

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

May 22, 2007

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 May 22, 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.; Don Williams and Mona Oliver of Wells Branch Municipal Utility District; Richard Fadal of TexaScapes, Inc.; David Armistead of the Wildflower Homeowners' Association; Ralph Wueller and Ryan Beard of Texas Disposal Systems; Chip Boyd of KB Homes, Mike Fisher of Pate Engineering, Inc. and Sue Brooks Littlefield of Armbrust & Brown, L.L.P. Deputy Keith Kinnard of the Travis County Sheriff's Department 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 April 24, 2007 Board meeting. Upon motion by Director Campbell and second by Director Richter, the Board voted unanimously to approve the minutes.

There being no citizens' communications, Director Kowis inquired whether there were any announcements by Board members. Director Campbell stated that he would not be present at the next Board meeting, as he would be out of town.

Director Kowis then stated that the Board would receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Ms. Oliver reported that the restrictive covenant violation relating to a fence located at 13726 Lampting had not been resolved and she was referring that matter to the District's attorney's office for a lawsuit. She reported that a fence that had been damaged by a vehicle on Greinert had not yet been repaired, and Mr. Morin reviewed the situation relating to the homeowner and his efforts to assist her in making a settlement with the insurance company. After discussion, the Board agreed that no enforcement action should be taken at this time, and requested that Mr. Morin continue to monitor the situation. Mr. Williams reported that the dirt piles in the park had been removed, and noted that there were still some stumps which needed to be hauled out once it was dry enough. He stated

that the fence should be started the following day. Mr. Williams indicated that the Stoney Creek Park drainage area was still slightly wet, but that he had ordered eight loads of top soil which would be added to level out the area. He stated that there was no standing water in the area, and that it was draining properly.

Director Kowis then recognized Mr. Armistead for purposes of receiving the Wildflower Homeowners' Association restrictive covenant report. Mr. Armistead reported that two violations which the Board had been concerned about, the blue tarp and the tarp with the clips on it, had been resolved. The Board thanked Mr. Armistead for his efforts. Mr. Armistead advised the Board that there had been a problem with residents parking on the District's park property adjacent to Wildflower. Director Kowis stated that the Park Subcommittee had directed Mr. Morin to install "no parking" signs along the area. Ms. Littlefield noted that specific language needed to be included on the signs for them to permit vehicles to be towed, and agreed to coordinate with Mr. Morin on the appropriate language.

Director Kowis then stated that the Board would consider taking action regarding park development matters. Director Richter reported that the District had received a \$200,000 park grant from the Lower Colorado River Authority. She stated that the Park Subcommittee would be following up on this grant application at the next meeting. Director Kowis reported that she and Director Richter had been meeting with Ms. Littlefield on how to proceed with park development, noting that there were issues relating to phasing, bidding and project management which needed to be resolved.

Director Kowis then stated that the Board would receive a landscape maintenance report, and recognized Mr. Fadal. She requested that Mr. Fadal coordinate a Park Subcommittee meeting before the next Board meeting, and he agreed to do so. Mr. Fadal reported that there had been a lot of rain which had interrupted his crew's work to some extent, but stated that they were staying on schedule with weekly services. He stated that he had not observed any stoppages in the creek due to dead fall. He stated that the only pending project was the District's sign project, noting that the sign was still in the manufacturer's hands, and that he had not yet been satisfied with the manufacturer's prototype.

Director Kowis then stated that the Board would receive a report from the District's general manager, and recognized Mr. Morin. Mr. Morin presented the write-offs set forth on **Exhibit "B"**, and requested that the Board approve the second write-off, but advised the Board that Assured Property Management had agreed to pay the amount listed as due from it, so would not need to be written off. Upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to approve the write-off for Walter Whitlock, only. Mr. Morin reported that the Texas Commission on Environmental Quality required that a periodic water quality report be given to all of the residents of the District, and reviewed the form of the report attached as **Exhibit "C"**. Upon motion by Director Zeniecki and second by Director Campbell, the Board voted unanimously to approve the report and its distribution to the residents.

Mr. Morin then reviewed the list of transfers attached as **Exhibit "D"**, and requested their approval. He also presented the bills and invoices received by the District, as set forth on **Exhibit "E"** and on the supplement attached as **Exhibit "F"**. He noted that Director Henderson had reviewed and approved the invoices contained on the primary check register, and reviewed the additional invoices appearing on the supplemental check register with the Board. Director

Kowis inquired about the deposit refund shown as payable to Caleb Buuck, noting that the District had previously approved a write-off of this resident's account. Mr. Morin stated that Mr. Buuck had paid everything which was due on his account and was due the deposit refund. Director Campbell inquired how the resident had gone from write-off status to a \$180 security deposit refund, stating that he did not believe that this should be possible if the deposit had been applied to the delinquent account as required by the District's policy. Mr. Morin stated that this was due to an error in the system, and that it had been corrected. Director Kowis noted that check number 7573 would need to be voided due to Director Henderson's absence from the meeting. After further discussion, Director Richter moved that the Board approve the bills and invoices received by the District, with the exceptions noted. Upon second by Director Zeniecki, the motion was unanimously adopted.

