

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

March 24, 2015

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 March 24, 2015, 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	-	Vice President
Kathy Haught	-	Secretary
Felix Amaro, Jr.	-	Treasurer
Chris Capers	-	Assistant Secretary

Director Robin Campbell was absent. Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Scott Foster of 360 Professional Services, Inc.; Deputy Oscar Gonzales of the Travis County Sheriff's Department; Richard Fadal of TexaScapes, Inc.; Lee Hill, resident of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Richter called the meeting to order at 5:45 p.m. and asked if there were any residents present who wished to address the Board. Mr. Hill thanked Mr. Anderson for prompt utility billing, thanked Ms. Oliver for the clean-up on Smoothing Iron and thanked Director Campbell for updating the website.

Director Richter stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the February 24, 2015 Board meeting and the renewal of the District's membership in the Capital Area Suburban Exchange ("CASE"). After discussion, upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the consent items.

There being no one present to give the financial advisor's report, Director Richter stated that the Board would receive the District's security report. She recognized Deputy Gonzales, who stated that, for the month of February, there had been a slight uptick in criminal activity, but only one residential burglary, which was less than had been occurring. He noted that the juveniles committing vandalism and leaving graffiti had been observed and they were apparently in their late teens. He also reported that there had been some reports of street fighting, which he believed was the result of social media. Deputy Gonzales noted that two vehicles had been impounded after being red-

tagged. Director Amaro stated that the Security Subcommittee would like to have authorization to approve additional patrol hours during holiday periods or as needed due to special activities like Spring Break when kids were out of school. He noted that 140 hours were currently approved, and requested approval for the Subcommittee to authorize up to 50 additional hours per month. Upon motion by Director Haught and second by Director Capers, the Board voted unanimously to authorize the Security Subcommittee to approve up to 50 additional hours of patrols per month on an as-needed basis. Ms. Oliver then requested approval for a budget for publicity items for the officers to hand out within the District. Director Richter inquired if this would be similar to the budgetary authority of the Parks Subcommittee and Ms. Oliver agreed that it would. After discussion, upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to authorize the Security Subcommittee to approve costs associated with publicity or safety items of up to \$200 per month.

Director Richter then stated that the Board would receive the landscape maintenance report and recognized Mr. Fadal. Mr. Fadal presented several plants and explained their impact in the District. He stated that “Bastard Cabbage” was being controlled in the parks, that Oaks were dropping leaves in great numbers due to the rain and that the Bluebonnets were starting to bloom. Mr. Fadal advised the Board that there were two kinds of Red Buds that grew in Texas, Eastern and Texas/Oklahoma, and that the Red Bud was the plant of the month. He explained that, when Red Buds were in bloom, it was a sign that fish were running and, if they were healthy, it indicated the White Tail Deer population was in balance. He reported that his crews had removed one of the trees that was on his proposal from February, but explained that the two trees at the MeadowPointe pond had not yet been removed because the water was too deep. He then reviewed the landscape maintenance report attached as **Exhibit “B”** and stated that all work was on target.

Director Richter stated that the Board would next receive the on-site manager’s report and recognized Ms. Oliver. Ms. Oliver reviewed her monthly report, attached as **Exhibit “C”**, with the Board. She stated that she had confirmed the Clean-up Day schedule with Texas Disposal Systems and the Boy Scouts. She reported that the office floor project was complete and explained that the toilets in the bathrooms had also been replaced due to leaks. She stated that the electrical box around the well pump had been repaired and that it looked much better.

Director Richter advised the Board that the Parks Subcommittee had nothing to report at this time.

Director Richter then recognized Mr. Foster for purposes of receiving the engineer’s report. Mr. Foster presented his report, attached as **Exhibit “D”**. He stated that there were a few updated development plans under review as indicated in his report. Director Richter inquired where Edenbrook was located and Mr. Foster explained that this was the property that a multifamily developer had contracted to purchase from the Village @ Northtown. He stated that the project required a large amount of infrastructure that had not yet been constructed. Mr. Foster also reported

that he and Mr. Fadal intended to go out to inspect the ponds, stating that he believed they were in much better shape than before the District's pond maintenance program was started. Mr. Foster confirmed that the District's surplus funds application had been submitted the prior week and noted that he was not anticipating any substantive comments from the TCEQ. He then called the Board's attention to the professional services agreement for the proposed metal storage building attached as **Exhibit "E"**. Director Haught asked about one of the items included in the proposal and whether it was a lump sum or if there were estimated hours. Mr. Foster stated that the project was estimated to take 30 to 40 hours of work and had been priced as a lump sum. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the proposal.

