

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

May 22, 2012

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, 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, thus constituting a quorum. 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; Richard Fadal of TexaScapes, Inc.; Scott Foster of 360 Professional Services, Inc.; Deputy Keith Kinnard of the Travis County Sheriff's Department; John Grasshoff, governmental liaison for Travis County ESD No. 2; Kathy Haight and Lee Hill, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

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. There being no resident communications, Director Richter announced that there were additional rooms available for the CASE summer conference at the La Quinta Inn for the conference rate.

Director Campbell stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the April 24, 2012 Board meeting and the Resolution Adopting Revised List of Qualified Brokers attached as **Exhibit "B"**. Upon motion by Director Amaro and second by Director Gray, the Board voted unanimously to approve the consent items.

Director Campbell then recognized Deputy Kinnard for the security report. Deputy Kinnard recommended that family violence reports be deleted from the District's security report and that the report concentrate on crimes of interest to the community, as family violence reports might unnecessarily raise concerns among the residents. He reported that there had been an increase in the number of reported property crimes over the prior month, including property crimes affecting the District

such as vandalism of the fence on McCallen Pass and the theft of a gate to the dog park. Director Richter noted that one of the District's security cameras in the park had also been stolen. Deputy Kinnard then reported that he had responded to residents' complaints in Wildflower, but that he had not observed any violations. He stated he would meet with the complainants in person after the Board meeting. Deputy Kinnard advised the Board that he expected to see fewer burglaries of residences reported for May, but acknowledged that the number might increase when school let out in June. Director Richter moved approval of the payments to the deputies set forth on the updated cash activity report attached as **Exhibit "C"**. Upon second by Director Gray, the motion was unanimously adopted.

Director Campbell then stated that the Board would receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver reported that she had contacted the company that had submitted information on a District-wide messaging system and obtained some additional information. She stated that she had not yet met with the company's representatives. Director Campbell stated that he felt such a system would be helpful to notify the residents about things such as "boil water" notices or outages. Ms. Oliver stated that Wells Branch Municipal Utility District had such a system through an alternate supplier, IRIS. The Board agreed that it would like to review information from other suppliers, including information on costs, who maintained the database, whether notices could be sent subdivision-by-subdivision rather than to the entire community and how the customer contact information would be assembled, such as whether it was retrieved from other sources or was customer-provided. Ms. Oliver agreed to obtain this additional information for presentation at the next Board meeting. Ms. Oliver then reported that the staff had rented a wood chipper to dispose of a large number of trees that had fallen near the dog park. She noted that the Park Subcommittee had asked her to obtain pricing to replace the camera that had been stolen from the park. Director Amaro asked if the camera could be safeguarded in a metal security box. Director Gray suggested getting more than four gigabytes of memory for the camera and added that the price quote for the memory card appeared high. Director Richter suggested authorizing the expenditure of up to \$250 and that Ms. Oliver purchase the memory card from Frye's. Director Amaro suggested checking at Cabella's, as there was more rugged casing available for cameras used for photographing wild animals. Director Campbell suggested approving the purchase with a not-to-exceed amount and, if the appropriate camera set-up could not be obtained, revisiting the matter at the next meeting. Director Gray then moved to approve Ms. Oliver's purchase of a game camera, memory card and security box at a cost not to exceed \$500. Director Richter seconded the motion, which was unanimously adopted. Ms. Oliver then reported that she had driven the routes for the Clean-Up days, which would be held June 2nd and June 9th from 9:00 a.m. to 2:00 p.m. Mr. Hill suggested that it would be helpful if residents didn't have to take large items across Wells Branch Parkway to dispose of them. Director Campbell responded that the challenge had been finding an accessible location on the other side of the roadway. The Board agreed to look for an alternative location in Settler's Meadow for the following year. Ms. Oliver then confirmed that she had ordered the volleyball net as previously directed by the Board. Director Richter requested authorization for a quarterly insert into the water bills about covenant enforcement to provide some different "hot issue" information each time. She stated that she felt it would be a useful reminder to residents and could reduce violations. Ms. Oliver stated that the number of violations was extremely high this year

and that possibly changing up the color and emphasis of the insert could keep covenant issues fresh on the residents' minds. The Board agreed and, upon motion by Director Richter and second by Director Gray, voted unanimously to authorize a quarterly mailer at a cost not to exceed \$700 each time. Director Campbell reminded the Board that the District had filed suit in connection with the covenant violation at the existing apartment complex. He stated that the Board's subcommittee and Mr. Cooper of Ms. Littlefield's office had met with the complex's representatives and they now had a better idea of the problem from the District's perspective. He stated that they had been asked to come back to the subcommittee with a proposal before the next Board meeting. Director Amaro stated that the subcommittee had agreed to recommend a waiver of the berms, as these would be cost-prohibitive since they would require removal and reinstallation of the irrigation system, but had requested mitigating landscaping.

Director Campbell then recognized Mr. Fadal for purposes of receiving the District's landscape maintenance report. Mr. Fadal stated the plant of the month was Poison Ivy, noting that it was related to Sumac and that it was sometimes referred to as Poison Oak when it was more bushy in form. He stated that his crews usually treated for it two or three times a year and that it was challenging to control. He added that he would be bringing a proposal for treatment to the Board for its consideration soon. Mr. Fadal then reported that most of the vegetation that had been planted by the District over the past few years had survived the drought and still looked good, but explained that there was a delayed die-back from the drought occurring, especially in the creek areas. He stated that he would be meeting with the Park Subcommittee to evaluate this.

