

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

November 29, 2016

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 29, 2016, 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	-	Treasurer

Director Robin Campbell was absent. Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; Scott Foster of 360 Professional Services, Inc.; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Deputy Oscar Gonzalez of the Travis County Sheriff's Office; Richard Fadal of TexaScapes, Inc.; Lee Hill, resident of the District; Jenn Schmidt of Brookfield Homeowners' Association ("HOA"); 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 first receive resident communications and Board member announcements. There being none, Director Richter stated that the Board would next consider approving the Sworn Statement and Oath of Office for Director Amaro. Director Amaro then executed and presented his Sworn Statement and Oath of Office. Upon motion by Director Capers and second by Director Haught, the Board voted unanimously to approve the Sworn Statement and Oath of Office of Director Amaro.

Director Richter stated that the Board would next consider the election of officers. Upon motion by Director Capers and second by Director Haught, the Board voted unanimously to retain the same slate of officers.

Director Richter then stated that the Board would consider approving the consent items on the Board's meeting agenda: the minutes of the October 25, 2016 Board meeting and a revised District Registration Form to update the Directors' terms of office. Upon motion by Director Capers and second by Director Haught, the Board voted unanimously to approve the consent items.

Director Richter stated that the Board would next receive the security report and recognized Deputy Gonzalez. Deputy Gonzalez stated that, although there had been no residential burglaries in October, there had been a spate of vehicle burglaries, usually at 3:00 or 4:00 in the morning, and noted that they all appeared to be unlocked vehicles. **Ms. Oliver suggested that Ms. Schmidt announce this to her membership and she agreed to do so.** Deputy Gonzalez stated that there had been two incidents of auto theft and some neighbor-on-neighbor disturbances. He suggested spreading the word that kids were out of school and looking for opportunities to take things off of porches and out of unlocked cars. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the Application for Secondary Employment of Law Enforcement; the Liability Agreement for Law Enforcement Related Secondary Employment; and the Agreement with Regard to Use of Vehicle(s) in Connection with Off Duty Employment of County Peace Officer(s), attached as **Exhibits “B”, “C” and “D”**, respectively. **Director Amaro suggested that Director Campbell add an announcement on the website to remind residents to lock their gates and cars and the Board concurred. Mr. Anderson stated that this could also be included on the back of the bill and Ms. Oliver agreed to coordinate with him on the wording.**

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal, who presented the plant of the month, Turks Cap, which he stated was a shade-loving native perennial. He then presented his report, attached as **Exhibit “E”**. He noted that his crews had started winter pruning, and that the soccer fields had grown in nicely, but pointed out that when it froze, the Bermuda Grass would become dormant. He stated that once that happened, his crews would mow the grass shorter so the brown would go away. Mr. Fadal then reported that, right after the Fall topdressing had been applied, he had been notified that there were small amounts of glass in the topdressing material. He explained that, when he observed the material closely, there were also small amounts of gravel in the mix. He stated that his crews had made four passes on their knees and manually picked out the glass and gravel. Mr. Fadal explained that the supplier of the compost utilized vegetable waste and that some of the vegetable waste was from homes and, apparently, there were occasionally bottles of some type included that were compacted with the compost waste. He stated that one student had been cut at another field where the topdressing had been spread, but, out of ten fields his company had topdressed, there had only been one incident and the fields had now all been cleared.

Director Richter stated that the Board would next 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 she had renegotiated the office AT&T account, which had required her to include a fax number in order to lower the cost. Ms. Oliver then requested approval to host the 6th Annual Staff Appreciation Luncheon at a cost not to exceed \$200. After discussion, upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the purchase request for the luncheon in an amount not to exceed \$200.

Director Richter then stated that the Board would discuss park matters and recognized Mr. Foster, who reminded the Board that the quarry block project and trail

repairs had been previously approved and reported that no pay requests for these projects had yet been received. Director Richter asked about the status of the pavilion repainting project and Mr. Foster responded that he was still working with the contractor to address the punch list items, but was reaching a resolution. Director Haught stated that she did not think this contractor should be eligible for further work from the District. Mr. Foster agreed and added that this contractor had worked for the District previously and that he was disappointed at the lack of standard of care.

