

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

February 22, 2011

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 22, 2011, at the Wells Branch Community Center, 2106 Klattenhoff Drive, Austin, 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 Amaro, thus constituting a quorum. Also present at the meeting were Deputy Keith Kinnard of the Travis County Sheriff's Department; Mona Oliver, District on-site manager and covenant administrator; Jesse Kennis of Wells Branch Municipal Utility District; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Richard Fadal of TexaScapes, Inc.; Scott Foster of Kimley-Horn & Associates, Inc., Kathy Haught, Lee Hill, Alan Rivaldo and Bennie Burlison, residents of the District; Katherine Loayza, representing Village@Northtown, Ltd.; and Sue Brooks Littlefield of Armbrust & Brown, PLLC. Ronnie Stafford of TBG Partners arrived later.

Director Campbell called the meeting to order at 5:50 p.m. and stated that the Board would first receive resident communications and recognized Mr. Burlison. Mr. Burlison stated that he was a resident on Maricella Lane and that he had been receiving annoying letters from the District's attorney's office. He stated that the two vehicles he had received letters about had been moved and that now he was receiving letters about storage on the side of his house. Mr. Burlison added that he felt he was being picked on. Director Campbell assured Mr. Burlison that he was not being picked on, and explained that the District sent many letters. Mr. Burlison stated that he had a car hood on the side of his house and that only an inch of it was visible from the street. Mr. Kennis distributed photographs of Mr. Burlison's property which he indicated had been taken the previous day. Mr. Burlison asserted that the Blazer in the photograph had been gone for over a week, and was no longer there. Director Richter stated that the District did drive-throughs of the entire community and noted that the covenants prohibited storage that was visible from the street. She added that, based on the photographs, the open storage on the side of his house was clearly visible from the street. Director Richter suggested that the Board direct Ms. Oliver to work with Mr. Burlison on what needed to be done so that this situation could be addressed and resolved. She

encouraged Mr. Burlison to come to the Board if there were problems. Mr. Burlison reported that he had a neighbor who had built a fence out of old material. Ms. Oliver stated that this was being addressed.

Director Campbell stated that the Board would next receive Board member announcements. There being none, Director Campbell stated that the Board would consider approving the consent items on the Board's meeting agenda: the minutes of the January 25, 2011 Board meeting; the Third Extension to Interlocal Agreement between the District and the City of Austin attached as **Exhibit "B"**; the Amended Order Establishing Service Rates, Charges and Tap Fees and Adopting Rules and Policies with Respect to the District's Water, Wastewater and Drainage Systems attached as **Exhibit "C"**; and the Amended Resolution Establishing Offices and Meeting Places of the Board of Directors and Establishing Locations for the Posting of Notices of Meetings of the Board attached as **Exhibit "D"**. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the consent items.

Director Campbell then recognized Deputy Kinnard for purposes of receiving a report regarding District security. Deputy Kinnard advised the Board that there had been a concern expressed about several accidents on Well Branch Parkway. He stated that there had been one fatality, but that it had been the result of the driver's cardiac arrest and, in fact, the driver had died before the accident. He stated that he had asked the State Department of Public Safety to do an analysis and reported that, based on this analysis, in 2010, there were 11 wrecks and in 2011, there had been one wreck to date. He noted that the speed limit had been increased to 55 miles per hour, and added that this was in response to the traffic flows. Director Richter expressed concern regarding the lack of a crosswalk and the Board discussed the fact that there were two crossroads on Friendship Quilt and Tudor House. Deputy Kinnard stated that he had also run selective traffic control and that the traffic flow was not over 50 miles per hour. He added that the percentage of accidents was actually low for the volume. Director Richter thanked him for looking into this, noting that speeds appeared to be faster. Director Gray inquired if there would be a light on John Henry Faulk and it was generally agreed that there would be. Director Martinez asked if it would be better to lower speed limits in advance of the development of additional areas that increased foot traffic, and the Board discussed this concern. Director Kinnard then reported that the crime statistics in the District were higher than they had been in years. He stated that the Sheriff's Department was working on countermeasures and had identified persons of interest. He stated that burglaries of vehicles were occurring primarily at night. He stated that he did not like the numbers and was concerned that incidents could spill over into the parks. He suggested restructuring the patrol schedule to add more patrols during the night hours. The Board agreed that additional emphasis should be given to the neighborhoods. Directors Gray and Richter suggested that additional hours be authorized. Director Richter then moved that the Board authorize up to 140 hours of patrol per month. Upon second by Director Martinez, the motion was unanimously adopted. Deputy Kinnard then reported that six derelict vehicles had been removed from the District and the owner of the trailer that had been an issue had removed it. Deputy Kinnard stated that he was still having a problem with one of the condominium projects north of Cambourne, as there were a lot of derelict vehicles there, including one that had a mounted camera, and asked if Ms. Littlefield could assist him in identifying

