

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

August 22, 2017

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on August 22, 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"**.

All of the Directors were present, as follows:

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

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; Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC; Clayton Chandler of McCall Parkhurst & Horton LLP ("MPH"); Sharon Smith of Armbrust & Brown, PLLC ("A&B"). Lee Hill, a resident of the District, arrived later.

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. There being none, Director Campbell stated that the Board would discuss the District's 2017-2018 budget and 2017 tax rate. He recognized Mr. Taack, who called the Board's attention to the District's 2017 assessed valuation, attached as **Exhibit "B"**. Mr. Taack presented a tax rate analysis based on a total tax rate of \$0.7075, which he noted would not exceed the rollback rate. He reminded the Board that the tax process was a two-step process and stated that this meeting would allow the Board to review its financial information and set a proposed tax rate and the public hearing would be held at the next Board meeting. Mr. Taack then reviewed the method of calculation of the proposed debt service tax rate, noting that the debt service fund balance should not drop below 25% of the next year's debt service requirements. Mr. Douthitt then presented the updated draft budget and comparison between the proposed budget and the budget for the current year attached as **Exhibit "C"** and the budget information from the Park Subcommittee attached as **Exhibit "D"** and reviewed the information with the Board. He projected that revenues for Fiscal Year 2017-2018 would be similar to the current fiscal year and stated that he had not projected an increase in the District's retail rates.

Mr. Douthitt noted that Mr. Taack had projected a debt service rate of \$0.3129 and that he had budgeted for the same number of water taps as in the current year. Mr. Douthitt reminded the Board that this budget was just for review and that the Budget/Finance/Investments Subcommittee would fine tune it before the next Board meeting. Mr. Douthitt added that he had assumed a \$5,000 homestead exemption for tax revenue purposes. Mr. Douthitt then reviewed the park budget items with the Board and Director Richter asked about several items. Director Richter also asked if the Budget/Finance/Investments Subcommittee had met and Mr. Douthitt stated that it needed to do so before the September Board meeting. Mr. Douthitt recommended that the Board establish a proposed tax rate of \$0.7075 per \$100 assessed valuation and then reviewed the proposed notice of the public hearing on the tax rate with the Board. Upon motion by Director Richter and second by Director Amaro, the Board voted to adopt a proposed tax rate of \$0.7075 per \$100 assessed valuation, to schedule a public hearing on the tax rate for September 26, 2017, at 5:45 p.m., and to authorize Ms. Smith to publish notice of the public hearing, with all of the Directors present and voting "aye".

Director Campbell then stated that the Board would discuss the District's Unlimited Tax and Revenue Refunding Bonds, Series 2017, and recognized Mr. Taack, who presented the refunding analysis attached as Exhibit "E". Mr. Taack explained that the analysis showed the old bonds paid off and new bonds issued on September 1, 2017. He drew the Board's attention to the projected net present value savings ("NPV") of 4.42% as of June 21, 2017 and the increased NPV of 4.629% as of August 3, 2017.

Director Campbell stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the July 25, 2017 Board meeting and the proposal from McCall Gibson Swedlund Barfoot, PLLC for audit services for the fiscal year ending September 30, 2017, attached as Exhibit "F". Ms. Smith recommended amending the minutes to add a reference to the voiding of the July Board meeting per diem check for Director Capers, who was not present at that meeting. Upon motion by Director Richter and second by Director Haught, the Board voted 5-0 to approve the consent items, with the amendment to the minutes recommended by Ms. Smith.

Director Campbell stated that the Board would next receive the security report. Deputy Gonzalez stated that the June property crime report included a number of vehicular burglaries. He explained that he reviewed the incidents and was able to determine that the burglaries were all occurring in an area that the Sheriff's Office had been watching and that the deputies were able to apprehend the perpetrators. He emphasized that every instance of vehicular burglary was of an unlocked car. Ms. Oliver stated that the utility bills could include a reminder for residents to lock their car doors and that she would work with Mr. Anderson to see if that reminder could be included in the next utility bill. Deputy Gonzalez then discussed a burglary of a residence by the same group, and the fact that two other crimes that occurred in the District during the preceding month had been solved. Ms. Oliver mentioned that the National Night Out expense report was in the Directors' meeting packets. She thanked the consultants for donating a total of \$750 to the door prize fund for giveaways to residents on National Night Out, which was scheduled for September 30 from 11:00 a.m. to 3:00 p.m. She

added that she had submitted a related announcement to the Community Impact newspaper. She then drew the Board's attention to the proposed pepper spray policy attached as **Exhibit "G"**. Director Richter noted that the policy permitted the use of pepper spray on animals and not on humans who could be threatening employees. Deputy Gonzalez and Director Campbell responded that, if a resident's safety was threatened, they could defend themselves, and that the policy focused on dangers encountered by employees in the performance of their jobs. Director Richter moved approval of the policy, as presented. Upon second by Director Capers, the motion was unanimously adopted. Ms. Oliver thanked the Security Subcommittee, Deputy Gonzalez, and Sue Littlefield of A&B for assistance in development of the policy. Director Amaro noted that some bike officers had been assigned to patrol the park and Deputy Gonzalez responded that these patrols were going well. Director Amaro thanked Ms. Oliver for purchasing durable items for the National Night Out event that could be reused and mentioned, as an example, the canopies, which he stated could be purchased for less than the cost of renting them.

