

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

January 24, 2012

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on January 24, 2012, 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 roll was called of the members of the Board:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Scott M. Gray	-	Treasurer
Alex Martinez	-	Secretary
Felix T. Amaro, Jr.	-	Assistant Secretary

and all of the Directors were present, except Director Martinez, who arrived later, thus constituting a quorum. Also present at the meeting were Deputy Keith Kinnard of the Travis County Sheriff's Department; Mona Oliver, the District's on-site manager and covenant administrator; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt and Mary Bott of Bott & Douthitt, PLLC; Richard Fadal of TexaScapes, Inc.; Michael DeMotte of Kimley-Horn & Associates, Inc. ("Kimley-Horn"); Scott Foster of 360 Professional Services, Inc.; Richard Fadal of TexaScapes, Inc.; Lee Hill, a resident of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC. Trent Rush of TBG Partners ("TBG") arrived later.

Director Campbell 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 Gray reported that Director Martinez would be a few minutes late. There being no further announcements, Director Campbell stated that the Board would consider the consent items on the Board's meeting agenda: the minutes of the December 27, 2011 Board meeting; the Order Establishing Revised Water Conservation and Drought Contingency Plan attached as **Exhibit "B"**; and the Resolution Adopting Written Procedures for Post Bond Issuance Federal Tax Compliance attached as **Exhibit "C"**. After discussion, upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the consent items. Director Martinez arrived at this time.

Director Campbell then stated that the Board would next discuss the audit of the District's financial statements for the fiscal year ended September 30, 2011. He advised the Board that he, Director Gray and Mr. Douthitt had reviewed the audit with the auditor, Mike McCall. Mr. Douthitt stated that a few minor revisions to the draft report had been made at his request, and that the final version had been submitted for the

Board's approval, a copy of which is attached as **Exhibit "D"**. Director Campbell stated that the audit was quite well done when the subcommittee had reviewed it. He noted that the auditor had issued a clean or unqualified opinion. Director Gray stated that he was impressed that the auditor clearly enjoyed his work. Director Campbell stated that the Subcommittee felt good about the District's records and finances. Upon motion by Director Amaro and second by Director Gray, the Board voted unanimously to approve the representation letter attached as **Exhibit "E"** and the audit report and to authorize the filing of the audit report. The Board requested that Ms. Littlefield convey the Board's appreciation to Mr. McCall.

Director Campbell then stated that the Board would receive the security report and recognized Deputy Kinnard. Deputy Kinnard reported that it had been a busy month, unfortunately. He stated that there had been some destructive activities at the pavilion and in the Wildflower Park, and noted that a gang camera had now been installed in the Park. Deputy Kinnard stated that he did not think the offenders were juveniles. Director Richter thanked the staff and the Sheriff's deputies for their quick response to the recent vandalism and stated that she was hopeful that the Sheriff's office could identify the perpetrators. Deputy Kinnard then reported that there had been a gang initiation on Wild Senna that had been videoed by the gang members, was put on Facebook and "gone viral". He reported that burglaries were up, and that he felt that most of the burglary victims knew the perpetrators. Ms. Oliver requested that Deputy Kinnard notify her of any incidents. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the payment to Travis County Sheriff's Department deputies listed on the cash activity report incorporated into the bookkeeper's report attached as **Exhibit "F"**. Mr. Anderson thanked Deputy Kinnard for having patrol units out on the District's cut-off day. Deputy Kinnard then requested that the Board approve the Contractor Acknowledgement For Use of Officer-Owned Emergency Vehicles or Police Bicycles attached as **Exhibit "G"** and explained that this additional form related to the use of his privately-owned vehicle for patrols in the District. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the Acknowledgement. Director Campbell noted that, based on the audit of another District, the Board might need to alter the payment status for the deputies to provide for withholding. Mr. Hill noted that the District needed statutory authority to directly engage law enforcement officers and Ms. Littlefield responded that the District had this authority under the Water Code.