the management. Deputy Kinnard stated that there had been an aggravated robbery in which a pair of tennis shoes had been stolen at knifepoint. He reported that the sexual assault listed was a family incident.

Ms. Oliver then reviewed the Clear Channel proposal for the pavilion security cameras attached as **Exhibit "E"** with the Board and stated that it was a better value than AT&T. She added that the installer also recommended this package. Director Campbell noted that there was no contract and Ms. Oliver confirmed this. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the proposal. Director Gray then moved that the Board approve the payments to the Sheriff's deputies as set forth on the cash activity report attached as **Exhibit "F"**. Upon second by Director Richter, the motion was unanimously adopted.

Director Campbell stated that the Board would next receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District and recognized Mr. Kennis. Mr. Kennis reviewed his report and the activities leading up to the transition of services on February 28th. Director Richter inquired as to the status of the District property which was missing. Mr. Kennis responded that the dog bags had been replaced and that he would verify the shipping status of the picnic table and benches, and acknowledged that final payment to Wells Branch would not be made until these items were replaced. Mr. Kennis also advised the Board that the fencing material that had been stockpiled had been palletized and he had authorized his personnel to relocate it at a cost of \$380 for rental of a forklift. Ms. Oliver confirmed that the location to which it was being relocated was acceptable. Mr. Kennis stated that he would provide a final inventory when Ms. Oliver and Director Campbell arranged to pick up the District's property on February 28th. He confirmed that all of the District's covenant files would be provided electronically as well as in hard copy. Director Campbell asked about the computer format, and Mr. Kennis indicated that photographs would be provided in JPG, and that the other information would be provided in Word or Excel. He agreed to coordinate with Ms. Oliver on these items. Director Richter asked that all of the grant information be provided electronically as well as in hard copy, and he agreed to do so.

Ms. Oliver confirmed that the mulch piles had been relocated as directed. She then updated the Board on the new District office, noting that all of the utilities had been transitioned as of Monday and that she expected the internet connection to be completed that day. She stated that she was in the process of transferring the District's telephone number from Wells Branch, which would allow continuity of the main number. She stated that the property manager for the new office was working on a few remaining punch-list items, including a problem with one lock which couldn't be locked from the inside. She noted that several locks needed to be added to internal doors and that she would coordinate having this done. She stated that the District's storage unit was empty and that she would have it cleaned and then would cancel the lease. Ms. Oliver stated that she had looked at the office equipment which Mr. Foster's firm was selling and that she felt it was a good value and in excellent condition. Director Richter provided an itemized detail of the items which had been purchased for the District at a cost of \$8,450.89. She stated that this did not include chairs for visitors, the furniture which she and Ms. Oliver recommended be purchased from Mr. Foster's company, the cost of movers to relocate the used furniture or Board meeting tables, which she recommended be of the same type currently being used by Wells Branch and would cost

