

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

February 25, 2020

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 February 25, 2020, 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; Allen Douthitt of Bott & Douthitt, PLLC (“*Bott & Douthitt*”); Scott Foster of 360 Professional Services, Inc. (“360”); Robert Anderson of Crossroads Utility Services LLC (“*Crossroads*”); Deputy Oscar Gonzalez of the Travis County Sheriff’s Office (“*TCSO*”); 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 stated that the Board would next consider approving the consent items on the agenda: (1) the minutes of the January 28, 2020 Board meeting attached as **Exhibit “B”**; and (2) the Second Extension to the Renewed Interlocal Agreement between Northtown Municipal Utility District and the City of Austin attached as **Exhibit “C”**. Upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to approve the minutes and Second Extension to the Renewed Interlocal Agreement.

Director Richter then recognized Mr. Anderson for the purpose of receiving the operations manager’s report. Mr. Anderson reviewed Crossroads’ report attached as **Exhibit “D”**, noting that all lab results had been satisfactory during the prior reporting period and the District had a reported water loss of 5.38%. He stated that he had two write-offs to present in accordance with the write-off list attached as **Exhibit “E”**, noting that the total amount to be written-off was \$165.18 after deposits were applied. He stated that the District currently had 2,950 occupied single family connections and a total of 3,080 accounts. After discussion, upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to approve the write-offs.

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Ms. Oliver in Mr. Fadal’s absence. Ms. Oliver stated that Mr. Fadal had provided her with the notes for his report. Ms. Oliver reviewed the landscape maintenance report attached as **Exhibit “F”** and reported that TexaScapes had begun installation of the “T” post markers and the preliminary clean-up work on the District’s recently acquired parkland. She next reported that lady bugs had been ordered to be released into the landscape bed areas in late March

or early April, and that the wildflower bloom would likely be average this year. Ms. Oliver concluded the report by presenting TexaScares' Proposal ID 9607 attached as **Exhibit "G"**, for winter tree planting and recommending approval. After discussion, upon motion by Director Capers and second by Director Amaro, the Board voted 4-0 to approve the proposal.

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 "H"**. She reported that the Solid Waste subcommittee had met with a representative from Texas Disposal Services ("TDS") to discuss recycling. Director Hill stated that TDS was having trouble disposing of its recyclables. He added that China, which usually accepted most of the recyclables, was not accepting as much generally, and was not accepting any plastics, which caused TDS to have to store the recyclables, for which it had limited space. Director Hill stated that proposed solutions to the issue included decreasing the number of recycling pick-ups per month and altering the types of recyclables accepted by TDS. The Board agreed that it would continue to monitor the situation and consider taking action at a later date. Ms. Oliver next reported that the well cistern project had been completed and recommended payment of Pay Application No. 3 from Forsythe Brothers Infrastructure attached as **Exhibit "I"**, including retainage, subject to her approval of certain clean-up items. After discussion, upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to approve the pay application, subject to Ms. Oliver's approval of the clean-up items. Director Richter then stated the New Facility Construction subcommittee had received one comment with respect to the plans for the new District office building, noting that Director Campbell had raised a concern with respect to the layout of the handicapped parking in the parking lot for the new District office building. Director Richter added that the parking space striping had been completed prior to dedication to the District, but that it could be restriped at a later date.

Director Richter then stated that the Board would discuss District parks and recreational facilities. Ms. Oliver presented the monthly expenditure report, attached as **Exhibit "J"**, which included an expense for repair of the 50 Acre Park entry gate and fence. She added that the gate had been damaged by a hit-and-run.

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 report, attached as **Exhibit "K"**. He reported that the restrictive covenants, sidewalk and trail easement, and emergency access easement for the Village at Northtown multifamily development at North Wells Branch were nearly complete and that the Village at Northtown Multifamily Project Access Subcommittee would likely execute them before the next Board meeting. Mr. Dean stated that the subcommittee only had the authority to execute the emergency access easement and asked if the Board would like to authorize the subcommittee to execute the sidewalk and trail easement and the restrictive covenants as well. After discussion, upon motion by Director Capers and second by Director Amaro, the Board voted 4-0 to also authorize the subcommittee to execute the sidewalk and trail easement and the restrictive covenants. Mr. Dean next explained that, pursuant to MS4 General Permit requirements, the District would need to revise its rate order to require developers of new developments and redeveloped land to maintain the stormwater controls on their land. He recommended that the District's rate order be amended to require developers to execute a declaration of maintenance covenants, which would be filed in the county records, to comply with this requirement. The Board directed Mr. Dean to draft revisions to the rate order to address this requirement and to submit the revised rate order to the Rate Order Subcommittee so that it could make a recommendation to the Board at its next meeting. Mr. Foster next reported that he had received comments from Travis County on the construction plans for the Dessau Road force main replacement and that he believed the City of Austin was close to approving the plans.