Director Campbell stated that the Board would next receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver stated that her directives included getting the MeadowPointe sign fixed and that it had cost \$226 to replace the missing letter. She stated that the park crew was going to repaint the letters and provide some general maintenance to the sign. Ms. Oliver stated that she had been asked to coordinate a petition opposing the City of Austin's electric rate increase, but noted that she understood the rate increase was now on hold. She stated that she proposed to make a large "mutt mitts" order, attached as **Exhibit "H"**, as directed by the Parks Subcommittee, and expected that this order would take the District through the end of the year. Director Richter then moved approval of the mutt mitts order and, upon second by Director Martinez, the motion was unanimously adopted. Ms. Oliver then presented the proposal for replacement of a trash can that was damaged in Wildflower Park and the purchase of two additional trash cans attached as **Exhibit "I"**, as

recommended by the Parks Subcommittee. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the purchase.

Director Campbell then recognized Mr. Fadal for purposes of receiving the District's landscape maintenance report. Mr. Fadal reported that the District's parks, trails and landscape areas were all in good condition, but noted that there had been some wear and tear on soccer fields, which was not unusual for the season. He recommended that the Parks Subcommittee do a walk-through in February to identify any Spring projects. Director Campbell noted that there had been a report of the lights not working well at the MeadowPointe sign. Ms. Oliver stated that she believed that the lights were working and that the report predated the repair.

Director Campbell then stated that the Board would consider taking action regarding engineering services. He reported that Mr. Foster had left Kimley-Horn and started his own business, and that Mr. DeMotte was present on behalf of Kimley-Horn and would be giving the engineering report at this meeting. Mr. DeMotte reviewed his firm's directives, noting that Mr. Foster had attended the meeting on the well project. He stated that the Lakes at Northtown Section 5 plans had been approved and that he anticipated the developer starting construction later in the year. Mr. DeMotte reported that construction on the Lakes Boulevard multi-family development had commenced and that the Harris Ridge extension was substantially complete. Mr. DeMotte added that it was in the developer's court to provide a plan for water to keep the pond full, working around the winter-averaging and drought plan issues. He also stated that the construction of the school in the Village@Northtown was underway. Mr. DeMotte noted that the lift station project was underway, although construction had taken longer than anticipated, largely due to delays in the tie-ins due to the weather. He stated that making a tie-in during rain wasn't advisable because of I & I issues. Mr. DeMotte then presented Change Order No. 1, to change out the concrete slab in the valve access hatch at the lift station, attached as **Exhibit "J"**. He stated that he felt it was a good price and recommended approval. Director Campbell explained that the Change Order presented two options, and that one option had been selected and was being recommended. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the Change Order. Mr. DeMotte then stated that the MeadowPointe fence project was underway but that there had been a delay by the contractor and that he had followed-up on debris removal. Director Richter stated that Mr. DeMotte needed to monitor the contractor, because the debris had been left out longer than the contractor had indicated. Director Richter stated that she would coordinate with Director Martinez to schedule a site visit. Director Amaro stated that the debris presented a potential danger and should be cordoned off and secured. Director Richter agreed and stated that she was very disappointed in the contractor's follow-through. Mr. DeMotte agreed to notify the contractor that, unless the debris was removed promptly, a construction safety barricade would need to be installed. Director Richter stated that the District would require the contractor to meet a high standard. Mr. Anderson requested that the contractor be notified not to use residents' water, as he had received a complaint. Mr. DeMotte stated that he would notify the contractor. Mr. DeMotte stated that he believed the operational problem had been resolved with regards to the pump replacement at the East lift station, but that he would continue to monitor the situation. Mr. DeMotte stated that he would meet with Mr. Douthitt on the surplus funds application. Mr. DeMotte reported that the Stoney Creek well kick-off meeting had

