

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

January 28, 2020

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on January 28, 2019, 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	-	President
Felix T. Amaro, Jr.	-	Treasurer
Chris Capers	-	Secretary
Lee Hill	-	Assistant Secretary

Director Robin Campbell was absent. Also present at the meeting were Mona Oliver, the District manager; Richard Fadal of TexaScapes, Inc.; Allen Douthitt of Bott & Douthitt, PLLC (“*Bott & Douthitt*”); Robert Anderson of Crossroads Utility Services LLC (“*Crossroads*”); Deputy Oscar Gonzalez of the Travis County Sheriff’s Department; Richard Shelton, Rhonda Korcher, and Ryan Drepau, residents of the District; Sandra Pfiefer, a member of the public; and Carter Dean 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 no resident communications, Director Richter announced that she would be resigning from the Capital Area Suburban Exchange (CASE) Board of Directors.

Director Richter next stated that the Board would consider the bond items on the agenda as the District’s financial advisor was not present, Director Richter asked Mr. Dean to review the bonds items on the meeting’s agenda with the Board. Mr. Dean reminded that Board that it was considering issuing Unlimited Tax and Revenue Bonds, Series 2020 in the amount of \$7,750,000 in order to fund replacement of the District force main. He then explained that the MSRB Rule G-10 notification attached as **Exhibit “B”** was prepared by the District’s financial for the purpose of providing the Board with certain standard notifications. Mr. Dean explained that the next steps to issuing the bonds were to (1) approve an engagement letter with the District’s engineer to prepare a bond application report for submittal to the Texas Commission on Environmental Quality (the “*TCEQ*”); and (2) approve a resolution requesting the Travis County Central Appraisal District to estimate the assessed valuation of the property within the District as of January 1, 2020. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to (1) approve the engagement letter with 360 Professional Services, Inc. to prepare a bond application report attached as **Exhibit “C”**; and (2) approve the Resolution Requesting Estimated Assessed Valuation attached as **Exhibit “D”**.

Director Richter then stated that the Board would next consider approving the consent items on the agenda; (1) the minutes of the December 10, 2019 Board meeting attached as **Exhibit**

“E”]; and (2) the addendum to the rebate services contract with BLX Group adding the Unlimited Tax and Revenue Refunding Bonds, Series 2019 attached as **Exhibit “F”**. Upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the addendum and minutes.

Director Richter then recognized Mr. Anderson for the purpose of receiving the operations manager’s report. Mr. Anderson reviewed Crossroads’ report attached as **Exhibit “G”**, noting that all lab results had been satisfactory during the prior reporting period and the District had a reported water loss of 3.40%. He stated that he had eight write-offs to present in accordance with the write-off list attached as **Exhibit “H”**, noting that the total amount to be written-off was \$1,400.21 after deposits were applied. He stated that the District currently had 2,950 occupied single family connections and a total of 3,074 accounts. Mr. Anderson then presented the Identity Theft Prevention Program report and stated that the program worked well for the District and that he did not recommend any changes to it. After discussion, upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to approve the write-offs and the Resolution Confirming Annual Review of Identity Theft Prevention Program attached as **Exhibit “I”**.

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal. Mr. Fadal stated that there was no plant of the month, but that he would bring two plants to the next meeting. Mr. Fadal then reviewed the landscape maintenance report attached as **Exhibit “J”** and reported that he had seen wildflowers blooming in the District which was unusual for January.

Director Richter announced 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 included in the meeting packet, attached as **Exhibit “K”**. She asked if the Solid Waste Subcommittee had any comments relating to the solid waste report. Director Richter asked if solid waste collection by Texas Disposal Systems had been consistent the last month. Director Capers responded that it had been, and that there were very few misses. Ms. Oliver next stated that the well cistern project should be completed by the next Board meeting. She added that the contractor had trouble finding capstone that would match the existing stone, which had delayed completion of the cistern. She stated that, despite the delay, the cistern was already functional. Director Richter reported that the District’s architect and the New Facility Construction Subcommittee had completed a tentative site layout for the proposed District office building. She asked all members of the Board, including those not on the subcommittee, to review and provide comment on the site layout. Director Richter noted that the District’s architect had been doing a good job designing the site layout, especially given the small size and awkward shape of the tract on which the office building would be built.

