

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

December 20, 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 December 20, 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
Felix Amaro	-	Treasurer

Director Robin Campbell and Director Chris Capers were absent. Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Deputy Oscar Gonzalez of the Travis County Sheriff's Office; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B"). Lee Hill, a resident of the District, arrived late

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. Director Richter reported that Director Campbell had worked on his directives, noting that he had added an announcement to the website reminding residents to lock their gates and cars and was working on adding information about new construction projects.

Director Richter then stated that the Board would consider approving the minutes of the November 29, 2016 Board meeting. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the minutes.

Director Richter stated that the Board would next receive the security report and recognized Deputy Gonzalez. Deputy Gonzalez stated that there had been four burglaries of residences during November. Director Amaro stated that this had been somewhat expected due to the holidays. Deputy Gonzalez said that the burglars went straight to the security cameras in the homes so it appeared that they knew where to go and what they were looking for. He also reported that it appeared that some teenagers had kicked in the doors at some homes on Cambourne. He reported that a report of an attempted burglary was actually by a resident of the house and she felt this was a false statistic. Deputy Gonzalez stated that there had been some burglaries of vehicles on Lampting and Spring Heath, all through unlocked car doors and that there were also

two reports of criminal mischief. Director Haught inquired if anyone had ever been caught trying to open car doors and Deputy Gonzalez responded that there had been some apprehensions, but the culprits were now operating in the very early morning hours and outside of patrol hours. Ms. Oliver reported that the 360° camera on the pavilion roof was not compatible with the new DVR and stated that the Security Subcommittee recommended the purchase of a new camera which had better zoom, better night photography and better pixelization. Ms. Oliver also reported that the lens on one of the other cameras was fogged up and a replacement lens was not available. She stated that the 360° camera would cost under \$600 and replacement of the other camera would cost under \$300. Upon motion by Director Haught and second by Director Amaro the Board voted unanimously to authorize the Security Subcommittee to expend up to \$1,500 for two replacement cameras.

Director Richter then stated that the Board would consider landscape maintenance matters. Director Richter stated that Mr. Fadal's report, attached as **Exhibit "B"**, was in the packet and that there were no action items.

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 "C"**. She stated that she had called Director Campbell about a safety issue relating to having four workers transported in a single truck because they did not all fit. Ms. Oliver stated that Mr. Robles normally used his personal vehicle to transport the employees, but now that an additional staff member was being hired, transportation would be a problem. Director Richter suggested authorizing the Park Subcommittee to research an appropriate vehicle that seated four. Director Amaro suggested delegating this to the Parks Subcommittee. Director Richter stated that she was comfortable doing the research, but wanted to bring the purchase back to the Board. **The Board directed the Park Subcommittee to research the proposed vehicle purchase and Ms. Oliver to confirm or obtain non-owned auto coverage.**

Director Richter asked for a status report on the development of a policy for right-of-way/easement maintenance. Ms. Oliver stated that this topic had gotten very complicated very quickly. Director Richter asked that this be brought back to the Board and Ms. Oliver agreed to coordinate with the designated subcommittee.

Director Richter then stated that the Board would discuss park matters and stated that the only action item was to pay the invoice for the limestone quarry block barrier attached as **Exhibit "D"**. Director Richter noted that Mr. Foster recommended payment. Upon motion by Director Haught and second by Director Amaro, the Board voted unanimously to approve the payment.

Director Richter stated that the Board would next receive the engineer's report. Director Richter called the Board's attention to Mr. Foster's report, attached as **Exhibit "E"**. Ms. Littlefield confirmed that the District had received the tree mitigation payment from Village@Northtown for two additional easements. After discussion, upon motion by Director Amaro and second by Director Haught, the Board voted

unanimously to approve the Amendment No. 1 to Utility Construction Agreement with Village@Northtown, Ltd. attached as **Exhibit “F”**; the Declaration of Wastewater Easement and Temporary Construction Easement (7,924 square feet) attached as **Exhibit “G”**; and the Declaration of Wastewater Easement and Temporary Construction Easement (6,400 square feet) attached as **Exhibit “H”**, subject to receipt of the required Form 1295.

Director Richter then recognized Mr. Douthitt for purposes of receiving the bookkeeper’s report. Mr. Douthitt presented the cash activity report attached as **Exhibit “I”**. He recommended approval of a transfer from the District’s operating account to the JP Morgan manager’s account in the amount of \$5,600 and a transfer of \$100,000 from the District’s Compass lockbox account to the TexPool operating account. Mr. Douthitt then reviewed the Director and vendor payments, noting that the per diems to Director Capers and Director Campbell would need to be voided due to their absence. He also reviewed the payments that had been made out of the bookkeeper’s account during the prior month, including deposit refunds and utility payments. He noted that he had added a payment to renew the Director bond for three years. Mr. Douthitt also noted that the cost of the District’s lease was increasing and so he had written an additional rental check for January and increased the payment for February to reflect that increase. Mr. Douthitt stated that his firm had finalized the bookkeeping records for the 2015-2016 fiscal year and that he would coordinate a meeting between the Budget/Finance/Investments Subcommittee and the auditor prior to the January Board meeting. Upon motion by Director Amaro and second by Director Haught, 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 a directive to confirm that the City of Austin rebates would work for residents, and stated that he had talked to both Austin Electric and Austin Water and had confirmed that the District’s residents were eligible for the rebates. He stated that he also had a directive to place an announcement on the back of the utility bills to remind residents to lock their gates and cars, which had been completed. He then presented Crossroads’ report, attached as **Exhibit “J”**, and noted that the District had 2,952 occupied single-family connections, a total of 3,836 accounts, and an estimated population of 11,346 as of the end of November. He reported that the District had received satisfactory lab results for all water samples and had experienced a water loss of 5.94% during the prior reporting period. Mr. Anderson then called the Board’s attention to the write-offs set forth on **Exhibit “K”** and recommended approval. He noted that all but one of the accounts would go to collections since they were above the minimum amount of \$35. After discussion, upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the recommended write-offs.

Director Richter then stated that the Board would discuss the wholesale rate case. Mr. Anderson stated that he had attended the last wholesale committee meeting and that it was not substantive, but just a lengthy presentation on the ratemaking process. He stated that Jay Joyce had also been present and asked some very specific questions.

Director Richter stated that the Board would next hear from developers' and landowners' representatives. There being none, Director Richter recognized Ms. Littlefield for purposes of receiving the attorney's report. Ms. Littlefield advised the Board that the District had received a clean report from BLX Group on its arbitrage rebate review of the District's \$4,790,000 Unlimited Tax and Revenue Bonds, Series 2011.

Director Richter stated that the Board would defer the consultant reviews until the January Board meeting. Director Richter then stated that the Board would convene in executive session as permitted by Section 551.074, Texas Government Code, to discuss personnel matters: the annual review of the District's on-site manager. She noted that the time was 6:28 p.m. The Board reconvened in open meeting at 6:38 p.m. and Director Richter announced that no action had been taken in executive session. Director Richter then confirmed that the Compensation and Employee Retirement System Subcommittee would be assigned the task of reviewing Ms. Oliver's salary for adjustment. Director Amaro then moved to change Ms. Oliver's official title to "District Manager". Upon second by Director Haught, the motion was unanimously adopted.

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

(SEAL)

Kathy Haught, Secretary
Board of Directors

Date: January 24, 2017