

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

March 27, 2007

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on March 27, 2007, 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:

Texana Kowis	-	President
Robin Campbell	-	Vice President
Brenda Richter	-	Secretary
Michael Zeniecki	-	Assistant Secretary
William E. Henderson	-	Treasurer

and all of the Directors were present, except Director Henderson, thus constituting a quorum. Also present at the meeting were Mike Morin of ECO Resources, Inc.; Sam Jones of Sam Jones Consulting, Inc.; Mona Oliver of Wells Branch Municipal Utility District; Richard Fadal of TexaScapes, Inc.; Deputy Keith Kinnard of the Travis County Sheriff's Department; David Armistead of the Wildflower Homeowners' Association; and Sue Brooks Littlefield of Armbrust & Brown, L.L.P. Jim Nias, representing the Village @ Northtown, Ltd., and Carlton Riser of the Morgan Group arrived later.

Director Kowis called the meeting to order at 6:00 p.m., and stated that the Board would first consider approving the minutes of the February 27, 2007 Board meeting. Upon motion by Director Campbell and second by Director Zeniecki, the Board voted unanimously to approve the minutes.

There being no citizens' communications and no announcements by Board members, Director Kowis recognized Ms. Oliver, for purposes of receiving a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Ms. Oliver reported on certain restrictive covenant matters, noting that Ms. Flores' fence, which had been discussed at the prior meeting, had been repaired. She also noted that Mr. Morin would be making the repairs of the Meadow Pointe entryway lighting which had been discussed at the prior meeting. Director Richter reported that Mr. Williams was working on having the dirt piles in the park area moved, and that this work would be completed when the weather permitted.

The Board discussed a complaint which had been received regarding an 18-wheeler located at Segovia Drive and Greinert, and the fact that the information which had been reported regarding the vehicle's ownership appeared to be an error. Ms. Littlefield indicated that her office would continue to follow-up on the matter. Ms. Littlefield then reviewed the District's restrictive covenant enforcement policy, and particularly the section relating to District action

with regard to nuisance violations. She pointed out that the District's policy did require that the Board find that a nuisance violation affected the District's taxable property values before the District could take any action with regards to such a violation, which was consistent with State law. After discussion, the Board agreed that no change to the policy was necessary.

Director Kowis then recognized Mr. Armistead, who thanked the Board for improving the fencing between the mobile home park and Meadow Pointe. He inquired as to the timing of the spring clean-up, and Mr. Morin indicated that he would be contacting Texas Disposal Systems regarding the date of the clean-up. Mr. Armistead reported that he had issued citations to the two homes with blue tarps on the properties, and that he was working with one homeowner to have carpentry work done to allow the tarp to be removed. The Board indicated that it wished to have the clamps removed from the tarp immediately, and Mr. Armistead concurred. Mr. Armistead indicated that he was continuing to work on having residences repainted, and was issuing numerous citations for the lack of yard maintenance.

Director Kowis then recognized Deputy Kinnard, for purposes of receiving the security report. Deputy Kinnard reported that he was getting a good response to the posting of the District's crime statistics on the website. He inquired as to the hours of patrols which the Board wished to have for the summer and, after discussion, Director Richter moved that the Board increase patrol hours to 60 per month for the summer. Upon second by Director Campbell, the motion was unanimously adopted.

Deputy Kinnard requested a Board contact person to coordinate with regard to scheduling. After discussion, the Board designated Director Zeniecki to be Deputy Kinnard's contact person.