occurred and that TBG was incorporating comments from the meeting into the revised plans. Mr. Rush advised the Board that he was present to update the Board on the status of the plans and the bid schedule. He noted that he had met with Mr. Anderson and some well project specialists and, with the Parks Subcommittee's input, had revised the plans. The Board then discussed revising its contractor prequalification policy. Director Richter noted that the policy had been revised for the pavilion project and Mr. Rush recommended a reduction in the percentage of work required to be done by the Contractor's own work force to 10% for this project. Director Richter then moved that the Board modify the contractor prequalification policy for this project based on Mr. Rush's recommendation. Upon second by Director Martinez, the motion was unanimously adopted. The Board asked Ms. Littlefield to place the policy on the agenda for the next meeting to allow the Board flexibility on a project-by-project basis. Director Richter recommended staking off the path for the waterline so the contractors would be aware of the length of line and so any valuable trees could be protected and preserved. Mr. Anderson stated that he felt the bid would be higher if the route was not laid out. Mr. Rush stated that there was a route on the plan and he thought this would encourage more competitive pricing. Director Richter stated that she felt the route was a big issue because it was a heavily treed area. After discussion, the Board agreed that it preferred to identify the route and directed that the Parks Subcommittee coordinate staking the location.

Director Campbell stated that it was his understanding that Kimley-Horn was still working with Mr. Foster on all on-going projects. Mr. DeMotte stated that they were not, but that they had a contractual arrangement to engage Mr. Foster to continue to work on individual projects if needed. Mr. DeMotte added that Kimley-Horn would accommodate the District's desires, but that they were not aware of any projects that would require them to pull him in. Director Richter stated, that as member of Parks Subcommittee, she would like to be sure that Mr. Foster was involved in the well project because it had been a very problematic project. She added that the Parks Subcommittee relied extensively on Mr. Foster's input and felt that it was critical that he be involved. Director Martinez concurred, and the Board agreed.

Director Campbell stated that the Signage Subcommittee, consisting of himself and Director Martinez, would be working as the Ad Hoc Subcommittee on the park signage, but that they had nothing to report at this time.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt reviewed his updated report with the Board. He reviewed the proposed transfers and upcoming bond payments as summarized on page one of his updated report. He also recommended renewal of the Ironstone Bank CD in the amount of \$245,000 for 6 months. Mr. Douthitt called the Board's attention to the payments added to the check register since the packet date. Director Richter asked about the checks payable to TBG. Mr. Douthitt confirmed that there had been no payments made since April and the invoices were in order. Mr. Douthitt then reviewed the manager's checks written since the last Board meeting. Director Gray stated that he reviewed the bills and invoices and recommended approval. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the transfers, investment and the payment of the bills and invoices, as presented, with the exception of the payments previously approved to the Sheriff's deputies.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager's and operator's report. Mr. Anderson reported that his directive was to have a deputy in the District on cut-off day, and that this had worked out well. He reviewed his report, attached as **Exhibit "K"**, and stated that the District had a reported 18.54% water loss for the month, but this was offset by the gain the prior month. He stated that the District had one 90-day delinquency and then presented the list of write-offs attached as **Exhibit "L"** and requested approval. Upon motion by Director Gray and second by Director Amaro, the Board voted unanimously to approve the write-offs.

Director Richter stated that she would like to request a proposal from Mr. Foster's new firm for engineering services. Director Gray stated that he did not see a problem with doing so, but that any new company should be subject to the same level of scrutiny as any other consultant. Director Campbell noted that there was not a problem with Kimley-Horn, but there was a relationship issue. Director Richter agreed, and stated that it was no reflection on Kimley-Horn, but she would like to do the same homework that the District had done when Ms. Bott and Mr. Douthitt had formed their own firm. The Board requested that Mr. Foster be directed to submit a proposal.

There being no further business to come before the Board, the meeting was adjourned at 6:45 p.m., upon motion by Director Richter and second by Director Gray.

Date: \_\_\_\_\_.

(SEAL)

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Alex Martinez, Secretary  
Board of Directors