Director Richter then stated that the Board would discuss District parks and recreational facilities. Ms. Oliver presented the following proposals relating to work on the District’s recently acquired parkland and recommended approval: (1) TexaScapes, Inc. Proposal ID 9603 **Exhibit “L”** for installation of property pin markers; (2) TexaScapes, Inc. proposal ID 9605 **Exhibit “M”** for initial cleanup and miscellaneous work; and (3) Lenz & Associates, Inc. proposal **Exhibit “N”** for surveying services. After discussion, upon motion by Director Hill and second by Director Amaro, the Board voted 4-0 to approve the proposals. Director Richter then inquired about the status of the Village @ Northtown parkland dedication. Mr. Dean reported that the District had accepted five of the seven contemplated lots from Village @ Northtown for maintenance, but that the final two lots were not ready to be accepted since Village @ Northtown had not yet received approval of the improvements built on the lots. Director Richter then asked Director Capers to address Ms. Pfeifer’s request for the Board to consider lifting her ban from the District’s parks, which was imposed in January 2019. Director Capers asked Ms. Pfeifer if she would like to make

a statement to the Board. Ms. Pfeifer stated that she was sorry that she had been rude, that she would behave going forward, and that she would like to be granted access to the parks to walk her dog. Director Hill asked if she understood that she was not a resident of the District, and that she was effectively a guest in the District's parks. Ms. Pfeifer responded that she had thought that she had access to the parks by virtue of her residence being located within the boundaries of the Pflugerville Independent School District. Director Hill explained that the parks were District facilities and were maintained by the District. Director Amaro stated that the Board was primarily concerned with the safety of the parks' visitors, including Ms. Pfeifer, and that closure of the parks at certain times was due to safety concerns. Director Capers concluded by announcing that the District would take Ms. Pfeifer's request under consideration.

Director Richter stated that the Board would next receive the engineering report and recognized Mr. Foster. Mr. Foster called the Board's attention to his engineer's report, attached as **Exhibit "O"**, which he noted included development updates. He reported that the developer of Village @ Northtown, Section 2 had resubmitted its development plans, which he believed would be approved by the end of the year. He next reported that plans for The Lakes retail center had been resubmitted and that he had issued comments on the plans. Mr. Foster stated that he was working with Mr. Dean to address a requirement in the 2019 TPDES General Permit for Small MS4s, which would be presented to the Board for consideration at a later date. Director Richter asked for an update on the status of the pond by the school. Mr. Foster responded that the work had been completed and the pond was being tested to ensure that it properly retained water. He then presented the Contractor's Application for Payment No. 15 from C.C. Carlton Industries **Exhibit "P"** in the amount of \$242,134.22 for final retainage for the John Henry Faulk Road project in Village @ Northtown Section 3 and recommended approval. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to approve the application for payment. Mr. Foster stated that John Henry Faulk Road would be ready for acceptance in the near future, and requested the Board authorize the subcommittee to accept the project once the remainder of the close-out documents were received. After discussion, upon motion by Director Hill and second by Director Amaro, the Board voted 4-0 to authorize the subcommittee to accept the project.

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 "Q"** and reviewed it with the Board. He recommended approval of a transfer by check from the District's JP Morgan Chase operating account to the ABC Bank operating account in the amount of \$200,000; a transfer from the District's JP Morgan Chase operating account to the ABC Bank manager's account in the amount of \$78,700; a transfer for the District's JP Morgan Chase operating account to the ABC Bank customer refund account in the amount of \$3,000; a transfer from the District's Compass lockbox account to the TexPool operating account in the amount of \$200,000; a transfer from the District's TexPool general operating account to the ABC Bank operating account in the amount of \$300,000; a transfer from the District's Logic tax account to the Logic general operating account in the amount of \$1,916,715.31; and a transfer from the District's Logic tax account to the Logic debt service account in the amount of \$1,350,000, as listed on page one of his report. Mr. Douthitt then reviewed the checks being presented for approval, noting that Director Campbell's would need to be voided due to his absence. He closed his report by recommending that the District approve the semi-annual bond payments, as listed on page one of his report. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to approve the transfers, the payment of bills and invoices, with the void noted, and the bond payments.

