

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

May 23, 2017

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on May 23, 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:

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

Director Felix Amaro arrived later. 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"); Lee Hill, a resident of the District; and Sharon Smith of Armbrust & Brown, PLLC ("A&B").

Director Campbell called the meeting to order at 5:45 p.m. and stated that the Board would first receive resident communications and Board member announcements. Mr. Hill thanked Mr. Anderson for getting the water bills out. Director Campbell thanked the other Directors for their courtesy and concern regarding his absences from the Board meetings, which he acknowledged sometimes occurred on short notice. He thanked Director Richter for leading the meetings when he was not present.

Director Campbell then stated that the Board would consider approving the minutes of the April 25, 2017 Board meeting. Upon motion by Director Capers and second by Director Richter, the Board voted unanimously to approve the minutes.

Director Campbell stated that the Board would next discuss a proposed residential homestead tax exemption. Director Campbell stated that the Budget/Finance/Investments Subcommittee had not yet received the information needed from the District's financial advisor in order for the Subcommittee to provide a recommendation to the Board. He added that the Subcommittee hoped that the Board could take action on the proposed exemption at its June meeting. Director Haught mentioned that, given the rapid increase in property valuations, even a small exemption would help.

Director Campbell stated that the Board would next receive the security report. Ms. Oliver stated that Deputy Williams would be temporarily filling in for Deputy Oscar Gonzalez, who would be out for a few months on training projects. Ms. Oliver mentioned that the Security Subcommittee would be trained on the use of Mace. *She added that Director Haught had looked at different organizations' policies on the use of Mace, and that the Security Subcommittee would provide a draft policy to Ms. Littlefield of A&B, so that Ms. Littlefield could assist in formalizing a proposal for Board consideration.* Ms. Oliver stated that the Security Subcommittee had met with the security contractor, and that three of the old cameras would be updated and replaced and six new cameras ordered, for an expected total cost of \$3,670. She noted that the new cameras should be operational by the end of June. Ms. Oliver mentioned that September 30th was being considered for the District's National Night Out kick-off event. She added that she had sent a message to the Sheriff's office to ensure law enforcement support would be available for the event. She mentioned that Captain Craig Smith had thanked the Board for the certificate of recognition given to him for his assistance in getting so many Travis County Sheriff's deputies to attend the event the preceding year. At this time Director Amaro arrived at the meeting.

Director Campbell then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal, who presented the plant of the month, a new hybrid Salvia. He explained that it had been discovered by an alert botanist who had found it while traveling in Argentina and was called Salvia Amistad, or Friendship Sage. He highlighted the dark purple blooms and stated that the plant would grow to 2 ½ or 3 feet tall. He added that it was a good landscape plant and fairly hardy. He mentioned that an individual bush would cost less than \$10, and would do well with six hours of sun along with some shade. Mr. Fadal then reviewed his report, attached as **Exhibit "B"**, and stated the rye grass was on its last phase of transition to Bermuda grass. He mentioned that all the District's greenbelts had been mowed the previous week. He explained that it was an unusual year for wildflowers and that they had resurged twice beyond the typical one annual appearance in the spring and added that he would not be surprised if the wildflowers resurged once more during the season. Mr. Fadal stated that it was important to continue to mow so that long grass would not contribute to wildfire risk. He drew the Board's attention to the stone repair work for the entrance logo sign and address, and stated that it could be combined with TexaScapes' Proposal No. 9099, attached as **Exhibit "C"**, for the 50 Acre Park entry landscape design, which, he added, would provide a nice landscape focal point. He stated that the tallest installations would be crepe myrtles that would grow to perhaps seven feet tall, possibly in combination with yucca, honeysuckle and dwarf rosemary. He discussed the stone block pedestal to be provided with the District logo sign and address and added that the design and size of the sign would be discussed with the Signage/Sign Subcommittee. Director Campbell noted that the Subcommittee wanted to ensure that the wall and landscaping complimented each other. Mr. Foster mentioned that 360 Professional Services wanted to discuss the two logo neighborhood entrance signs with the Board. Mr. Fadal stated that his firm had provided the signs the last time and that he could provide a quote for the one logo sign for the pedestal and for the two entrance signs. After discussion, upon motion by Director Richter and second by Director Haught, the Board voted unanimously to approve Proposal No. 9099.

