

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

November 24, 2015

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on November 24, 2015, 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 members of the Board were present, constituting a quorum:

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

Director Robin Campbell was absent. Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; District employee Earnest Robles; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Richard Fadal of TexaScapes, Inc. ("TexaScapes"); Deputy Oscar Gonzales of the Travis County Sheriff's Department; Lee Hill, resident of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B").

Director Richter called the meeting to order at 5:45 p.m. and stated that the Board would receive resident communications and Board member announcements. There being none, Director Richter stated that the Board would next consider approving the minutes of the October 27, 2015 Board meeting. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the minutes.

Director Richter then stated that the Board would receive the District's security report. Deputy Gonzales reported that crime had gone down in the month of October. He reported that there had been one reported burglary, which was apparently a drug deal gone bad, and noted the file had been closed fairly quickly as the resident had not cooperated. He stated that one burglary of a residence had occurred where both the back gate and back door of the residence had been left unlocked. Deputy Gonazles stated that he would follow up on the on-going theft of District service issue that had been reported. He reported on several other burglaries and vandalism incidents. Deputy Gonzales noted that Director Haught had driven out with a deputy and that the other Directors could do so as well.

Director Richter stated that the Board would next consider renewing the patrol agreements with Travis County. Director Amaro advised the Board that there was normally a Security Coordinator fee and noted that, for the first year of service, Deputy Gonzales had waived the fee. He recommended approval of a per hour fee of \$55 per

hour for Deputy Gonzales. Director Richter noted that this was \$15 additional, which was very reasonable for the service Deputy Gonzales provided. Director Amaro stated that the Security Subcommittee recommended approval of the Application for Secondary Employment of Law Enforcement attached as **Exhibit “B”**; the Liability Agreement for Law Enforcement Related Secondary Employment attached as **Exhibit “C”**; and the Agreement with Regard to Use of Vehicle(s) in Connection with Off Duty Employment of County Peace Officer(s) attached as **Exhibit “D”**. After discussion, upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the Agreements, as presented.

Director Richter stated that the Board would next receive the landscape maintenance report and recognized Mr. Fadal. Mr. Fadal noted that the recent rains had benefited the overseeding and the grass was germinating very well. He stated that the summer grasses were turning brown with the frosty weather and that the grass would be mowed once all the summer grass became dormant. Mr. Fadal stated that the heavy rains had resulted in some debris in the creek as well as additional fire ant activity. He then presented the plant of the month, Pride of Houston Yaupon Holly, noting that it was female yaupon which grew from 10 to 20 feet tall and had many berries in the Fall. He then reviewed the landscape maintenance report, attached as **Exhibit “E”**. Director Capers noted that there were some trees in the park marked with red paint and Mr. Robles responded that the staff was taking the dead trees down and those trees had been marked.

Director Richter then stated that the Board would receive the on-site manager’s report and recognized Ms. Oliver. Ms. Oliver called the Board’s attention to her monthly report, attached as **Exhibit “F”**. She stated that the new security system worked much better than the previous one. She advised the Board that the Covenant Subcommittee had approved proceeding with two lawsuits, one for a residence on Golden Flax and one for a residence on Segovia. She noted that there were two additional residences on Golden Flax that would be presented for approval to file a lawsuit if no response was received to the additional 10-day notice letters that had been sent. She requested approval of the expense for the annual employee appreciation dinner. Upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the filing of the two lawsuits and the expense for the employee appreciation dinner. Ms. Oliver requested Board approval of the annual CASE dues and the Board agreed that the membership should be renewed.

Director Richter reported that everything in the parks was going smoothly and the Subcommittee had nothing to report.

Director Richter then called the Board’s attention to Mr. Foster’s report, attached as **Exhibit “G”**. She called the Board’s attention to the proposal from his company for preparation and filing of the annual MS4 related reports, attached as **Exhibit “H”**, and noted that this was required for compliance. Upon motion by Director Haught and second by Director Amaro, the Board voted unanimously to approve the proposal. Director Richter then advised the Board that Mr. Foster recommended approval of Pay Estimate No. 2 in the amount of \$64,387.89, attached as **Exhibit “I”**, for the trail improvements and maintenance project. Upon motion by Director Haught and second

by Director Amaro, the Board voted unanimously to approve the Pay Estimate, as recommended.