Mr. Morin then reported that vandalism had occurred at the low flow lift station, and that it appeared that a large truck had driven around the gate causing rutting in the roadway area. He stated that Mr. Fadal estimated that it would cost approximately \$600 to repair the damage, and added that he had not been able to identify the culprit. Mr. Morin conceded that Mr. Fadal's employees had observed the truck, but that they had not been able to provide enough identifying information to determine whose truck it was. After discussion, upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to authorize the repair at a cost not to exceed \$600.

Mr. Morin then reported that initiation of the lift station repairs had been delayed because of the problem obtaining a replacement lift station lid. He stated that the work would be done beginning immediately after the Memorial Day holiday. Director Zeniecki stated that he was concerned that children were throwing lighted paper around the lift station, and stated that he thought that any dry vegetation would present a fire hazard and should be removed. After discussion, the Board agreed to reevaluate the situation after the repairs were completed.

Mr. Morin then stated that the District's spring clean-up day had occurred the prior weekend, and Director Zeniecki stated that he had a report regarding the conduct of the clean-up day. Director Zeniecki suggested that Mr. Morin's mail-out on clean-up day be sent out earlier, noting that, due to delays in mail processing time, some residents had not received the notice until the day of or the day after the clean-up day. Director Zeniecki then reported that he had gone out to the various clean-up day locations in Northtown, and, at his first stop, which was at 12:45 p.m., had been asked by the Boy Scouts to provide them with a rake, as they were ready to leave this site because they had not been able to obtain additional dumpsters and had already utilized the two allocated to them by TDS. He stated that, from this location, he had gone to the dumpster site at Segovia, where the Boy Scout Leader had informed him that they had received the first dumpster at noon, and that this dumpster was not full at the time he arrived. He stated that there was no one present at the third dumpster location on Wild Sienna, but that the dumpster was full. Director Zeniecki stated that, at this point, he had contacted Mr. Morin and then had gone on to the Battenburg location, where the Boy Scouts said they had had their first pick up at 10:00 a.m., and had filled two dumpsters by noon and had also been told that they could not have any additional dumpsters. Director Zeniecki also stated that the Scout Leader at the Darjeeling site had reported that he had not received any answer when he had tried to call Texas Disposal Systems dispatch to obtain the pull and haul of the dumpster at that location. He stated that the Friendship Quilt location was still utilizing the first dumpster when he had arrived. Director Zeniecki stated that he had received a report, attached as Exhibit "G", from Texas

Disposal System regarding the clean-up day and that the biggest discrepancy which he was aware of was in connection with the Segovia Way dumpster. He pointed out that the Scouts had reported that the delivery had occurred at noon, while the driver said that the delivery occurred at 7:18 a.m. Mr. Beard apologized for the problems with the clean-up day, stating that he had addressed the unlimited haul issue with the dispatchers prior to the scheduling of the clean-up day. He reviewed his memorandum, noting that it outlined their response to the problems which had occurred in Spring of 2006. He noted that he requested that customers be diverted to other dumpster locations, where the dumpsters were empty. Director Zeniecki expressed concern with this, noting that residents did not plan to be hauling loose brush or other large items a long distance over busy streets in order to dispose of them. Director Kowis stated that she was very concerned that the Board had required Texas Disposal Systems to correct the problems which had occurred in 2006, but that the process had not worked properly, despite Texas Disposal Systems' assurances to the contrary. She stated that she was very unhappy that one of the most visible customer services which the District provided each year was not being handled properly. She stated that the residents had certain expectations, and that this program had now not run smoothly for two years in a row. Mr. Beard stressed the steps which he had taken after the problems with the Spring clean-up day had arisen to be sure that everyone received the service they desired, including leaving some of the dumpsters on-site over the weekend. Director Zeniecki suggested that back-up contact phone numbers be provided, in case Texas Disposal Systems dispatch could not be reached. Mr. Morin stated that he had provided multiple copies of contact information, which included his number and Mr. Beard's number, to the Scout Leaders. Director Campbell expressed concern that the hauls which were contracted for were not being provided. He noted that, in his memorandum, Mr. Beard was suggesting limiting the number of dumpsters within the District and scheduling limited hauls and asked if the arrangement was approved, Texas Disposal Systems would feel that they had no exposure for any additional failure of its process. He suggested that they put up a deposit with the District to assure the Board that the next time the District contacted its customers through the clean-up day process the experience was a positive one which functioned as intended. He stated that he felt that it was imperative that Texas Disposal Systems have an incentive to assure that the clean-up day functioned properly. After discussion, Director Kowis suggested that Director Zeniecki work on an amendment to the Texas Disposal Systems contract to assure that this did not happen again, stating that, in her opinion, the next clean-up day would be the last opportunity Texas Disposal Systems would have to operate the District's clean-up day if it did not do so properly. She also stated that, in her opinion, the contract needed to provide for six dumpster locations due to the District's growth. She pointed out that, in 2008, the District would have an additional, non-contiguous residential area which would need to be served. Mr. Beard suggested that the Board consider conducting its clean-up day on two different days, saying that he believed that Texas Disposal System's staff might be being spread too thin. Director Zeniecki suggested that the District split the District at Howard Lane, which would allow Texas Disposal Systems a smaller service area to deal with. Director Richter noted that she had worked on the last Texas Disposal Systems contract renewal, and stated that she would like to be involved in this contract amendment. After further discussion, the Board agreed that Director Richter and Director Zeniecki should work with Mr. Beard and Mr. Wueller to develop a contract amendment which would address the clean-up day problems, and provide a template for proper operation of the clean-up day in 2008 and subsequent years.