Director Campbell then recognized Mr. Anderson for purposes of receiving the operations manager's report. Mr. Anderson presented Crossroads' report, attached as **Exhibit "H"**, and noted that the District had 2,953 occupied single-family connections, a total of 3,838 accounts, and an estimated population of 11,349 as of the end of July. Mr. Anderson reported that the District had received satisfactory lab results for all water samples and had experienced a water loss of 9.17% during the prior reporting period. He then presented the write-offs attached as **Exhibit "I"**, and requested approval. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the write-offs as presented. Director Amaro asked for an update on the project to identify sources of lost water and Mr. Anderson discussed the work that James Schiele was performing. He added that leak detection was more challenging in the summer months due to the data analysis required when irrigation levels were higher. Mr. Foster mentioned that work had begun on the pump repair authorized at the Board's July meeting. He added that the pumps had been in service and were doing very well and that repairing the pumps, rather than purchasing new ones, could be a good economic decision for the Board.

Director Campbell then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal, who presented the plant of the month, golden barrel cactus. He stated that this cactus was native to Mexico, but was now endangered due to construction of a lake in its primary habitat in Mexico. He noted that nurseries had since propagated it, that landscape architects considered it a good border plant, and that it also served as an intruder deterrent when planted under windows. Mr. Fadal added that the cactus grew three feet in diameter and two feet tall, bore a yellow flower, and could survive temperatures as low as 15 degrees. Mr. Fadal then reviewed his report, attached as **Exhibit "J"**, and stated that TexaScapes had focused on trimming and removing weeds and had gone through the District trails conducting clearance burning. He added that his crews had begun mowing the grow zone. Mr. Fadal then mentioned that the 50-acre park entryway project was 80% complete. Director Amaro thanked Mr. Fadal for his assistance in repairing some vandalism to the landscaping.

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 report, attached as Exhibit "K". She stated the Restrictive Covenant Subcommittee would meet August 24<sup>th</sup> and that Andrew York of A&B had recommended considering pursuing certain violations. She recommended approval of the purchase of replacement mulch at a cost of approximately \$750. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the purchase. Director Campbell asked about the sign project, including an "n" sign and a Board meeting sign. Ms. Oliver provided a status report on that matter.

Mr. Hill then arrived at the meeting and Director Campbell asked Mr. Hill if he had any resident comments. Mr. Hill thanked Robert Anderson, who had already left the meeting, for wrestling all the grease obstructions in the sewer line.

Director Campbell stated that the Board would next discuss park matters. Director Richter stated that the Park Subcommittee had met and recommended approval of Ms. Oliver's negotiation and execution of an annual well maintenance services agreement with Central Texas Water Maintenance. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the District manager to negotiate and execute the Central Texas Water Maintenance annual agreement.


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 "L", and reviewed it with the Board. He stated that the Heatherwilde Retail Center had broken ground and was expected to be completed by midsummer of 2018. He mentioned that the John Henry Faulk water and wastewater improvements project, when complete, would be another District access point for water and wastewater service. Mr. Foster noted that work on the District fence and facility project was planned to start immediately after Labor Day. He continued that Ms. Oliver had sent out notices to all affected properties to advise them of the fence project in case they were planning to replace their fences before the project was complete. He noted that the District was planning to work only on District fences and that he hoped the work would be done by early winter. Mr. Foster then discussed the 50-acre park pedestrian bridge study and the status of the acquisition of an easement from Village@Northtown, Ltd. He mentioned that the easement was required and that the developer continued to delay providing it for various reasons. He stated that the District had been working about one year to acquire the easement and that, due to the delays, he was now looking at other options. Director Amaro stated that the Infrastructure Subcommittee desired to avoid litigation and requested that Mr. Foster relay to the developer that the District would remember the delays if the developer came to the Board with requests for its project. Mr. Foster asked if there was an active "development committee" and added that he expected requests would be made to the Board for easements and that the Board might want to be prepared for that. Director Capers and Director Campbell confirmed that the Village@Northtown Subcommittee would work on those matters. Mr. Foster noted that he had no pay estimates to present although his report mistakenly included a reference to Pay Estimate No. 5 for the John Henry Faulk Water and Wastewater Improvements.

