

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

June 27, 2017

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on June 27, 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. ("TexaScapes"); Justin Taack of Public Finance Group, LLC; Clayton Chandler of McCall, Parkhurst & Horton, LLP; Ja-Mar Prince of Texas Disposal Services ("TDS"); Lee Hill and Chris Cheshire, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

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. Chris Cheshire, a resident of Brookfield, addressed the Board and stated that he would like to make a comment about the Fall trash pickup. He stated that he really appreciated it, but that it had been getting worse as people were coming in from other areas and not putting the trash in the containers. He stated that, during the most recent one, drivers were not picking up the trash because there was trash in front of the containers. Mr. Cheshire added that he had had dumpsters in front of his house for five or six days before all of the trash was cleaned up. He stated that no one was checking identification to be sure everyone participating was a resident and he felt that was one reason people were just dropping things off. He added that there had even been people climbing into the dumpsters to take things out. Director Richter stated that this was on the agenda and the Board appreciated his comments and feedback.

Director Richter then recognized Mr. Chandler to receive a report about the District's Unlimited Tax and Revenue Refunding Bonds, Series 2017. Mr. Chandler

explained that the items on the agenda extended the refunding authorization that had been approved the prior August. Mr. Chandler then presented the Order Authorizing the Issuance of Northtown Municipal Utility District Unlimited Tax and Revenue Refunding Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Bond Purchase Agreement, and the Form of a Paying Agent/Registrar Agreement and an Escrow Agreement; Establishing Procedures for Selling and Delivery of the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds ("Bond Order") attached as **Exhibit "B"** and reviewed it with the Board. He discussed pricing procedures and recommended that Directors Campbell and Amaro be designated as pricing officer and alternate pricing officer as in the previous authorization. Ms. Littlefield asked if the City's prior authorization for the refunding had a time limit in it and Mr. Chandler responded that he did not believe it did and that he felt that only a letter confirming the authorization would be needed from the City. He noted that the delegation of pricing authority to Directors Campbell and Amaro would expire six months from the date of Board approval. Mr. Chandler then explained that the other action items related to the bonds were to authorize the District's financial advisor to apply for a municipal bond rating and municipal bond insurance and to approve the payment of Attorney General bond review fee, noting this was 1/10 of 1%. He asked that a "not to exceed" amount of \$9,500 be authorized, but noted that only the required fee would be submitted and this would be determined on the date of the sale. Mr. Taack then presented a refunding analysis, attached as **Exhibit "C"**, to demonstrate the savings that would currently be available of approximately 4.42%. He pointed out that the refunding would not extend the term of the refunded bonds and stated that the refunding was projected to sell in August and close in September. Upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the bond-related items as presented.

Director Richter then stated that the Board would consider approving the minutes of the May 23, 2017 Board meeting. Upon motion by Director Capers and second by Director Amaro, the Board voted unanimously to approve the minutes.

Director Richter stated that the Board would next discuss a proposed residential homestead tax exemption. Director Richter recognized Director Amaro who reminded the Board that the Budget/Finance/Investments Subcommittee had been evaluating the potential for a homestead exemption and had been made aware of a couple of items. He explained that the benefit of the exemption was pretty small per household, but there were some thresholds, noting that if the District committed prior to adopting a budget and things changed before the budget was finalized, a minimum exemption of \$3,000 would still be required. He stated that he felt the margin was very thin due to the potential for a rollback. Mr. Hill stated that he understood that, if the exemption wasn't adopted at this meeting, it could not be done until the next year. Director Amaro acknowledged this, but stated that this was one of the difficulties of implementing an exemption prior to the date of adoption of the budget. Mr. Hill stated that he felt the proposed exemption would be a minimal amount and, with the increase in appraised values for the last several years, all the minimal exemption would do would be slow the

growth in revenue. He stated that the District's audits showed that the District had more funds than it should in reserve and that he felt this should be done. The Board discussed the variables and unknowns, including the fact that tax relief remained on the call for the upcoming special legislative session. After discussion, Director Amaro stated that he was comfortable with implementing an exemption of \$5,000. After discussion, upon motion by Director Capers and second by Director Haught, the Board voted to adopt the Resolution Adopting an Exemption from Taxation of a Portion of the Appraised Value of Residential Homestead attached as **Exhibit "D"**.

Director Richter stated that the Board would next receive the security report. She thanked Deputy Gonzalez for his presentation at the recent CASE Conference, noting that he had done an excellent job and that his presentation was very well received. Deputy Gonzalez then reported that the May statistics were very good, noting that there had been an auto theft and an attempted auto theft, as well as a reported theft of a dog later found at the shelter. He noted that there had also been minor vandalism reported. Deputy Gonzalez stated that there had been no burglaries during the month. Director Amaro added that this was the ninth month of the last 13 where there had been no burglaries. He also stated that the Security Subcommittee was discussing starting some bicycle patrols out of the budgeted number of patrol hours. Deputy Gonzalez stated that this would be a good way to provide more visibility and closer patrols of the parks, including the disc golf course. Ms. Oliver stated that this would require an amendment to the security patrol contract with the County and that this would just involve the insertion of the date and "use of bicycles". Upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the use of bicycles as part of the patrol contract.