\$3,651. She also stated that maintenance tools, based on an inventory provided by Mr. Robles, as well as a refrigerator, and guest chairs for the offices needed to be purchased, and requested authorization to buy these items and the other items she had described for a not to exceed figure of \$13,000. Upon motion by Director Gray and second by Director Martinez, the Board voted unanimously to grant the requested authorization. Director Richter thanked Mr. Foster for offering his company's used office furniture at such a good price. She requested that Ms. Littlefield put the ATV back on the agenda for the next meeting, and Ms. Littlefield agreed to do so. Mr. Douthitt stated that there had been one error in the spreadsheet which included the ACT database and stated that the total had been adjusted. A copy of the corrected spread sheet is attached as **Exhibit "G"**.

Ms. Oliver then reported that the District needed to hire two park workers and asked for authority to hire them for a salary not to exceed \$33,000 each, noting that this was approximately \$15.00 per hour. She noted that Director Gray was working on a benefits package. Director Richter moved that the Board authorize Ms. Oliver to move forward with hiring two park workers as proposed. Director Gray seconded the motion. Mr. Douthitt noted that his firm had obtained all necessary employee and payroll paperwork and would be filing the necessary tax forms electronically. Director Martinez asked if the District was going to have a pay grade schedule. Director Richter stated that there would be an annual review of salaries. Upon being put to a vote, the motion to authorize the hiring was unanimously adopted. Director Campbell stated that he wished to commend Ms. Oliver and the transition committee for all the work which had been done in effecting the move to the District's new office. Director Campbell also noted that there was a payment drop box in place in front of the suite. Ms. Oliver asked that Mr. Anderson begin picking up payments from the box and provided him with a key. The Board asked Mr. Anderson to put something on the next District bills and he agreed to do so.

Director Campbell then stated that the Board would receive the landscape maintenance report and recognized Mr. Fadal. Mr. Fadal reviewed his report, attached as **Exhibit "H"**. He asked the Park Subcommittee to schedule a final walk-through of the tree planting at the pavilion. He stated that he had received some calls about fire ant activity at the dog park, and reminded the Board that his company utilized the "Texas Two-Step" approach, which was recommended by the Texas Department of Agriculture. He stated that they used a bait called Award, formerly known as Logic, which worked as a sterilant. He noted that this was slow acting, and that the second step was application of a contact pesticide on the mounds. Director Richter inquired about revegetation of the exposed dirt where the force main break had occurred. The Board agreed that the Park Subcommittee could direct this be addressed under its authority. Mr. Foster noted that the area would be disturbed again in the next six months.

Director Campbell stated that the Board would next receive a report from the District's engineer and recognized Mr. Foster. Mr. Foster called the Board's attention to TBG's directives, noting that the pavilion walk-through and signage items had been addressed. He reviewed his directives and stated that he had not received the information needed for Lakes at Northtown, Section 4. Mr. Foster stated that he and Mr. Anderson would be working with the developer for Lakes Boulevard multifamily development. Mr. Foster stated that Pflugerville Independent School District had

contacted him regarding the proposed elementary school construction. He reported that the meeting on the Stoney Creek Park well project had been postponed, but would be held later in the week. Mr. Foster stated that the implementation of the District's pond maintenance plan would also be discussed at the Park Subcommittee meeting. Mr. Foster reported that only minor comments had been received from the TCEQ on the 2011 bond application. Mr. Foster stated that the plans for the lift station upgrade project had been submitted to the County and City and that he anticipated requesting authorization to advertise at the April Board meeting. Mr. Foster noted that the water and wastewater master plan maps were in process. Mr. Foster also advised the Board that the engineer for the Village @ Northtown project had recommended award of the contract per the recommendation letter attached as **Exhibit "I"**. He noted that the apparent low bidder was Central Road and Utility. Mr. Foster recommended approving award, subject to finalization of a reimbursement agreement. Ms. Littlefield reviewed the draft agreement she had prepared and recommended that the Board authorize the subcommittee consisting of Directors Martinez and Campbell to negotiate and execute the agreement. Director Campbell pointed out that the entire Village @ Northtown tract was apparently for sale. Upon motion by Director Gray and second by Director Richter, the Board voted unanimously to approve the award of the contract, subject to finalization of the reimbursement agreement.

