

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

May 28, 2019

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

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

Brenda Richter	-	President
Chris Capers	-	Secretary
Lee Hill	-	Assistant Secretary
Felix T. Amaro, Jr	-	Treasurer

Director Robin Campbell was absent. Also present at the meeting were James Kanirie, a resident of the District; Scott Wuest of the Wuest Group; John Trube, Edward Johnson, and Kristi Gutzman of Johnson Trube & Associates; Mona Oliver, the District manager; Scott Foster of 360 Professional Services, Inc.; Richard Fadal of TexaScapes, Inc.; Allen Douthitt of Bott & Douthitt, PLLC (“Bott & Douthitt”); Robert Anderson of Crossroads Utility Services, LLC (“Crossroads”); Justin Taack of Public Finance Group, LLC; Deputy Oscar Gonzalez of the Travis County Sheriff’s Department; and John W. Bartram 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. She then recognized James Kanirie. Mr. Kanirie introduced himself, stated that he lived at 1000 Friendship Quilt Lane, and asked the Board if there was anything he could do to resolve the pending restrictive covenant enforcement action against his property without having to remove the new fencing that he had recently installed. Mr. Kanirie explained that this was the second time that he had replaced the fencing at his property, that the fencing was expensive, and that he had replaced the fencing to make the property look better. Director Richter responded that, because the matter had been referred for litigation, further communications would need to be coordinated through the District’s attorney’s office. Mr. Kanirie thanked the Board and stated that he would contact Andrew York, with whom he was already in contact.

There being no Board announcements, Director Richter stated that the Board would next consider approving the minutes of the April 23, 2019, Board meeting. Upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the minutes.

Director Richter stated that the Board would next discuss residence homestead exemptions and recognized Justin Taack. Mr. Taack first reviewed the preliminary estimate of taxable value in the District from Travis Central Appraisal District attached as **Exhibit "B"**, noting that the net taxable value for 2019 was currently estimated at \$761,596,354 and that the average home value was \$208,840. He then directed the Board's attention to the debt service tax rate projections attached as **Exhibit "C"**. Mr. Taack stated that, based on the current \$5,000 homestead exemption, the District's debt service tax for 2019 would need to be \$0.2771. By comparison, he noted that the District's debt service tax rate would need to increase to \$0.2780 and \$0.2795 for a 3% and 4% homestead exemption, respectively. He stressed that these calculations were based on estimated values and were subject to change. Director Hill asked if the subcommittee had a recommendation. Director Amaro stated that the Budget/Finance/Investments Subcommittee was recommending a 4% homestead exemption. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to implement a 4% residence homestead exemption pursuant to the Resolution Adopting an Exemption from Taxation of a Portion of the Appraised Value of Residential Homesteads attached as **Exhibit "D"**.

Director Richter then stated that the Board would discuss District security. Deputy Gonzalez reported that the District's crime statistics for April were very good, with zero residential burglaries. He added that there had been a stolen license plate, a stolen package, and an unlocked vehicle burglary reported. Director Amaro asked if patrol hours for the Fourth of July needed to be increased. Deputy Gonzalez stated that he would discuss schedules with the patrol deputies. Ms. Oliver reported that the vest for Deputy Gonzales' canine had been ordered and should be received soon. She also reported that she was working on National Night Out, which was scheduled for September 14th.

Director Richter then stated that the Board would consider landscape maintenance matters and recognized Mr. Fadal. Mr. Fadal first presented the plant of the month, *helianthus* or sunflower, which he explained would bloom all summer and had a cultivation history going back 5,000 years. Mr. Fadal then reviewed the landscape maintenance report attached as **Exhibit "E"**. He reported that things were drying out following recent rains and that it was probably time for a full mowing of the greenbelt in anticipation of fireworks season. He concluded by reporting that his crews were spot-treating poison ivy and that top-dressing was scheduled for June.

Director Richter stated that the Board would next receive the District manager's report and recognized Ms. Oliver. Ms. Oliver called the Board's attention to the monthly reports included in the meeting packet. She stated that there had been a lightning strike at the Pavilion that had damaged the security and well systems. She requested authority to have the security system repaired at a cost not to exceed \$2,000. Upon motion by Director Hill and second by Director Amaro, the Board voted 4-0 to authorize the security system repairs at a cost not to exceed \$2,000. Ms. Oliver then requested authority to complete repairs to the well system at a cost not to exceed \$15,000. She noted that the damage to both the security system and the well system would be covered by the District's insurance, subject to a \$1,000 deductible. After discussion, upon motion by Director Amaro and second by Director Capers, the Board voted 4-0 to

authorize repairs to the District's well system at a cost not to exceed \$15,000. Ms. Oliver then concluded with an update on the well cistern project, noting that Mr. Foster and she had conducted a preconstruction meeting with the contractor on May 22nd. Mr. Foster stated that the completion date for this project was late summer due to the long lead time for the tank.

Director Richter then stated that the Board would discuss District parks and recreational facilities. Ms. Oliver presented and recommended approval of Pay Estimate No. 1 from G. Creek Inc. for the MeadowPointe and Wildflower improvement projects in the amount of \$31,275, a copy of which is attached as **Exhibit "F"**. After discussion, upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the Pay Estimate.