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 "M"**. 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 \$20,800; from the Compass Lockbox to the TexPool general operating account in the amount of \$80,000; and from the Logic operating account to the JP Morgan operating account in the amount of \$150,000, as noted on page one of his report. He 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 mentioned the payment to Capital Architectural Signs, Inc. and explained that a hard copy check had been provided to a District employee whose bank account had been electronically compromised. He also pointed out a payment to Wells Branch Municipal Utility District for costs associated with the wholesale rate appeal. Mr. Douthitt drew the Board's attention to the Attorney General fee sent to MPH for the bond refunding. He stated that he would coordinate with the Budget/Finance/Investments Subcommittee before the September Board meeting. After discussion, upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the transfers and payments as recommended.

Director Campbell stated that the Board would next receive reports from developers' and landowners' representatives. There being none, Director Campbell stated that the Board would conduct consultant reviews and added that the Crossroads review would be rescheduled because Mr. Anderson had needed to leave the meeting early. Director Campbell then noted that the Board would convene in executive session as authorized by Sections 551.074 of the Texas Government Code. He announced that the time was 6:40 p.m. After the executive session for a consultant review of Public Finance Group LLC, the Board reconvened in open session at 6:49 p.m. and Director Campbell announced that no action had been taken in executive session.

There being no other business to come before the Board, upon motion by Director Richter and second by Director Haught, the Board voted unanimously to adjourn the meeting.

(SEAL)



Felix Amaro, Assistant Secretary  
Board of Directors

Date: September 26, 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 12:37  
P.m. on Aug. 17, 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 17 day of August, 2017.

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

ORIGINAL  
FILED FOR RECORD

**NORTHTOWN MUNICIPAL UTILITY DISTRICT  
AGENDA**

August 22, 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, August 22, 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;

**BUDGET/TAX ITEMS**

2. 2017-2018 budget and 2017 tax rate, including:
  - (a) Review of Certification of 2017 Appraised Values;
  - (b) Financial advisor's recommendation on 2017 debt service tax rate;
  - (c) Work session on 2017-2018 budget;
  - (d) Establish and take record vote on proposed tax rate;
  - (e) Schedule public hearing at which adoption of tax rate will be considered;
  - (f) Authorize publication of Notice of Public Hearing on Tax Rate;
3. Report from District's financial advisor, including status of Unlimited Tax and Revenue Refunding Bonds, Series 2017;

**CONSENT**

4. Minutes of July 25, 2017 Board meeting;
5. Proposal from McCall Gibson Swedlund Barfoot PLLC for audit services for fiscal year ending September 30, 2017;

**DISCUSSION/ACTION ITEMS**

6. District security, including:
  - (a) Report from Travis County Sheriff's Department;
  - (b) Subcommittee report, including:
    - (i) Monthly expenditure report;
    - (ii) Purchase requests;
  - (c) National Night Out, including expenditure report;
  - (d) Criminal trespass issues;
  - (e) Pepper spray policy;
7. Landscape maintenance, including report from landscape maintenance contractor;

8. On-site manager's report, including:
  - (a) Maintenance report;
  - (b) Restrictive covenant violations and enforcement actions;
  - (c) Monthly expenditure report;
  - (d) Solid waste services, including:
    - (i) Directive;
    - (ii) Monthly report from Texas Disposal Services;
  - (e) Purchase requests;
9. Park matters, including:
  - (a) Directive;
  - (b) Subcommittee report;
  - (c) Well maintenance agreement;
  - (d) Monthly expenditure report;
  - (e) Repairs and maintenance;
10. 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) District Fence and Facility Assessment update;
  - (c) 50-Acre Park Pedestrian Bridge study update;
  - (d) Dessau Road Force Main Study update;
11. Report from District's bookkeeper, including:
  - (a) Payment of bills and invoices;
  - (b) Fund transfers;
  - (c) Investments;
  - (d) Developer escrow report and reconciliation;
  - (e) Fiscal year 2017-2018 budget;
12. Report from District's operations manager and utility operator, including:
  - (a) Utility operations and repairs;
  - (b) Billing report and write-offs;
13. Reports from developers' and landowners' representatives;
14. Consultant reviews, including:
  - (a) Consultant review schedule;
  - (b) Utility Operations – Crossroads Utility Services, LLC;
  - (c) Financial Advisory Services – Public Finance Group LLC;



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)



*Sam Brown Littlefield*

Attorney for the District

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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 17 day of

August 20 17

Dana DeBeauvoir  
County Clerk, Travis County, Texas

*J. S. Williams* Deputy

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

Aug 17, 2017 12:37 PM 201781196

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 Robles, hereby certify that at  
1:20 P.m. on August 16<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 16<sup>th</sup> day of August, 2017.

Ernest Robles  
Printed Name: Ernest Robles  
Company: Northtown MUD