Director Campbell then stated that the Board would next receive the engineering report. Mr. Foster advised the Board that he had completed his directives. He explained that a preconstruction meeting for the Lakes Section 5 had occurred and that he expected construction to begin soon. He reported that there had been very little progress with the developer of the Harris Ridge Boulevard extension project, and that the lack of progress was affecting the availability of water and wastewater service to Pflugerville Independent School District for its new elementary school located in the Village at Northtown. He added that he was not sure what the cause of the hold-up was and that he felt he and Mr. Anderson had done everything they could to get the parties to the table to talk, but no resolution had been reached. Mr. Foster stated that the school was scheduled to open in the Fall and that the school district's representatives were saying it would open "regardless". The Board directed Ms. Littlefield to contact Mr. Nias and ask for an explanation. Mr. Foster reported that the low flow lift station project was almost complete and referred the Board to Mr. DeMotte's report, attached as **Exhibit "D"**. He stated that he anticipated final acceptance of the project in June or July. Mr. Foster then called the Board's attention to the Pay Estimate No. 1 for the lift station project, attached as **Exhibit "E"**, and recommended approval. Upon motion by Director Martinez and second by Director Richter, the Board voted unanimously to approve the Pay Estimate. Mr. Foster then reported on the status of the well project, noting that the slab had been poured and the tank should be delivered in June. He stated that he expected the well to be operational in June. Director Richter stated that the pole for the electrical box looked flimsy and she thought they had agreed to install a sturdier one. Mr. Foster agreed to check on this. Mr. Hill recommended that the new playscape in Wildflower be more aesthetically pleasing than the old one and Director Richter confirmed that it would be. Mr. Foster then presented Pay Estimate No. 1,

attached as **Exhibit “F”**, for the well project, noting that it was recommended for approval by TBG. Director Richter asked why the Pay Estimate was so high and Mr. Foster explained that a substantial amount of the cost was for the well. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the Pay Estimate. Mr. Foster then presented Change Order No. 1 for G Creek Construction and reported that he had identified a much-needed repair at the spillway of the Wildflower Pond and explained that the addition of a timer at the Wildflower Pond was also needed, for a Change Order in the amount of \$3,763.20, attached as **Exhibit “G”**, which he recommended be approved. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the Change Order. Mr. Foster then reported that the surveyor had begun surveying the park site and that he anticipated receiving the packet in June and going out for bid in July, so the new landscape would be a Fall project.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper’s report. Mr. Douthitt reviewed his updated report, attached as **Exhibit “C”**, with the Board. He reviewed the proposed transfers summarized on page one of his updated report, including a transfer to the manager’s account, as well as a transfer into the District’s operating account from the District’s lockbox account. He also recommended closing a Sovereign Bank CD and moving the funds to the District’s park fund account. Mr. Douthitt stated that he had reviewed the payables with Director Gray, and called the Board’s attention to the payments that had been added since the date of the packet. Mr. Douthitt then reviewed the manager’s checks that had been written since the last Board meeting. He noted that the payment for the well project would come out of the park fund. He stated that the District was currently running ahead of plan, but stated that there had been one adjustment due to a fire hydrant meter billing error that had reduced water revenue for the month. Upon motion by Director Amaro and second by Director Martinez, the Board voted unanimously to approve the transfers and the payment of the bills and invoices, as presented, except for the payments previously approved to the Sheriff’s deputies. Mr. Douthitt then advised the Board that his company’s contract with the District was coming up for renewal in June, and proposed to renew the agreement on its existing terms. He asked if the Board preferred that he meet with the Finance Subcommittee before presenting the renewal for approval. Director Richter asked him if there would be a rate adjustment, and Mr. Douthitt stated that there would not be and that his company appreciated the District’s business. Director Gray stated that he did not feel a subcommittee meeting was needed prior to approval, as the Board conducted annual consultant reviews and there were no changes to the contract’s terms proposed. After discussion, the Board agreed to put the renewal of the contract on the next meeting agenda for consent.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager and utility operator’s report. Mr. Anderson reported that Ranger Excavation had been issued a fire hydrant meter, but the first meter reading had been erroneous, resulting in an overbilling that Ranger had paid. He added that, now that the error had been identified, Ranger had been issued a credit. He reported that the District currently had 2,772 occupied residences and 2,900 total active connections. Mr. Anderson stated that all tests were satisfactory and the District had experienced a 2.9% water loss for the prior reporting period. He reviewed the revised list of write-offs attached as **Exhibit “H”** and recommended approval. Upon motion by Director Gray

and second by Director Richter, the Board voted unanimously to approve the write-offs. Mr. Anderson then advised the Board that the District was required to send out annual Consumer Confidence reports, and showed the Board the standard form and an upgraded alternative and asked the Board's preference, noting that the upgraded version was used by Lakeway Municipal Utility District and would involve a higher cost. Mr. Hill noted that this same question had been asked the prior year and he wondered if Mr. Anderson expected a different response. Director Campbell stated that the decision not to upgrade the previous year was a timing issue, and that he felt the District could do better than the standard report. After discussion, the Board directed Mr. Anderson to proceed with the standard option. Mr. Anderson then stated that he had received a number of inquiries about deposit refunds after some period of timely payments and had been requested to bring this matter to the Board. Director Richter asked if the inquiries were coming from owners or renters and Mr. Anderson stated that he did not know. Mr. Douthitt suggested reducing the amount of some of the larger deposits if the customer had a good payment history for 12 months. The Board agreed it would consider this on a case-by-case basis.

Director Campbell stated that the Board would next receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield reported that the District's refunding bond issue was still in process at the City. Director Campbell stated that he had not heard anything further on the refunding issue during the past month.

There being no reports from developers' and landowners' representatives, and no further business to come before the Board, upon motion by Director Richter and second by Director Gray, the Board voted unanimously to adjourn the meeting.

Date: _____.

(SEAL)

Alex Martinez, Secretary
Board of Directors