Director Campbell then stated that the Board would discuss park development matters and recognized the Park Subcommittee. Director Richter stated that the Subcommittee had a meeting Friday and would go over the wells and rainwater harvesting. She asked Mr. Stafford to report on the status of the work under the change orders for the pavilion. Mr. Douthitt confirmed that the costs had come in consistent with the change orders and Director Richter agreed to bring an updated park budget spread sheet to the next meeting. Mr. Stafford then reported that the sidewalk to the pavilion which had been removed to allow extension of the wall would be replaced. He stated that the contractor was ready to install the security devices at the pavilion and that he would authorize the contractor to proceed. Director Richter asked that Deputy Kinnard be kept in the loop as he would need to verify the equipment was working as intended. Mr. Stafford agreed to do so. He then stated that the steel to complete the extension of the pavilion roof had been ordered and that the contractor hoped to have the project done the following week. He stated that he had directed the contractor to complete all uncompleted items before the walk-through rather than leaving a number of punch list items to be addressed. Director Richter stated that she and Director Martinez would prefer to do an inspection on their own before the final walk-through. Mr. Stafford then presented Pay Estimate No. 6, a copy of which is attached as **Exhibit "J"**. He recommended approval of the Pay Estimate. Mr. Stafford pointed out that there remained approximately \$100,000 in security for the storage room addition and retainage. Upon motion by Director Martinez and second by Director Richter, the Board voted unanimously to approve the Pay Estimate. Director Martinez asked if the video feed from the pavilion cameras would relay to the District office. The Board discussed providing an enclosed cabinet for the camera for security. Director Richter noted that the video could be viewed online. The Board directed Ms. Oliver to determine what kind of back-up was available for the video. Mr. Rivaldo asked about the power supply for the facility, noting that the power could easily be shut off. Mr. Stafford stated that Austin Energy had required a disconnect on a power pole and that

this was a safety requirement. The Board discussed alternatives to provide a secure source of power.

Mr. Foster then presented photographs of the existing Meadowpointe fence along Howard Lane and Griener. He explained that the County would require a development permit for this work, and added that it would also be necessary to obtain easements from the neighboring property owners. Mr. Foster noted that the estimated cost for this project was between \$75,000 and \$80,000. He noted that the prior fencing contract price was no longer valid and the contractor would not honor it. He then presented the proposal attached as **Exhibit "K"**, for proceeding with permitting and planning for the project, including working with Ms. Littlefield to obtain all necessary easements. He also recommended that, if the Board proceeded, the Board consider authorizing a multi-year fence contract, as had been done previously. Director Richter asked if Mr. Foster's proposal included working with the neighboring homeowners. Mr. Foster stated that it did, but noted that, in connection with the Wildflower fence, there had been a homeowners association which had taken an active role. Ms. Littlefield confirmed that her office would send a letter out to the homeowners once they were identified. Director Richter moved that the Board approve the proposal so the Board could begin the process and contact the homeowners, and authorize Mr. Foster to advertise for bids for the fencing installation on a per-foot basis. Director Martinez seconded the motion, which was unanimously adopted. The Board agreed that Ms. Littlefield should prepare a letter for Ms. Oliver's signature, so that she could communicate with any residents who had questions. Director Martinez inquired whether this would be the final fence project, and Director Richter stated that she believed it would be.

Director Campbell stated that the Board would next receive a report on District signage. He reported that, after the last Board meeting, he had had a conference call with Mr. Stafford, Mr. Rush and Jeff Raudabaugh regarding the fence master plan and the proposal the District had received for installation of the first four signs. He stated that the Board had now received a proposal for four signs, fabricated and installed, in the amount of \$16,570, including the stone bases, attached as **Exhibit "L"**. He noted that the sales tax needed to be deducted, and pointed out that the time frame specified was six to seven weeks. He asked if this was the actual time frame and Mr. Stafford stated that he believed it was. Director Campbell recommended authorizing moving forward with the proposal. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the proposal.