Ms. Oliver then reported that Mace had been purchased for the District's employees and training was scheduled for July 7th. She inquired if all employees were required to carry it. The Board agreed that training was required, but carrying the Mace was optional. Ms. Oliver stated that the security cameras were being installed, but the variable wire hadn't come in and so they would finish the installation once it was received. She stated that planning for the National Night Out was underway, and reviewed some of the participants who had confirmed that they would attend with the Board.

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal, who presented the plant of the month, Choctaw Pecan. He explained that the Pecan was the State Tree of Texas and was one of the largest trees in the State. He added that the Pecan trees in the District's orchard were just mature enough to begin producing pecans. Mr. Fadal then reviewed his report, attached as **Exhibit "E"**, and stated that the District was in the beginning of the summer maintenance pattern and noted that this had been a wetter summer than usual. He stated that additional mowings were planned. He then called the Board's attention to the summer sports field top dressing proposal attached as **Exhibit "F"**. Upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to approve the proposal.

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 reports, attached as **Exhibit "G"**. Ms. Oliver noted that the TDS report was also in the packet, and introduced the new TDS representative, Ja-Mar Prince. She requested that consideration of the purchase of additional signs be deferred until the July Board meeting. Ms. Oliver then reported that there had been a number of issues with the Clean-up Days and explained that the first weekend had been busier than normal, which she attributed to the fliers being hand-delivered rather than included in the bills. She stated that the second Clean-up Day was particularly hectic and that the drivers had been unable to pick up the containers because people were dumping trash even though the dumpsters were full, and that massive amounts of trash were dumped at the staging area. She stated that, ultimately, she had to authorize additional dumpsters in order to get the area cleaned up. The Board then discussed the causes of the problems that had been experienced. Director Haught stated that she felt that Mr. Cheshire was accurate in that the monitors were not consistently requesting proof of residency. Director Richter asked if the deputies had been called and Ms. Oliver stated that the staff had not thought of that at the time. Director Amaro questioned when the address checking had fallen apart. Director Haught stated that she felt, at a minimum, the Solid Waste Subcommittee needed to meet and thoroughly evaluate the service that was being provided. Ms. Oliver stated that phasing the service out was not going to work, because the residents were not respecting the reduction in the number of containers. She stated that this service was already expensive and, to be comfortable proceeding, the District would need more staff as well as security. Mr. Hill stated that he had an experience where he was required to cut fencing into specific size parcels in order to have them picked up at his house and the curbside pickup was not the same as the Clean-up Day pick up. Director Haught stated that she felt the Board needed to educate people. The Board agreed that the Solid Waste Subcommittee should evaluate what happened and also determine what responses should be taken. Mr. Hill stated that he felt the Clean-up Days should be discontinued. The Board requested that the Solid Waste Subcommittee bring back a report to the July meeting.

Director Richter then stated that the Board would discuss park matters and stated that the Parks Subcommittee had been discussing signage for the park entrance with TBG Partners and that she hoped to have the presentation at the next Board 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 "H"**, and reviewed it with the Board. He stated that nothing much had changed on development items. He presented Pay Estimate No. 5 in the amount of \$47,760.12, attached as **Exhibit "I"**, for the John Henry Faulk Water and Wastewater Improvements and recommended approval. Upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to approve the Pay Estimate.

Mr. Foster then updated the Board on discussions with the Texas Commission on Environmental Quality on the District's MS4 permit. He also advised the Board that no

response had been received to the District's request for an easement for maintenance of the drainage area.

Mr. Foster then reported that bids had been opened for the fence project and presented the bid tabulation attached as **Exhibit "J"**. He recommended award of the contract to the low bidder and authorization of execution of the contract. Upon motion by Director Capers and second by Director Haught, the Board voted unanimously to approve the award and execution of the contract as requested. Mr. Foster stated that this was a great value for the District. Mr. Hill asked about the warranty on the iron fence and Mr. Foster agreed to provide that information.

Mr. Foster then stated that, in connection with the most recent force main break, the Facilities Subcommittee had discussed evaluating alternative options to determine how the situation could be addressed. He presented the provisional securities agreement for the preparation of a preliminary study for the potential replacement of the force main located along Dessau Road attached as **Exhibit "K"** and requested approval. Director Amaro noted that, as previously discussed, the material used for the pipe was fairly old and unique. After discussion, upon motion by Director Capers and second by Director Amaro, the Board voted unanimously to approve the agreement, as presented.