Director Campbell 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 reports, attached as **Exhibit "D"**. Ms. Oliver noted that she was still working with Deputy Gonzalez on scheduling employee training for the use of Mace, and that the training session would last about two hours. She added that she planned to have the training completed by the end of June. Director Amaro explained that the training involved using an inert spray to provide experience on how the cartridges worked when activated. Ms. Oliver then called the Board's attention to the schedule for the proposed Clean-Up Days and stated that she had coordinated with three representatives from Texas Disposal Systems and a representative from the Boy Scouts. She asked if the Board wanted to compensate the Boy Scout troop that assisted the District with the Clean-Up Days, as it had done for the event in 2016. Director Richter moved approval of \$1,600 in compensation. Director Amaro seconded the motion, which was adopted by a unanimous vote of the Board. Director Campbell mentioned that the Clean-Up Days event would be listed on the District's website.

Director Campbell then stated that the Board would discuss park matters and Director Richter responded that the Parks Subcommittee had nothing new to report.

Director Campbell 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 discussed the directive relating to seeking a drainage/maintenance easement and stated that the easement had been sent to the property owner with a request for response by June 15. He added that, to date, the resident had not responded to the request or to phone messages regarding the request. Director Campbell stated that the first he had heard about the effort to obtain the easement was when he reviewed the related information in the Board packet. Director Amaro mentioned that the matter had been discussed at a previous Board meeting and Director Campbell requested that, in the future, he be notified of any important District matter when he was not able to attend the meeting at which the matter was discussed. Mr. Foster then provided a brief update on the Harris Ridge Extension Project and mentioned that he had no pay estimates to present for the John Henry Faulk water and wastewater improvements. He stated that the easement for the construction project in the Wildflower neighborhood would expire on June 1. Mr. Foster continued that all that remained was to get grass established and that he had advised the contractor that such activity could continue temporarily, as long as no heavy equipment was involved.

Mr. Foster then presented the approval letter from the Texas Commission on Environmental Quality ("**TCEQ**") attached as **Exhibit "F"** for the District's MS4 permit. He explained that since the prior meeting, the District had received a notice of violation from the TCEQ about the required annual reports and reporting periods. He stated that he had talked with various TCEQ personnel and that the TCEQ was still uncertain about who was responsible for how the reporting year had been determined. Mr. Foster noted that the TCEQ had inspected the District's facilities and that he was continuing to work to resolve the draft findings provided by the TCEQ. Director Amaro stated that a coalition of MS4 permittees had formed and that other districts had received the same conflicting direction from the TCEQ. Mr. Douthitt added that he had another district

client that had had the same experience. Mr. Foster then discussed the District fence and facility assessment. He explained a pre-bid meeting was held on May 11, and that 15 people had signed up, which he added was a good turnout. He continued that bids were due on June 6 and that the project was moving along fairly quickly. Director Campbell mentioned that Mr. Foster had provided him with an exhibit showing all of the types of fencing in the District, and that it was available on the District's website. He stated that he hoped project phases could be identified and dates could be added to the exhibit.

Director Campbell 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 \$9,800, a transfer from the District's Compass Lockbox to its TexPool general operating account in the amount of \$60,000, and a transfer from the District's Logic operating account to its JP Morgan Chase operating account in the amount of \$200,000, 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 drew the Board's attention to the invoice from Crossroads for rental equipment; an invoice from NRW Consulting Services, Inc. for hydrant leak detection; and a payment to the Travis County Sheriff's Department. He noted that the District was well under plan due to money reserved relating to the rate case. He mentioned that District's rate consultant had given guidance the previous year on what amounts should be paid to the City of Austin for wholesale water service in light of the District's disagreement with the rates charged by the City. Mr. Douthitt stated that Ms. Littlefield had subsequently recommended that the District pay the difference while the rate case appeal was still active and not final. After discussion, upon motion by Director Richter and second by Director Capers, the Board voted unanimously to approve the payment of the bills and invoices, 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 2,955 occupied single-family connections, a total of 3,837 accounts, and an estimated population of 11,355 as of the end of April. Director Campbell noted that a few of the accounts were not District residents. Director Amaro stated that the TCEQ directed the District about what multipliers to use for users per single family and multifamily connection. Mr. Anderson reported that the District had received satisfactory lab results for all water samples and had experienced a water loss of 13.89% during the prior reporting period, which he noted was up slightly. Mr. Anderson then called the Board's attention to the write-offs set forth on **Exhibit "I"** and recommended approval of the write-offs totaling \$714.06. Director Richter moved approval of the write-offs and Director Amaro seconded the motion, which was unanimously adopted. Mr. Anderson then reviewed the report from JBS Leak Detection, noting that they had found two leaks, one of which was on a City hydrant on the District's border. Because the amount of lost water was continuing to rise, Mr. Anderson recommended taking the next step of implementing a correlating datalogger survey to identify the presence of any significant leaks in the District's distribution