Director Campbell stated that the Board would next receive the bookkeeper's report and recognized Mr. Douthitt. Mr. Douthitt presented the updated cash activity report attached as **Exhibit "F"** and reviewed it with the Board. He advised the Board that Director Campbell and Director Gray had reviewed all invoices prior to the meeting. He requested approval of the transfers set forth on Page 1 of his report. Mr. Douthitt reported that the District was 88% collected on taxes through January. He pointed out that the City of Austin utility bill was late again. Mr. Douthitt also called the Board's attention to payroll expenses and director expenses noted on the cash activity report. Director Richter inquired if there would be a separate line-item for payroll added for the budget and Mr. Douthitt confirmed that there would need to be a mid-year budget revision. Mr. Douthitt then called the Board's attention to office-related expenses listed and noted that he would group these together for budgeting purposes. Director

Campbell suggested that a flier be included in the next District utility bills with the new office address, the drop box location and information on other significant changes. Mr. Anderson agreed, noting that the changes included implementation of the AVR system. Mr. Douthitt stated that, with Mr. Foster's assistance, he had been able to track down several fiscal deposits which had been outstanding and the Board thanked them for doing so. Director Richter then moved to approve the payment of the bills and invoices, with the exception of the per diem to Director Amaro, due to his absence from the meeting, and the payments previously approved to Travis County Sheriff's Department, and with the directive to hold the storage unit payment until Mr. Anderson confirmed that it was due, and to approve the transfers as presented. Upon second by Director Martinez, the motion was unanimously adopted. Director Campbell stated that he was removing himself from the Invoice Review Subcommittee and that Director Gray would be taking on this responsibility, but requested that Director Gray have another Board member sit in on the review if he would not be present for the Board meeting at which the invoices were presented.

Director Campbell then recognized Mr. Anderson for purposes of receiving a report from the District's general manager. Mr. Anderson reviewed his report, noting that the water loss for the month was approximately 9%, but the cumulative loss was under 4%. He requested approval of the write-offs attached as **Exhibit "M"**. He advised the Board that a number of customers city-wide had experienced leaks during the recent freeze, but that there had been few in the District. The Board confirmed that any customer who had experienced a leak could receive a billing adjustment based on their average usage and that any excess could be billed at the wholesale rate. Mr. Anderson also advised the Board that the AVR system had not yet been implemented because Mr. Held was not satisfied. He confirmed that Crossroads had not imposed any charges for the system pending the resolution of these issues. Mr. Anderson also reported that there was a multi-family project planned for Lakes at Northtown, and that the developer's deposit had been received.

Director Campbell then stated that the Board would receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield stated that she had not been satisfied with the audit process and felt the Board had not had adequate input or time to review it. She recommended that the Board authorize her to work with Director Gray and Director Campbell on a modified process, and the Board concurred.

Director Campbell then stated that the Board would receive a report from the developers' and landowners' representatives and recognized Ms. Loyaza. Director Campbell noted that a draft Utility Construction Agreement was in the packet, and suggested that the Board authorize negotiation and execution of the agreement. Mr. Foster noted that this was for the extension of utilities along Harris Ridge to the school site. Director Richter moved that the Board authorize the negotiation and execution of the Utility Construction Agreement. Upon second by Director Gray, the motion was unanimously adopted.

Mr. Rivaldo then advised the Board that several sprinkler heads had been sheared off in the large dog park. The Board directed Ms. Oliver to coordinate repair with Mr. Fadal. Mr. Rivaldo also stated that the entry lighting at Meadowpointe was still not working. The Board directed Mr. Anderson to coordinate the repair with Mr. Fadal.

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

Date: _____.

(SEAL)

Alex Martinez, Secretary
Board of Directors