Director Richter then recognized Mr. Douthitt, who presented the updated bookkeeping report attached as **Exhibit “J”**. Mr. Douthitt reviewed the proposed funds transfers summarized on page one of his report, including a transfer from the District’s operating account to the Chase manager’s account in the amount of \$11,200, a transfer from the District’s TexPool operating account to the District’s Chase operating account in the amount of \$200,000, and a transfer of lockbox collections from the Lockbox account to the TexPool operating account. He recommended closing the Sovereign Bank CD and moving the proceeds in the Logic Park Account since the District was having activity in its park fund due to the trails project. Mr. Douthitt then reviewed the Director and vendor payments that were being presented for approval, noting that the per diem to Director Campbell would need to be voided due to his absence from the meeting, and that the annual Texas Commission on Environmental Quality water system fee was included. He called the Board’s attention to the additional payments that had been added to the report since the packet date and stated that these included time-sensitive utility payments. Mr. Douthitt also called the Board’s attention to the payments that had been made out of the manager’s account since the last Board meeting. He stated that he expected the audit to be presented at the January meeting. Upon motion by Director Capers and second by Director Amaro, the Board voted unanimously to approve the payment of the bills and invoices and the transfers as recommended.

Director Richter then recognized Mr. Anderson for purposes of receiving the general manager’s report. Mr. Anderson noted that the District currently had 2,949 occupied single-family connections, a total of 3,839 accounts, and an estimated population of 10,092. He added that the District had satisfactory lab results for its water samples and had experienced a 6.17% water loss, which was down, for the prior reporting period. Mr. Anderson then called the Board’s attention to the write-offs set forth on the list attached as **Exhibit “K”** and recommended approval. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the write-offs. Mr. Anderson reported that a leaking manhole had been repaired as an emergency item and that missing and broken caps had been replaced on several sewer system risers. Director Richter asked about the resolution of the resident’s grinder pump situation. Mr. Anderson stated that he and Director Amaro would meet and coordinate with Ms. Littlefield on any documentation needed.

Director Richter stated that the Board would next receive the attorney’s report and recognized Ms. Littlefield. Director Richter reported that she had addressed the Austin City Council about the wholesale rate challenge, and noted that the comments were fairly aggressive, but had been vetted by the participating districts’ public relations firm. She stated that she had provided paper copies of her comments to the Council members and added that Councilmember Zimmerman had commented that he was not in favor of the City moving forward with an appeal of the Public Utility Commission’s decision without the Council’s affirmative vote. Director Richter also explained that, in any appeal, the Texas Attorney General would defend the Public Utility Commission. Ms. Littlefield then reviewed a summary of legislation of significance to municipal utility districts that had passed during the 84th regular legislative session. She noted that

several additional pieces of legislation would be reviewed with the Board more specifically in the upcoming months. She called the Board's attention to the changes that had come into effect as a result of House Bill 23 and recommended that the Board members carefully review the memo related to that bill and contact her if they had any questions. Director Richter noted that CASE also monitored legislation and provided updates.

Director Richter then stated that there were no reports from developers' and landowners' representatives. Mr. Hill reported that he was attempting to get Google Maps to show the District's parks as green so they were indicated as parkland.

At 6:22 p.m., the Board convened in executive session in order to receive legal advice regarding security contract matters under Section 551.071, Texas Government Code, and to perform consultant reviews as permitted under Section 551.074 of the Texas Government Code. The Board reconvened in open session at 6:53 p.m. and Director Richter announced that a review of Armbrust & Brown, PLLC had been conducted and that no action was taken.

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

Date: December 15, 2015

(SEAL)

Kathy Haught, Secretary
Board of Directors