Director Richter stated that the Board would next receive the engineer's report and recognized Mr. Foster. Mr. Foster presented his report, attached as **Exhibit "G"**, and first addressed the prior directive to obtain an update on the Village @ Northtown detention pond project. He reported that progress had been stalled due to weather and that the developer was waiting for it to stop raining.

Mr. Foster next covered development updates. He stated that Pflugerville Independent School District had determined a need to relocate an irrigation meter to its property, which would require the School District to grant the District an easement. He stated that the School District was working on the appropriate easement documentation and that the subcommittee recommended that the Board President be authorized to execute the easement upon review and approval by the District's engineer and attorney. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to authorize Director Richter to execute the necessary easement documentation for the relocation of the irrigation meter to School District property, subject to review and approval by the District's engineer and attorney.

Mr. Foster next reported that the Heatherwilde Retail Center was expected to be completed in June. Mr. Foster reported that KB Home had commenced construction of Village @ Northtown Section 3 – Lot 5, Block C, which was scheduled to be complete in mid-2019, then presented and recommended approval of the following pay estimate and change order, copies of which are attached collectively as **Exhibit "H"**: Pay Estimate No. 3 in the amount of \$871,630.20, reflecting work through April, and Change Order No. 1, representing a \$33,503.39 increase due to additional City of Austin requirements. Upon motion by Director Capers and second by Director Amaro, the Board voted 4-0 to approve the pay estimate and change order.

Mr. Foster next reported on the Village @ Northtown Section 3 (John Henry Faulk Road). He stated that the project was nearing completion and should be paved by the Board's next meeting. He then presented and recommended approval of Pay Estimates No. 8 (in the amount of \$224,654.42) and 9 (in the amount of \$237,969.00) for the project, copies of which are attached collectively as **Exhibit "I"**. Upon motion by Director Amaro and second by Director Hill, the Board voted 4-0 to approve both Pay Estimates.

Mr. Foster next addressed the Village @ Northtown (North Wells Branch) multi-family project. He stated that the developer was requesting emergency access across District parkland, and he recommended that the Board appoint a subcommittee to discuss and evaluate the request in more detail. Directors Richter and Hill volunteered to serve on the subcommittee. John Trube thanked the Board and stated that he would be happy to work with the subcommittee. Director Richter asked Mr. Trube to coordinate through Ms. Oliver. Director Hill asked if any rezoning was associated with this project, and a brief discussion ensued.

Mr. Foster next reported that he had been informed by the developer's agent that the Dessau Retail project was likely "dead". He then addressed the status of the Lakes Retail Center, noting that the developer had filed a site plan and was working with the City of Austin on service requirements, which might include a possible amendment to the District's Techridge Interlocal Agreement with the City. Director Richter asked how long it would take to work things out with the City, and Mr. Foster estimated that it would take seven to ten months. Director Richter asked if the developer was current on its deposit, and Mr. Douthitt confirmed that it was.

Mr. Foster next advised the Board that the Texas Commission on Environmental Quality (the "TCEQ") had completed review of the District's MS4 annual report for Year 4 and had published the requirements and guidance for the MS4 permit renewal, which was due in July. He stated that there were no substantial changes to the District's current MS4 program and that he planned to have the permit renewal package completed in June.

Mr. Foster then concluded the engineer's report by addressing the Dessau Road Force Main Replacement Project. He directed the Board's attention to the proposal from 360 Professional Services, Inc. attached as **Exhibit "J"**, which he explained was a comprehensive proposal for the design, permitting, bidding, construction administration, and post-construction corrections necessary for the replacement of the District's wastewater force mains along Howard Lane and Dessau Road and that he estimated the schedule to be seven to ten months. Director Amaro noted that appropriate contingencies had been built in and that the subcommittee recommended approval. After discussion, upon motion by Director Capers and second by Director Hill, the Board voted 4-0 to approve the proposal from 360 Professional Services.

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 "K"** and reviewed it with the Board. He recommended approval of a transfer by check from the District's JP Morgan Chase Bank operating account to the ABC Bank operating account in the amount of \$190,000; a transfer by check from the JP Morgan Chase Bank operating account to the ABC Bank manager's account in the amount of \$42,000; a transfer by check from the JP Morgan Chase Bank operating account to the ABC Bank customer refund account in the amount of \$7,000; a transfer from the District's Compass Bank lockbox account to the TexPool operating account in the amount of \$60,000; and a transfer from TexPool operating account to the ABC Bank operating account in the amount of \$200,000, as listed on page one of his report. Mr. Douthitt then reviewed the attached accounting report and noted that the per diem to

Director Campbell would need to be voided due to his absence. He stated that the District still had not received the City of Austin water bill for the previous month and advised that he would likely need to pay that invoice out of the manager's account between meetings. After discussion, upon motion by Director Hill and second by Director Capers, the Board voted 4-0 to approve the transfers and the payment of bills and invoices as presented, with the void noted.

