

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

May 24, 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 May 24, 2011, 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, except Director Gray, who arrived later, thus constituting a quorum. Also present at the meeting were Deputy Keith Kinnard of the Travis County Sheriff's Department; Mona Oliver, the District's on-site manager and covenant administrator; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Richard Fadal of TexaScapes, Inc.; Allen Douthitt of Bott & Douthitt, PLLC; Scott Foster of Kimley-Horn & Associates, Inc., Lee Hill, Kathy Haught, Lawrence Pipkin and Alan Rivaldo, residents of the District; Ian Asselstine and Pat Patterson of TechRidge Multifamily Residential, L.P.; and Sue Brooks Littlefield of Armbrust & Brown, PLLC. Ronnie Stafford of TBG Partners and Jim Nias and Kathryn Loayza, representing Village @ Northtown, Ltd., arrived later.

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. Mr. Rivaldo addressed the Board and stated that one of his neighbors had a dog which was barking excessively at night and asked about possible solutions. Deputy Kinnard stated that his officers would respond to calls about barking dogs and would seek voluntary compliance, but, if this was not successful, there was a procedure which allowed a resident to file a complaint in the Justice Court. He explained that the noise disturbance would need to be documented, but that this could allow the Justice of the Peace to issue an order. Mr. Rivaldo then inquired about the extension of Heatherwilde Boulevard, noting that the paint on the roadway was already fading. Mr. Anderson agreed to call the matter in to the entity which was responsible for the road. Mr. Pipkin then addressed the Board, noting that he was a resident of Northtown Park and had found that violations of the restrictive covenants were affecting the resale value of his property, and asked for the procedure that should be followed regarding the violations. Director Campbell asked that he contact Ms. Oliver. He stated that he had done so previously. Ms. Oliver responded that there was no architectural control committee for

the subdivision. After discussion, Mr. Pipkin agreed to provide a list of the alleged violations to Ms. Oliver so she could determine if they were actionable by the District.

Director Richter encouraged the Board to attend the CASE conference, which was scheduled for late June.

Director Campbell stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the April 26, 2011 Board meeting and 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 "B"**. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the consent items.

Director Campbell stated that the Board would next receive a report from the District's financial advisor. Director Campbell stated that Ms. Kaylakie would not be present, noting that the foreclosure report was in the packet and that the City's bond application had been submitted, but Ms. Kaylakie did not have a definitive timeline from the City at this time.

Director Campbell then recognized Deputy Kinnard for purposes of receiving a report regarding District security. Deputy Kinnard reported that the prior month had been fairly uneventful in terms of criminal activity, noting that resident activities in the park had decreased undesirable activity. He stated that the residents were protective of their park, and notified the deputies when undesirable individuals were in the park. He reported that there had been a fire in Wildflower Park and added that he did not have any suspects at this time. Director Richter stated that the Texas Forest Service had spoken at a recent CASE breakfast about things that could be done to reduce the risk of wildfires and would like to put some of this information on the District's website. Director Gray suggested a one-page mail-out. Deputy Kinnard reported that he had observed individuals smoking marijuana in the park and also noted that the deputies had observed an increase in skunk activity in the park. Deputy Kinnard reported that a new gang had been identified in the area. He stated that he had also responded to a recent disturbance in the park, which he believed was a dispute over drugs. He stated that the deputies were making many good contacts, and that the overall call volume was down, which he attributed to the increase in patrol hours. Director Gray stated that there had been some misunderstanding about the vehicle being used by the deputies for patrols and explained that, in the past, the County had provided a vehicle which was covered by the District's contract with the County, but that the vehicle currently being used was a personal vehicle which had been purchased by Deputy Kinnard. Director Richter asked Deputy Kinnard to explain why this was an advantage to the District. Deputy Kinnard responded that the County's vehicle protocol was very paper-intensive and took a lot of his time which could be better used elsewhere. He stated that he also felt there was an advantage to having one vehicle which all of the deputies used, and which had all of the necessary equipment for the patrol officers to do their work in the District. He stated that use of this vehicle would cost the District the same amount of money and would reduce his management time. Director Richter stated that she had no objection to doing this as long as the District's interests were protected, but that she would like to assure that the K-9 units could use the car. Deputy Kinnard stated that the K-9 units would still need to use the County's K-9 cars, as these had special equipment.