Director Richter then recognized Mr. Douthitt, who presented the updated bookkeeping report attached as **Exhibit "F"**. Mr. Douthitt reviewed the proposed funds transfers summarized on page one of his report and called the Board's attention to the transfer of \$1,286,292.38 in funds from the District's Logic 2011 CPF account to the Logic general operating account to reimburse the general fund as previously discussed with the Board. He also reviewed the Director and vendor payments that were being presented for approval, noting that the per diem to Director Campbell would be voided due to his absence from the Board meeting. Mr. Douthitt pointed out the additional checks that had been added to the check register since the Board's packet date and the payments that had been made out of the manager's account since the last Board meeting, noting that these were mainly utility payments and customer deposit refunds. He noted that the District's taxes were approximately 98% collected. He stated that he had requested a delinquent tax report and noted that there was one resident who apparently hadn't paid taxes since 2007. He added that he assumed this customer was a senior and was legally allowed to defer payment. Mr. Douthitt stated that he had discussed banking fees with Chase Bank and had not seen any charges that were out of the ordinary, but would continue to monitor banking fees. Upon motion by Director Amaro and second by Director Haught, the Board voted to approve the payment of the bills and invoices and the transfers, as recommended.

Director Richter then recognized Mr. Anderson for purposes of receiving the general manager's report. Mr. Anderson noted that the District currently had 2,942 occupied single-family connections, a total of 3,008 accounts and an estimated population of 9,420. He added that the District had experienced a 5.5% water loss for the prior reporting period. He stated that he had put information on bulky waste collection on the back of the bill as directed at the last meeting. Mr. Anderson stated that he had provided information on the lift station chemical problem to Ms. Littlefield prior to the Board meeting. Ms. Littlefield recommended that the Board convene in executive session to receive legal advice on the matter. Mr. Anderson then noted that, due to the previous large water loss, the leak detection company was prepared to begin work. Mr. Anderson stated that he was also going to have the large meters, such as those to the school and apartment complexes, calibrated. He recommended proceeding with leak detection even though the loss percentage had dropped. Mr. Anderson then called the Board's attention to the back-up provided on the large write-off that the Board had approved in February, and to the additional write-offs set forth on the list attached as **Exhibit "G"**. He requested approval of the additional write-offs. Mr. Anderson then

presented two proposals for replacement of the pump and plumbing at the pump house, and recommended award of the project to the low bidder, Bee Cave Drilling. After discussion, upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to award the contract for the work to Bee Cave Drilling under the proposal attached as **Exhibit “H”** and to authorize the Parks Subcommittee to approve additional costs related to the project of up to \$2,500 if needed. Ms. Oliver asked if the old pump would be repaired and Mr. Anderson responded that there was an option to get the pump repaired for use as a stand-by pump. After discussion, the Board directed Mr. Anderson to retain the old pump until the Board could consider whether to repair it or to buy a new back-up pump. Upon motion by Director Haught and second by Director Amaro, the Board voted unanimously to approve the write-offs as presented. Mr. Anderson then reported that wet well rehabilitation at Lift Station No. 2 was going well.

Mr. Anderson reported that the District was required to update its drought contingency plan every five years and stated that he would have this submitted to the Texas Commission on Environmental Quality before it was due.

Director Richter stated that the Board would next discuss the District’s identity theft prevention program. Mr. Anderson reminded the Board that the District was required to annually review its “red flag rules” and stated that there had not been any significant incidents of identity theft and no complaints and so Crossroads did not recommend any changes to the program at this time. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the Resolution Confirming Annual Review of Identity Theft Prevention Program attached as **Exhibit “I”**.

At 6:45 p.m., Director Richter announced that the Board would convene in executive session as permitted by Section 551.071 of the Texas Government Code in order to receive legal advice. At 6:53 p.m., the Board reconvened in open session and Director Richter then announced that no action had been taken in executive session. Director Amaro moved to authorize the expenditure of up to \$30,000 for a new chemical tank with the requirement that the tank include a warranty and that a contract for chemical supply to the tank was also provided. Director Capers seconded the motion, which was unanimously adopted.

There being no reports from developers’ and landowners’ representatives, Director Richter asked if there was any further business to come before the Board. There being none, the meeting was adjourned.

Date: _____

(SEAL)

Kathy Haught, Secretary
Board of Directors