffic plan and asked what Mr. Foster foresaw in terms of lane closures. Mr. Foster stated that "means and methods" were up to the contractor, but it would be required to develop a traffic control plan and work this out with the County and City. Director Hill stated that he felt it was important that the District's website provide information and be kept updated so that residents would be on notice of things like road closures. Mr. Foster stated that the contractor could be required to include information like this on the signage. Director Capers asked in what season Mr. Foster anticipated this work to occur, and whether there was a time where there would be less traffic, such as when kids were out of school. Director Hill stated that, due to the condition of the line, he felt the District might need to move quickly. Mr. Foster stated that the project had not yet been designed and there was a six to nine month approval process. Director Hill stated that, with the KB Home development coming on line, there would be more pressure on the line. Mr. Foster stated that he believed this was a 2020 project. He stated that he would ensure the reviewers were aware of the sense of urgency. Director Hill asked how a break in the old line would be handled during the construction process. Mr. Foster stated that this would be discussed with the contractor and that he and Mr. Anderson were aware and concerned about this possibility. He added that this would need to be addressed by the contractor, who would be on site and have materials available. Director Amaro asked if the District could provide patch pipe or fittings on site. Mr. Foster agreed to make a note of this. Director Hill asked how the old line would be handled. Mr. Foster stated that it would be flushed one time and plugged. Director Amaro asked if the collapse of an existing pipe would affect the new pipe. Mr. Foster stated that they would not be in the same alignment. Director Richter inquired why there were two pipes and Mr. Foster explained that this was because there were two lift stations. Mr. Foster stated that he anticipated presenting a proposal for design services at the next Board meeting, completing the design over the summer and submitting the design for approval in the September/October time frame. Mr. Foster confirmed that the County only had approval rights over the County segment of the line, located outside the City limits. Director Hill pointed out that the City had annexed fairly far out so only a small segment was in the County. Director Richter asked about timing for the bid process and Mr. Foster responded that this would take 30 days. Director Richter then asked how long construction would take and Mr. Foster stated that he expected it to take six to nine months. Director Hill stated that he was glad John Henry Faulk would be open before this process began. The Board agreed that it would need to revisit contingencies and refine the budget, and also agreed that the District's goal would be to leave the area looking better than it did before the project was started.

Director Richter stated that the Board would next discuss the District's existing and projected future financial commitments, including how the force main project would be financed. Mr. Taack presented the financial plan attached as **Exhibit "C"** and stated that it showed what funds were available and also provided information on the possibility of future bond issues. He stated that \$13 Million was the District's approximate fund balance at the time the plan was prepared and noted that about \$3.4 Million of this was earmarked because it had been set aside by the Board in connection with the City of Austin rate case. Mr. Taack pointed out that the District's expenses for the current year were approximately \$6.7 Million, and a ten-month reserve was \$5,333,333. He stated that this analysis had been prepared with the Finance Subcommittee's input and that he was looking for feedback from the Board. Director Hill stated that he felt the ten month reserve was skewed because a substantial portion was the pass-through of utility expense. He added that he was comfortable with the ten-month reserve concept and felt it was appropriate to bond part of the cost of the replacement project since this would have new customers paying for some of the new line. He stated that, if possible, he would like to approve enough bonds to pay for this project as well as some developer reimbursement and felt that \$2M to \$3M out of reserves should be allocated to this project. The Board then discussed a general fund reimbursement resolution and the fact that, under the finance plan, Mr. Taack would attempt to hold the pay-off timing for the new debt to the same as current debt. Director Hill asked when the next bonds would be paid off and Mr. Taack responded that, in 2019, the District would pay off a little over \$2 million in principal. The Board then discussed potentially non-bondable projects, including park capital improvements. The Board also discussed growth in the District's assessed value based on rapid development in the new KB Home section, as well as the development of future multi-family tracts.

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

(SEAL)



Chris Capers, Secretary
Board of Directors

Date: June 25, 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 1:22
P.m. on May 16, 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 16 day of May, 2019.

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

**ORIGINAL
FILED FOR RECORD**

Filed for Record in the County of Travis, Texas on this the 20th day of May, 2019.
Data Registrar

**NORTHTOWN MUNICIPAL UTILITY DISTRICT
AGENDA**

May 21, 2019

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

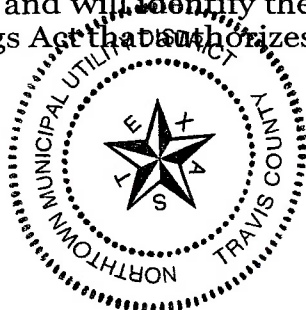
Notice is hereby given that the Board of Directors of Northtown Municipal Utility District will hold a special meeting at **5:45 p.m. on Tuesday, May 21, 2019**, at the District office located at the Wells Branch Tech Center, 1421 Wells Branch Parkway, Suite 106, Pflugerville, Texas, for the following purposes:

DISCUSSION/ACTION ITEMS

1. Work session on Dessau Road Force Main Replacement project, and related action, including future agenda items;
2. Existing and projected future financial commitments, including anticipated developer reimbursements and costs of Dessau Road Force Main Replacement Project.

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)



Benjamin 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.

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 4:30 P.m. on MAY 14th, 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 14th day of MAY, 2019.

Ernest Robles
Printed Name: Ernest Robles
Company: NORTHTOWN MUD