Director Richter next recognized Deputy Gonzalez for purposes of receiving the security report. Deputy Gonzalez stated that there had not been much crime in the District during December. He reported that there had been one auto theft, two auto burglaries, two residential burglaries, and one package theft from a front porch. Director Amaro stated that there had been an armed assault in one of the parks. He stated that no police report had been filed, but the Brookfield Homeowners' Association (the "HOA") had learned of the assault on social media. Director Amaro stated that he and Ms. Oliver had worked with the HOA to determine what had happened and thanked the HOA for its help in the matter. He next stated that the Security Subcommittee was reviewing its patrolling priorities with Deputy Gonzalez to ensure that the District's contracted officers were fully utilized to prevent crime. Director Amaro emphasized that safety was the District's top priority and added that he encouraged anyone who witnessed a crime or was the victim of a crime to file a report with the Sheriff's Department. Ms. Korcher said that she was unsure whether to reach out to the Pflugerville Police Department of the County Sheriff's Department in the event of an emergency. Deputy Gonzalez responded that, by calling 911, the caller would be put in touch with the correct authority. Mr. Shelton then stated that he was the president of the HOA, and informed the Board that the HOA was installing Flock security cameras at the entrances to the Brookfield neighborhood, which would scan license plates and notify the Sheriff's Department of any that belonged to criminals. Director Richter thanked Mr. Shelton for attending the Board meeting, adding that he should not hesitate to reach out to the District.

Director Richter then recognized Mr. Douthitt for purposes of considering the audit of the District's financial statements for fiscal year ended September 30, 2019. Mr. Douthitt stated that the Budget/Finance/Investments Subcommittee had met the prior week to review the audit report with the District's auditor. Director Amaro stated that the District received an unmodified or "clean" opinion, and announced that the subcommittee recommended approval of the audit report. After discussion, upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the audit report Exhibit "R" and authorize its filing with the appropriate governmental authorities.

Director Richter stated that the Board would not receive developers' or landowners' reports, as no developer or landowner was present at the meeting.

Director Richter next recognized Director Amaro for purposes of discussing the District manager's salary adjustment. Director Amaro reported that the Compensation and Employee Retirement System Subcommittee would like more time to consider the item, noting that the Subcommittee was considering an increase in the 401K matching program and a cost-of-living adjustment. The Board agreed that the item could be tabled until the next Board meeting, and directed Mr. Dean to include the item on that agenda.

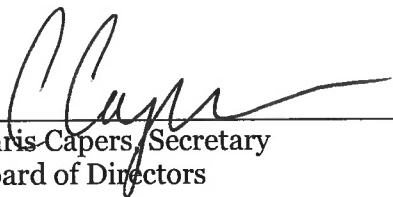
Director Richter recognized Mr. Dean for the purpose of receiving the attorney's report. Mr. Dean explained that it was time for the Board to conduct its annual review of the District's code of ethics and financial investment policies and stated that he did not have any revisions to recommend this year. Mr. Dean next stated that it was time for the Board to conduct an annual review of the District's written procedures for post bond issuance federal tax compliance. He stated that he had confirmed with the District's bond counsel that no changes were recommended at this time. Mr. Dean next reported that, under Texas law, the District was required to adopt and maintain a drought contingency plan which, among other things, regulated watering days during hot and dry periods. He stated that the District's drought contingency plan had been overhauled the prior year and that no updates were being recommended at this time except for revisions to the utility system profile with respect to the District's population and number of LUEs. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to approve (i) the Resolution Confirming Annual Review of Code of Ethics and Financial Investment,

Travel and Professional Services Policies; and Amending List of Qualified Brokers attached as **Exhibit “S”**; (ii) the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance attached as **Exhibit “T”**; and (iii) the Resolution Designating Water Conservation Coordinator and Confirming Annual Review of Water Conservation and Drought Contingency Plan attached as **Exhibit “U”**. Mr. Dean then reported that the website posting requirements imposed by SB 2 and HB 305 passed during the 2019 legislative session were being handled by Director Campbell, who had been coordinating with his office to ensure that the correct items were posted to the District’s website on an ongoing basis. Mr. Dean closed his report by reminding the Board that each member would need to complete a cybersecurity training course before June 14, and that they should send certifications received from completing such a course to his office. Mr. Dean recommended the Texas Municipal League (TML) course, noting that he believed it would be the pertinent to the Board.

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

(SEAL)




Chris Capers, Secretary
Board of Directors

Date: February 25, 2020

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 8:34
9 a.m. on Jan. 23, 2020, 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 23 day of January, 2020.

Brian K. Gilbert
Printed Name: Brian K. Gilbert
Company: Diligent Delivery

**NORTHTOWN MUNICIPAL UTILITY
DISTRICT**

January 28, 2020

**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, January 28, 2020**, 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. Proposed \$7,750,000 Unlimited Tax and Revenue Bonds, Series 2020, including:
 - (a) Financial Advisor's recommendations and MSRB Rule G-10 notification;
 - (b) Engagement letter with 360 Professional Services, Inc. for preparation of bond application;
 - (c) Any other matters in connection with the proposed bonds, including any related resolutions;

CONSENT ITEMS

(These items may be considered and acted upon collectively. Any of these items may be pulled for discussion upon the request of any member of the Board.)