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 "L"**. 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 \$14,000; a transfer from the District's Compass lockbox account to the TexPool general operating account in the amount of \$80,000; a transfer from the District's Logic operating account to the JP Morgan Chase operating account in the amount of \$250,000; and a transfer from the District's Logic tax account to the Logic operating account in the amount of \$28,070.84, 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, noting that the per diem to Director Campbell would need to be voided due to his absence. He called the Board's attention to the costs associated with repair of the force main break. He also pointed out that the CASE Conference reimbursements were included in the packet. After discussion, upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the transfers and payments as recommended, with the void noted.

Director Amaro then recognized Mr. Anderson for purposes of receiving the utility operator's report. Mr. Anderson presented Crossroads' report, attached as **Exhibit "M"**, and noted that the District had 2,951 occupied single-family connections, a total of 3,837 accounts, and an estimated population of 11,343 as of the end of May. Mr. Anderson reported that the District had received satisfactory lab results for all water samples and had experienced a water loss of 9.06% during the prior reporting period which was down from the previous reporting period. He stated that the leak detection was scheduled to begin in July. Mr. Anderson then called the Board's attention to the write-offs set forth on **Exhibit "N"** and recommended approval of the write-offs in the

total amount of \$539.78. Director Amaro moved approval of the write-offs and Director Capers seconded the motion, which was unanimously adopted. Mr. Anderson then presented the proposal for a safety grate at lift station attached as **Exhibit "O"** and requested approval. Upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to approve the proposal.

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 then reviewed the schedule for adoption of the budget and tax rate for the 2017-2018 fiscal year and requested that the Board members confirm their availability to attend the July and August meetings, noting that it was important that a quorum be present for each meeting due to the time sensitive actions that needed to be taken at those meetings. She also called the Board's attention to the notice from the Travis County Tax Assessor-Collector advising that the per parcel assessment and collection rate would increase by \$0.14 for the next year.

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

(SEAL)



Kathy Haught, Secretary
Board of Directors

Date: July 25, 2017

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 10:57
a.m. on June 22, 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 22 day of June, 2017.

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

**NORTHTOWN MUNICIPAL UTILITY DISTRICT
AGENDA**

June 27, 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, June 27, 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;

BOND ITEMS

2. Unlimited Tax and Revenue Refunding Bonds, Series 2017, including:
 - (a) Delegated pricing procedures, including designation of pricing officer and alternative pricing officer;
 - (b) Order Authorizing the Issuance of Northtown Municipal Utility District Unlimited Tax and Revenue Refunding Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Bond Purchase Agreement, and the Form of a Paying Agent/Registrar Agreement and an Escrow Agreement; Establishing the Procedures for Selling and Delivery of the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds;
 - (c) Authorizing District's Financial Advisor to apply for municipal bond rating(s) and to apply for municipal bond insurance;
 - (d) Authorizing payment of Attorney General bond review and filing fee;

DISCUSSION/ACTION ITEMS

3. Minutes of May 23, 2017 Board meeting;
4. Budget/Finance/Investments Subcommittee report regarding proposed homestead exemption, including Resolution Adopting an Exemption from Taxation of a Portion of the Appraised Value of Residential Homesteads;
5. District security, including:
 - (a) Directive;
 - (b) Report from Travis County Sheriff's Department;
 - (c) Subcommittee report, including:
 - (i) Monthly expenditure report;
 - (ii) Purchase requests;
 - (iii) Purchase and installation of additional security cameras;
 - (d) National Night Out, including expenditure report;

6. Landscape maintenance, including:
 - (a) Report from landscape maintenance contractor;
 - (b) Proposal for summer topdress and nutrient blitz repair of soccer fields;
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) 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) 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;
 - (b) MS4 compliance update;
 - (c) District Fence and Facility Assessment, including review of bids and award of contract;
 - (d) 50-Acre Park Pedestrian Bridge study, including review of bids and award of contract;
 - (e) Dessau Road Force Main Study, including amendment to professional services agreement;
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;
 - (d) Proposal for Safety Grate for Lift Station No. 1;
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) Directive;
 - (b) Schedule for adopting 2017-2018 budget and 2017 tax rate;
- 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)



[Handwritten Signature]

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 22nd day of
June 2017.

Dana DeBeauvoir

County Clerk, Travis County, Texas

By D. Bartholomew Deputy

D. BARTHOLOMEW

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

[Handwritten Signature]

Jun 22, 2017 10:57 AM

201780897

BARTHOLOMEWD: \$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 Robles, hereby certify that at
9:00 A.m. on JUNE 21ST, 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 17th day of June, 2017.

Ernest Robles
Printed Name: Ernest Robles
Company: NORTHTOWN MUD