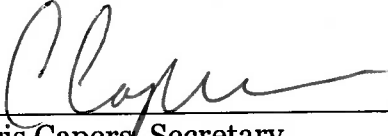
Mr. Bartram then directed the Board's attention to the Resolution Approving Intent to Reimburse Certain Costs Related to Force Main Replacement and Settler's Meadow Water Line Construction Projects attached as **Exhibit "L"**, noting that federal tax regulations required a so-called "reimbursement resolution" in order to preserve the ability to reimburse the District's general fund for these projects out of future bond issues. After discussion, upon motion by Director Hill and second by Director Amaro, the Board voted 4-0 to approve the Resolution.

Director Richter then recognized Mr. Anderson for the purpose of receiving the operations manager's report. Mr. Anderson reviewed Crossroads' report, attached as **Exhibit "M"**, noting that all lab results had been satisfactory during the prior reporting period and that water loss was a "respectable" -7.92%. He then closed by reviewing the billing report and recommended approval of one write-off in the amount of \$91.48. Upon motion by Director Amaro and second by Director Hill, the Board voted 4-0 to approve the write-off, as recommended.

There being no developers' and landowners' reports, Director Richter recognized Mr. Bartram for the purpose of receiving the attorney's report. Mr. Bartram pointed out that the attorney directives were complete and stated that, unless the Board had any questions for him, he had nothing specific on which to report this month.

There being no further business to come before the Board, the meeting was adjourned at 6:37 p.m.

(SEAL)



Chris Capers, Secretary
Board of Directors

Date: June 25 2019

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 2:22
P.m. on May 23, 2019, 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 May, 2019.

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

NORTHTOWN MUNICIPAL UTILITY DISTRICT

May 28, 2019

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, May 28, 2019**, 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;

DISCUSSION/ACTION ITEMS

2. Minutes of April 23, 2019 Board meeting;
3. Residence homestead exemption, including:
 - (a) Report by Public Finance Group LLC, including analysis;
 - (b) Report and recommendation from Budget/Finance/Investments Subcommittee;
 - (c) Resolution Adopting an Exemption from Taxation of a Portion of the Appraised Value of Residential Homesteads;
4. District security, including:
 - (a) Report from Travis County Sheriff's Department, including related action items;
 - (b) Subcommittee report, including related purchase requests and action items;
 - (c) National Night Out, including expenditure report;
5. Landscape maintenance report and related action items, including proposals;
6. District manager's report and related action items, including:
 - (a) Restrictive Covenant Subcommittee report, covenant violations and enforcement actions;
 - (b) Monthly expenditure report;
 - (c) Reservation ledger;
 - (d) Solid waste services, including monthly report from Texas Disposal Services;
 - (e) Purchase requests and/or proposals;
 - (f) Well cistern project, including pay estimates;
7. District parks and recreational facilities and related action items, including:
 - (a) Subcommittee report;
 - (b) Purchase requests and proposals;
 - (c) Monthly expenditure report;
 - (d) Meadowpointe and Wildflower Park improvements, including pay estimate;

8. District engineer's report and related action items, including:
 - (a) Directive;
 - (b) Development update, including:
 - (i) Pflugerville ISD tract, including water meter easement;
 - (ii) Village at Northtown, Section 2;
 - (iii) Heatherwilde Retail Center;
 - (iv) Harris Ridge Extension Project;
 - (v) Village at Northtown Section 3, Lot 5, Block C, including approving any pay estimates and/or change orders;
 - (vi) Village at Northtown Section 3 (John Henry Faulk Road), including approving any pay estimates and/or change orders;
 - (vii) Village at Northtown Multifamily (Yintai);
 - (viii) Edenbrook Multifamily;
 - (ix) Village at Northtown Multifamily (North Wells Branch), including developer request for access through future parkland
 - (x) Dessau Retail Center;
 - (xi) Lakes Retail Center, including developer request for water service;
 - (c) MS4 Permitting and 2018 Pond Inspections update;
 - (d) Dessau Road force main replacement project, including work session recommendations and approval of contracts;
9. 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;
 - (e) Resolution Approving Intent to Reimburse Certain Costs Related to Forcemain Replacement and Settler's Meadow Water Line Construction Projects;
10. District operations manager and utility operator's report and related action items, including:
 - (a) Utility operations and repairs;
 - (b) Billing report and write-offs;
11. Reports from developers' and landowners' representatives;
12. Attorney's report and related action items, including directives;
13. 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)



Eric Brown Littlefield

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.

Came to hand and posted on a Bulletin Board in the Courthouse,
 Austin, Travis County, Texas on this the 23rd day of
May 2019.
 Dana DeBeauvoir
 County Clerk, Travis County, Texas
 By *[Signature]* Deputy
RICK TOMS



201980720

COPY
 OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Dana DeBeauvoir, County Clerk
 Travis County, Texas

May 23, 2019 02:22 PM

Fee: \$3.00 TOMSR

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
8:45 A.m. on MAY 22nd, 2019, 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 22nd day of MAY, 2019.

Ernest Robles
Printed Name: Ernest Robles
Company: Northtown MUD