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 "L"** 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 \$180,000; a transfer from the District's JP Morgan Chase operating account to the ABC Bank manager's account in the amount of \$42,300; a transfer from the District's JP Morgan Chase operating account to the ABC Bank customer's 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 \$170,000; a transfer from the District's TexPool general operating account to the ABC Bank operating account in the amount of \$250,000; a transfer from the District's Logic tax account to the Logic general operating account in the amount of \$928,229.76; and a transfer from the District's Logic tax account to the Logic debt service account in the amount of \$650,000, as listed on page one of his report. Mr. Douthitt then reviewed the checks being presented for approval, noting that the check to Director Campbell would need to be voided due to his absence. After discussion, upon motion by Director Hill and second by Director Amaro, the Board voted 4-0 to approve the transfers and the payment of bills and invoices, with the void noted.

Director Richter next recognized Deputy Gonzalez for purposes of receiving the security report. Deputy Gonzalez reported that there had been two auto burglaries and three residential burglaries the prior month and that the suspects for at least one of the burglaries had been apprehended. Ms. Oliver asked when most of the burglaries had occurred. Deputy Gonzalez responded that most occurred during the daytime, when people were at work. Director Richter asked if a shooting had occurred in the District the night before, adding that she had seen a discussion on social media. Deputy Gonzalez responded that there had been a shooting in the general vicinity, but that it did not occur within the boundaries of the District. Ms. Oliver then stated that Mr. Dean had sent a letter to Ms. Pfiefer informing her that she would be on a probationary period for six months before her park privileges would be permanently reinstated. Deputy Gonzalez recommended that Mr. Dean make clear to Ms. Pfiefer that, during her probationary period, she would still show up on the patrolling officer's systems as a trespasser if she entered the District's property but, if she carried the letter from Mr. Dean to show the officers, there would be no problem. Director Hill directed Deputy Gonzalez to inform his officers that Ms. Pfiefer was allowed back in the District's parks, and directed Mr. Dean to inform Ms. Pfiefer that she needed to carry the letter with her as evidence of her permission to be on the District's land, in case an officer stopped her. The Board agreed that the ban would be permanently lifted and removed from the officers' system upon satisfactory completion of the probationary period.

Director Richter then announced that the Board would convene in executive session at 6:30 p.m. to receive legal advice from Mr. Dean pursuant to Section 551.071 of the Texas Government Code regarding the wholesale water and wastewater rate challenge with the City of Austin. At 7:02 p.m., Director Richter announced that the Board would reconvene in open session, and that no action had been taken during executive session.

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 presenting the Compensation and Employee Retirement System subcommittee report. Director Amaro reported that the subcommittee recommended that the District's employees' salaries, excluding the District manager's salary, be increased 2.8% as a cost of living increase, the District manager's salary be increased 3.0% as a cost of living increase, and that 401K matching for the District's employees (including the District manager) be increased to 7%. Director Amaro additionally stated that the subcommittee recommended that it provide a report twice a year, in January and July, on

employee compensation and cost of living and that the District manager be authorized to increase the base starting pay in job postings by \$1.50/hour. After discussion, upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the recommendations of the subcommittee.

Director Richter recognized Mr. Dean for the purpose of receiving the attorney's report. Mr. Dean stated that all attorney directives had been completed and that the District had received a letter from BLX Group stating that the District's Unlimited Tax and Revenue Bonds, Series 2007 had been redeemed and that no further arbitrage monitoring was necessary.

Director Richter then asked whether the Board would like to place any items on the agenda for the next Board meeting. Director Amaro stated that he was concerned that the Coronavirus might disrupt the Austin area at some point in the near future and requested that an item be added to the next agenda to discuss the District's response. He further suggested that a subcommittee be established and authorized to make emergency announcements, establish emergency conditions, and take any other action necessary in the event the Coronavirus caused a disruption in the area. The Board agreed that the Security Subcommittee should monitor developments related to the Coronavirus and that Ms. Oliver would be an additional member. Director Lee added that he would also like the next agenda to include an item regarding the decision by the Travis County Appraisal District not to conduct appraisals for the year 2020.

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



Chris Capers, Secretary
Board of Directors

Date: March 24, 2020