Director Kowis then stated that the Board would receive a security report, and recognized Deputy Kinnard. Director Kowis expressed concern about a number of vehicles which had been

shot up during the prior week. Deputy Kinnard acknowledged that 15 vehicles off of Spearmint Tea had been damaged, and pointed out that Brookfield Estates had not been the only subdivision affected and that other areas outside the District had also experienced damage. Deputy Kinnard stated that the Sheriff's Department had identified two households which were being investigated in connection with the shootings. Deputy Kinnard also advised the Board that the Tudor House neighborhood seemed to be the biggest security problem for the District, and requested a Homeowners' Association contact person so he could try to set up a neighborhood watch. He stated that the pool, which was owned by the Homeowners' Association, appeared to be the magnet for the problem individuals, and explained that, if he had a contact person, criminal trespass charges could be pursued. Ms. Littlefield agreed to contact Continental Homes to request names of prospective contact persons.

Director Kowis then stated that the Board would receive a report from the District's attorney, and recognized Ms. Littlefield. Ms. Littlefield reviewed her directives from the previous Board meeting, and explained that the License Agreement with the City of Austin for the Wildflower entryway improvements was currently in process. She noted that several revisions were being proposed to the District's rate order, including revisions to address the condominium project which was proposed at Parkside, which involved non-separately metered residential units, as well as an escrow for industrial waste permit inspections. She requested that the Board appoint a representative to work with her and Mr. Morin on those proposed revisions. After discussion, the Board agreed that Director Kowis should serve as the Board's representative on finalizing the rate order revisions that were proposed.

Director Kowis reminded Mr. Morin that she had requested a reconciliation of builder deposits, noting that she had asked for a simple reconciliation for this month, which had not been included in the packet. Mr. Morin apologized for the oversight. Director Kowis stated that, in future months, she wanted both a reconciliation and also the historical information on each account. Mr. Morin agreed to include this information in the Board's June meeting package.

Director Kowis then stated that the Board would receive a report from the District's engineer, and recognized Mr. Jones. Mr. Jones reviewed his report, a copy of which is attached as **Exhibit "H"**. He stated that the contractor for the bypass piping project was working on the connection. He presented Pay Estimate No. 1 for the Lakes at Northtown Section 1, noting that he had confirmed that the developer had received all necessary approvals -- and that the land plan change had been approved administratively by the City of Austin -- and recommended approval of the pay estimate. Upon motion by Director Campbell and second by Director Zeniecki, the Board voted unanimously to approve the pay estimate, a copy of which is attached as **Exhibit "I"**.

Mr. Jones reported that the District's bond application had been filed, and that he anticipated approval would be received in August. Mr. Jones also advised the Board that, in connection with the fountains which were located at the entryway to the Lakes at TechRidge Boulevard, he had been advised that these water features/fountains would be maintained by the property owners' association. The Board agreed that the impact of fountains in any water feature or drainage area which would be maintained by the District needed to be evaluated by Mr. Jones, and that he needed to develop a recommendation to be brought to the Board regarding whether or not the District would accept such facilities. Director Zeniecki stated that, if the District was

going to accept wet ponds, he believed the Board should evaluate more eco-friendly alternatives to controlling moss and undesirable vegetation which tended to grow in the ponds.

Director Kowis then stated that the Board would consider taking action regarding water and wastewater service to Settler's Meadow. Mr. Fisher addressed the Board, and stated that he had provided the Board with backup information relating to the additional services provided by Pate Engineering pertaining to the Change Order for the by-pass piping project. He requested a meeting with the Subcommittee to revisit the project and give the Board an update. Director Kowis stated that she had advised Mr. Young that she could meet after tonight's Board meeting, and pointed out that Director Campbell would be leaving town June 14. She requested Mr. Fisher coordinate the meeting, and stated that Mr. Jones needed to be included in it.

Director Kowis then stated that the Board would receive a report from developers' and landowners' representatives. She recognized Chip Boyd of KB Home, who provided the Board with an update on development status. Director Kowis requested that Mr. Boyd evaluate the availability of a location for District signs on park or greenbelt property owned by KB Home, and he agreed to do so. Ms. Littlefield advised the Board that KB Home had requested authority to install an alternative type of street lighting standard on the Northtown Boulevard median. The Board discussed the lighting and agreed that, provided KB Home execute a contract agreeing to bear the capital costs, the District would pay for the electricity for the lighting. Ms. Littlefield agreed to prepare the necessary documentation.

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

Date: _____.

(SEAL)

Brenda Richter, Secretary
Board of Directors