network and conducting intensive leak detection on a house-to-house basis to identify small meter box/service leaks. He estimated the total cost for the two options would be \$17,000 to \$20,000, including a full-fledged listen to all of the District's approximately 3,000 service connections. Director Amaro asked when was the last time the District had conducted such a study and the Board agreed that such work had probably never been done. Mr. Douthitt mentioned that money for the work was included in the budget. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the proposed leak detection as outlined for a cost not to exceed \$20,000. Mr. Anderson then discussed a sewage leak incident on Dessau Road and noted that the City had notified the District of the leak. He discussed the process of inspection by the City, the District's report to the TCEQ, and the immediate remedial action taken by Crossroads that day and on the days immediately following. He mentioned that two force mains were stacked on top of each other and ran down the median of the road; that a high pressure gas line was laid above those lines; and that the lines were deeply buried, making the corrective work difficult and dangerous. He stated that, Crossroads had planned to do the work after the nearby school was out of session to avoid the disruption of traffic, but that the following Monday there had been another report of a leak, so that the work could not wait until outside of school hours. He discussed some of the pipe design issues that exacerbated the situation. He continued that Crossroads had the new pipe brought from Houston, and a new connection had to be built and transported from a Kansas foundry. Mr. Anderson added that Crossroads had fixed some of the design issues and relocated the pressure relief valves higher on the pipe while they were working on the system. He also mentioned that Crossroads had extra connectors made to ensure they would be in stock in case of future incidents. Mr. Hill asked when the system would be taken over by the City or when the District could change the discharge point to the City. Mr. Foster discussed the aspects of the system that made it difficult to address that situation, and added that the District's contract with the City required pass-through service rather than the two options Mr. Hill had asked about. Director Amaro asked if A&B could review the question of whether Mr. Hill's suggestions could be implemented. Mr. Foster recommended that the Board consider a long-term solution, and Director Amaro responded that Crossroads should probably meet with the Facilities Subcommittee. Director Amaro noted that the District was at a point where that planning needed to occur. Mr. Anderson estimated that the total cost of responding to the situation would be \$165,000 to \$170,000. Ms. Oliver asked if the line was covered by the District's insurance and Director Haught and Director Amaro responded they did not think a maintenance item would be covered. Mr. Foster complimented Crossroads on their safe work and successful outcome. Director Campbell then referred to the leak report and asked about the inability to locate one of the fire hydrants. Director Amaro responded that the location was in a new subdivision and that he had never seen a hydrant there. He continued that the notation that a fire hydrant was "removed" meant that it had been replaced.

Director Campbell stated that the Board would next discuss wholesale rate case matters. Director Richter mentioned the District won the District Court case against the City and that she expected the City to file an appeal with the Third District Court of Appeals. The Directors discussed the status of the litigation, the City's current ratemaking process, and the District's rates set by the Public Utility Commission.

Director Campbell stated that the Board would next hear from developers' and landowners' representatives. There being none, Director Campbell stated that the Board would receive the attorney's report and recognized Ms. Smith. Ms. Smith mentioned that the items for her report had already been discussed earlier in the meeting.

There being no other business to come before the Board, upon motion by Director Richter and second by Director Amaro, the meeting was adjourned at 7:15 p.m.

(SEAL)



Date: June 27, 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 1:09
P.m. on MAY 18, 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 18 day of MAY, 2017.

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

**NORTHTOWN MUNICIPAL UTILITY DISTRICT
AGENDA**

**ORIGINAL
FILED FOR RECORD**

May 23, 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, May 23, 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

2. Minutes of April 25, 2017 Board meeting;

DISCUSSION/ACTION ITEMS

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

7. Park matters, including:
 - (a) Report from Subcommittee;
 - (b) Monthly expenditure report;
 - (c) Repairs and maintenance;
 - (d) TexaScapes proposal for 50 Acre Park entry landscape design;

8. 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;
 - (e) 50-Acre Park Pedestrian Bridge study;

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 utility operator, including:
 - (a) Utility operations and repairs;
 - (b) Billing report and write-offs;
 - (c) Leak detection;

11. Wholesale rate case matters, including report from District's rate counsel;

12. Reports from developers' and landowners' representatives;

13. Attorney's report; including:
 - (a) Directive;
 - (b) Access, Maintenance and Drainage Easement (1000 Howard Lane)

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) 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)



Emmanuel 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 18 day of

May 2017.

Dana DeBeauvoir

County Clerk, Travis County, Texas

By _____ Deputy

J. S. WILLIAMS



FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

May 18, 2017 01:09 PM

201780734

WILLIAMSJ: \$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 Rablos, hereby certify that at
1:30 1st m. on May 16th, 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
Chapter 551 of the Government Code have been satisfied.

Witness my signature this 16th day of May, 2017.

Ernest Rablos
Printed Name: Ernest Rablos
Company: Northtown MUD