There being no park development report, Director Kowis recognized Mr. Fadal, who reported that Charlie Bowen had been promoted to the Chief of Operations for his company, but that he would continue to be the District's primary contact person for landscape maintenance issues. He reported that the prior month had been the first normal spring in about five years and that, while the rains were making things green, they were also creating problems with ants. He summarized the "Texas Two Step" application which he was utilizing to battle the ants, and also reported that the improvements at the Harris Ridge bridge in Stoney Creek Park had been completed. Director Kowis and Director Richter commended Mr. Fadal on the appearance on these areas. Mr. Fadal indicated that he had met with Don Williams on the drainage problem which had been reported in Stoney Creek Park and, after discussion, Director Richter moved that the Board authorize the Park Subcommittee to review and approve a proposal to remediate the drainage problem which had been reported by a resident. Upon second by Director Zeniecki, the motion was unanimously adopted. The Board directed Ms. Oliver to obtain a proposal from Wells Branch Municipal Utility District to address the drainage situation as soon as possible, and directed Mr. Fadal to follow-up with the resident, so that he would know that the problem was being addressed. Ms. Littlefield reported that her research indicated that the area along Howard Lane at the Wildflower entryway which the Board had discussed at its prior meeting was within the Howard Lane right-of-way, and probably owned by the City of Austin, which had annexed the right-of-way. After discussion, the Board directed Ms. Littlefield to proceed to obtain the license agreement over the area, so that the entryway improvements could be made.

Director Kowis then recognized Mr. Morin, for purposes of receiving a report from the District's general manager. Mr. Morin reported that a manhole cover had been removed several times from the area around the low flow lift station. He indicated that he would bolt it shut, and the Board directed that he do so as soon as possible. The Board agreed that the District's policy would be that all manholes located outside of right-of-way were required to be bolted down, and directed Mr. Jones to confirm this in the course of his review of any plans for improvements within the District.

Mr. Morin then presented the write-offs as set forth on Exhibit "B", and requested their approval. Upon motion by Director Richter and second by Director Campbell, the Board voted unanimously to approve the write-offs. Mr. Morin reported that service terminations were scheduled for the following day and that currently approximately 90 were scheduled. The Board noted that this was an improvement over prior months. Mr. Morin reported that the District's water loss had gone down for the prior month, and then reviewed the list of bills and invoices set forth on Exhibit "C". He also advised the Board that Director Henderson had reviewed and approved all of the invoices which were being presented. After discussion, Director Richter moved that the Board approve the payment of all of the invoices, as presented, with the exception of check number 7443 to Director Henderson, which should be voided due to his absence from the meeting. Upon second by Director Zeniecki, the motion was unanimously adopted.

Mr. Morin reported that he was continuing to work with Director Henderson on the new customer brochure, and anticipated that Director Henderson would bring it to the next Board meeting. He presented the proposed transfers as set forth on Exhibit "D", and requested their approval. Upon motion by Director Campbell and second by Director Zeniecki, the Board voted unanimously to approve the transfers, as presented.

Director Kowis stated that the Board would next discuss engineering matters. The Board first discussed the rehabilitation of the low flow lift station. Ms. Littlefield explained that she, Mr. Morin and Mr. Jones were working on an alternative to rehabilitate the lift station in the most cost-effective manner. Mr. Morin confirmed that the lid and concrete supports for the lift station pumps were crumbling, and stated that he felt that their rehabilitation required immediate attention in order to avoid a risk to public safety. Director Kowis inquired why the use of bioxide, as had been required by the City of Austin several years previously and which was injected at the low flow lift station site, was not preventing the deterioration of the concrete structure. Mr. Morin explained that it could do so if it was injected upstream of the site, but that the application at the lift station did not allow sufficient time for the chemical reaction required in order to neutralize the caustic effect of the sewage. Director Kowis inquired whether all lift stations had this problem, and Mr. Morin indicated that they did not. After further discussion, the Board directed that Mr. Morin and Mr. Jones work to locate a bioxide injection site upstream of the lift station, in order to allow the chemical adequate time to work and avoid additional deterioration of the lift station itself. Mr. Jones reported that the City of Austin's capital improvements plan showed that the lift station would come off-line within about five years, and explained that the City planned to pump to a new wastewater treatment plant through a new interceptor which would be constructed. Mr. Morin agreed that, because the lift station would be taken off-line relatively soon, it would not be cost-effective to totally replace the lift station, and that rehabilitation was the most cost-effective alternative. After further discussion, Director Richter moved that the Board find that the condition of the low flow lift station presented an