Director Richter stated that the Board would next receive the engineer's report. Mr. Foster reviewed his report, attached as **Exhibit "G"**. He pointed out that the John Henry Faulk water and wastewater improvements had begun, and that there had been some questions about the project from residents. **He noted that, in response, he suggested including some information on the District's website about new construction projects. The Board concurred with the recommendation.** Mr. Foster then reviewed the MS4 compliance summary and proposal, attached as **Exhibit "H"**. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the proposal. Mr. Foster then thanked Ms. Schmidt and Mr. Hill for meeting with the subcommittee on the fence project and stated that he was working on finalizing easements and license agreements and anticipated bringing a recommendation to proceed with the project to the next Board meeting. **Mr. Hill requested a visual aid to assist him in meeting with the neighbors and Mr. Foster agreed to provide one to him.**

Director Richter then recognized Mr. Douthitt, who presented the updated cash activity report attached as **Exhibit "I"**. He recommended approval of a transfer from the District's JP Morgan operating account to the JP Morgan manager's account in the amount of \$17,100, a transfer of \$100,000 from the Compass Lockbox to the TexPool operating account, and a transfer of \$150,000 from the District's Logic operating account to the Chase operating account. Mr. Douthitt then reviewed the Director and vendor payments, noting that the per diem to Director Campbell would need to be voided due to his absence. 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. Mr. Douthitt stated that his firm was in the process of finalizing the bookkeeping records for the 2015-2016 fiscal year and anticipated submitting that information to the auditor very soon. 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 stated that he had one directive, to identify a test customer to use to verify that the District's customers were eligible for City utility rebates. He stated that he was still looking for a volunteer. Ms. Schmidt agreed to check with the HOA members. Mr. Anderson then presented Crossroads' report, attached as **Exhibit "J"**, and noted that the District had 2,951 occupied single-family connections, a total of 3,836 accounts, and an estimated population of 11,343 as of the end of October. He reported that the District had received satisfactory lab results for all water samples, and had experienced a water loss of 13.34% during the prior reporting period and an average loss of 9.50% for the fiscal year. He stated that the current loss

percentage was trending upward and that, if this continued, he would recommend checking the fire hydrants. Mr. Anderson then called the Board's attention to the write-offs set forth on **Exhibit "K"**, and recommended approval. He noted that the one of the write-offs included a \$100 penalty for meter tampering. He noted that all of the accounts would go to collections since they were above the minimum amount of \$35. After discussion, upon motion by Director Capers and second by Director Haught, the Board voted unanimously to approve the recommended write-offs.

Director Richter stated that the Board would next discuss the District's proposed refunding bonds. Ms. Littlefield advised the Board that Ms. Allen had reported that interest rates had increased by about 100 basis points and so there was no longer a savings opportunity, but that she would continue to monitor the feasibility of a refunding after the first of the year.

Director Richter then stated that the Board would discuss the wholesale rate case. She noted that Mr. Wilburn had inquired whether the District would like to utilize Mr. Joyce as a representative of the District at the City of Austin wholesale customer meetings. She stated that she and Director Campbell had authorized this, as he was a rate expert.

Director Richter stated that the Board would next hear from developers' and landowners' representatives. There being none, Director Richter stated that the Board would perform consultant reviews and noted that the Board would convene in executive session to do so as authorized by Sections 551.074 of the Texas Government Code. She announced that the time was 6:19 p.m. After the executive session, which included consultant reviews of Bott & Douthitt, PLLC and 360 Professional Services, Inc., the Board reconvened in open session at 6:39 p.m. and Director Richter announced that no action had been taken in executive session.

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

(SEAL)

Kathy Haught, Secretary
Board of Directors

Date: December 20, 2016