3. Minutes of December 10, 2019 Board meeting;
4. BLX Group addendum to arbitrage update services contract for \$4,930,000 Unlimited Tax and Revenue Refunding Bonds, Series 2019;

DISCUSSION/ACTION ITEMS

5. District operations manager and utility operator's report and related action items, including:
 - (a) Utility operations and repairs;
 - (b) Billing report and write-offs;
 - (c) Identity Theft Prevention Program, including:
 - (i) Report on administration and compliance with Identity Theft Prevention Program;
 - (ii) Resolution Confirming Annual Review of Identity Theft Prevention Program
6. Landscape maintenance report and related action items, including proposals;

7. District manager's report and related action items, including:
 - (a) Restrictive Covenant Subcommittee report, including covenant violations and enforcement actions;
 - (b) Monthly expenditure report;
 - (c) Reservation ledger;
 - (d) Solid waste services, including monthly report from Texas Disposal Services and directive;
 - (e) Purchase requests and/or proposals;
 - (f) Well cistern project, including pay estimates and/or change orders;
 - (g) New Facility Construction Subcommittee report and related action items;

8. District parks and recreational facilities and related action items, including:
 - (a) Subcommittee report;
 - (b) Purchase requests and proposals, including:
 - (i) TexaScapes, Inc. Proposal ID 9603 for installation of property pin markers on recently dedicated parkland;
 - (ii) TexaScapes, Inc. Proposal ID 9605 for initial cleanup and miscellaneous work on recently dedicated parkland;
 - (iii) Lenz & Associates, Inc. proposal for surveying services;
 - (c) Monthly expenditure report;
 - (d) Repairs and maintenance;
 - (e) Village at Northtown parkland dedication status;
 - (f) TCSO Case #19-2135, including request for reconsideration by Sandra Pfeifer

9. District engineer's report and related action items, including:
 - (a) Development update, including:
 - (i) Pflugerville ISD tract;
 - (ii) Village at Northtown, Section 2;
 - (iii) Harris Ridge Extension Project;
 - (iv) Village at Northtown Section 3 (John Henry Faulk Road), including approving any pay estimates and/or change orders and project acceptance;
 - (v) Village at Northtown Multifamily (Yintai);
 - (vi) Edenbrook Multifamily;
 - (vii) Village at Northtown Multifamily (North Wells Branch);
 - (viii) Lakes Retail Center;
 - (b) MS4 Permitting update;
 - (c) Dessau Road force main replacement project;


10. District bookkeeper's report and related action items, including:
 - (a) Payment of bills and invoices;
 - (b) Fund transfers;
 - (c) Investments;
 - (d) Developer escrow report and reconciliation;

11. District security, including:
 - (a) Report from Travis County Sheriff's Department, including December 16, 2019 assault with a firearm and related action items;
 - (b) Security Subcommittee report, including purchase requests and related action items;

12. Budget/Finance/Investments matters, including;
 - (a) Subcommittee report;
 - (b) Audit of District's financial statements for fiscal year ended September 30, 2019 prepared by McCall Gibson Swedlund Barfoot PLLC, including approval of audit report, approval of representation letter, and authorizing filing of audit report;
13. Reports from developers' and landowners' representatives;
14. Compensation and Employee Retirement System Subcommittee report, including District manager salary adjustment;
15. Attorney's report, including
 - (a) Directive;
 - (b) Review of Code of Ethics and Financial Policies, including Resolution Confirming Annual Review of Code of Ethics, Financial Investment, Travel and Professional Services Policy, and Amending List of Qualified Brokers;
 - (c) Review of Written Procedures for Post Bond Issuance Federal Tax Compliance, including Resolution Confirming Annual Review;
 - (d) Review of Water Conservation and Drought Contingency Plan and Resolution Designating Water Conservation Coordinator and Confirming Annual Review of Water Conservation and Drought Contingency Plan;
 - (e) Update regarding pending City of Austin rate case and related action;
 - (f) SB2 and HB305 internet posting requirements;
 - (g) Cybersecurity training update;
16. 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); discussing security personnel or devices (Section 551.076); or discussing information technology security practices (Section 551.089). 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)



 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.

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 9:30 A.m. on January 23rd, 2020, 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 23rd day of January, 2020.

Ernest Robles
Printed Name: Ernest Robles
Company: Northtown MUD