emergency condition that could create a serious health hazard or risk of economic loss to the District and required immediate corrective attention, and authorize Mr. Morin and Mr. Jones to work with a subcommittee consisting of Directors Kowis and herself in order to negotiate limited duration contracts to make the necessary repairs to the lift station. Upon second by Director Campbell, the motion was unanimously adopted. The Board directed Mr. Jones to submit the proposed project to the Texas Commission on Environmental Quality as an emergency project, and he agreed to do so. Mr. Jones recommended that the Board accept a 50% maintenance bond, which he indicated would reduce the overall cost of the project. The Board concurred with his recommendation. He then reviewed the proposal for engineering services attached as Exhibit "E" and, upon motion by Director Richter and second by Director Kowis, the Board voted unanimously to approve it.

Mr. Jones then advised the Board that he was requesting that the Board postpone action on the Lakes Boulevard–Lakes at Tech Ridge water, wastewater and drainage improvements, because the change order which had been received was confusing and included both eligible and non-eligible items. Director Kowis directed Mr. Jones to have the project engineer attend the next meeting in order to present the pay estimates and change orders regarding this project.

Mr. Jones then presented Pay Estimate No. 2 for the City of Pflugerville water supply facilities conversion and bypass piping project, a copy of which is attached as Exhibit "F". He stated that he recommended approval of the pay estimate, and noted that he had not yet received the change order which was expected in order to move the location of a valve, as discussed at the prior meeting. After discussion, upon motion by Director Zeniecki and second by Director Campbell, the Board voted unanimously to approve the pay estimate as presented.

Mr. Jones then presented the cost summary attached as Exhibit "G" in connection with the District's 2007 bond application. Ms. Littlefield noted that the Board has approved an increase in bond counsel fees recently, and that these would need to be amended on the cost summary. After further discussion, Director Campbell moved that the Board approve the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds and Request for Waiver of Market Study Requirement, with the insertion of the correct amount after bond counsel fees. Upon second by Director Zeniecki, the motion was unanimously adopted. A copy of the Resolution, as approved, is attached as Exhibit "H".

Director Kowis then stated that the Board would receive reports from the developers and landowners. She recognized Mr. Nias, who requested authorization to work with Ms. Littlefield to finalize a utility construction agreement between Village @ Northtown, Ltd. and the District, to enable it to be executed within the next few weeks. He also advised the Board that the permit application for Wells Branch Parkway had now been filed.

Director Campbell then introduced Carlton Riser of the Morgan Group, noting that the Morgan Group planned a 350 unit garden-style apartment project on the apartment site located on Howard Lane. He reviewed several plans relating to the project, copies of which are attached as Exhibits "I" through "Q". Director Campbell noted that he had originally had concerns about the use of Hardiplank, but that the developer would be putting up the product plank by plank and not in sheets, which he felt would present a much better appearance. He stated that the developer had accommodated his desire for more dimension and masonry in the project and that he

recommended approval of a modification of the restrictive covenant to allow the use of Hardiplank, in plank form, and to reduce the percentage of masonry to 24.4 percent. After discussion, Director Kowis moved that the Board approve a restrictive covenant with the changes presented by Director Campbell, and with authorization to Ms. Littlefield to draft the necessary amendment and for Director Campbell to approve and execute it. On second by Director Richter, the motion was unanimously adopted. Ms. Littlefield requested clarification as to whether this would apply to all of the project, or only the first phase and the Board agreed that it would only apply to the first phase. She requested Mr. Riser provide her with a legal description of the property included in the first phase, and he agreed to do so.

There being no further business to come before the Board, the meeting was adjourned at 7:18 p.m., upon motion by Director Richter and second by Director Zeniecki.

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

(SEAL)

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Brenda Richter, Secretary  
Board of Directors