Deputy Kinnard added that the only change to the terms of use would occur if gas prices increased. Director Richter stated that she would want to be assured that the cost to the District for the use of this vehicle and the County vehicle were the same. Deputy Kinnard then stated that the K-9 units were subject to recall at any time and, in that case, they would need to leave their overtime job in the District to respond to calls. Deputy Kinnard stated that, if the other deputies were in a private vehicle when on patrol in the District, they would not be required to respond to any calls other than priority-one calls. Director Richter stated that she did not want to create more of an administrative burden on Deputy Kinnard, as she appreciated his work for the District. After discussion, Deputy Kinnard agreed to provide a copy of his insurance certificate to Ms. Littlefield, so she could confirm the necessary coverage was in place. Mr. Douthitt stated that he would issue a Form 1099 to Deputy Kinnard for the vehicle charges. Ms. Oliver and Director Gray stated that they appreciated the daily patrol reports they had been receiving from Deputy Kinnard. Director Richter stressed that the Board members should attempt not to increase the administrative workload on Deputy Kinnard, particularly since he was not charging the District for his supervisory and scheduling time. Deputy Kinnard advised the Board that Director Gray was working on creating a program that would search the crime statistic information so that a report could be more easily generated. Director Campbell stated that he did not feel daily reports were appropriate and believed that this was too high a level of feedback to require, noting that it was not required of any other District consultant. Deputy Kinnard suggested that reports be provided every couple of days rather than every day, which would provide accountability but would not create an administrative burden. Director Gray stated that he had not required a daily report, but did feel a more frequent accounting was appropriate, although he felt graffiti needed to be reported immediately. Director Amaro reminded the Board that the Security Subcommittee had been appointed to work with Deputy Kinnard in an attempt to make the deputies' patrols more efficient, and that the reports were intended to allow the Subcommittee to assist Deputy Kinnard in refining when the patrols would be most useful. He stated that the reporting was minimal, but was intended to provide a source of information. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to authorize proceeding with a contract with Deputy Kinnard for use of the private patrol vehicle as discussed. Director Amaro stated that he would like assurance in the contract that the payment would be on the same basis as that for the County vehicle. The Board concurred. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the payments to the Travis County Sheriff's Department as set forth on the bookkeeper's report attached as **Exhibit "C"**.

Director Campbell stated that the Board would next receive a report from the District's on-site manager and recognized Ms. Oliver. Ms. Oliver stated that she and Mr. Robles had worked on identifying the entity responsible for addressing the graffiti on the building on Howard Lane. She stated that the graffiti had been called into 311, and that it should be removed by Friday. Director Richter asked that Ms. Oliver notify the resident who had made the initial complaint and she agreed to do so. Ms. Oliver added that she would begin monitoring this location on a weekly basis and reporting graffiti to the Austin Police Department as necessary. Ms. Oliver reported that the old entry signs had been removed, and that the Board meeting agendas were being posted on temporary signs until the new signs were installed. She also reported on the District's Clean-up Day schedule and the related information which had been sent out to the

District's residents. Ms. Oliver confirmed that the grills had been removed from the District's parks, and that these were being stored. She also provided a copy of the signage that had been installed at the Board's request in response to the fire hazards resulting from the drought. Director Richter stated that the signs could be used for other District announcements as needed. Ms. Oliver stated that she had confirmed how graffiti could be removed from the Lower Colorado River Authority ("LCRA") grant signs if necessary. Director Martinez inquired who would rescind the burn ban. Ms. Oliver stated that she would notify the Board when the County burn ban was rescinded. She called the Board's attention to the petty cash report, and reviewed the District's maintenance report, attached as **Exhibit "D"**, with the Board. Ms. Oliver reported that the District had lost an employee and would be interviewing for a replacement. She then presented documentary evidence relating to an on-going covenant violations at 110 Wild Senna and noted that it appeared that a window had been opened, but was now closed, even though the owner had indicated the property was vacant. The Board asked that Ms. Oliver report this to Deputy Kinnard and ask him to do a check of the property, and agreed to defer action on the violation until the next Board meeting. Ms. Oliver suggested that, as a staff incentive, the Board consider purchasing a ping-pong table for the District office. The Board agreed that this would be positive thing to provide for the staff, since it would give the workers something to do during their lunch breaks, which most of the staff took at the office. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to authorize the purchase of the ping-pong table and equipment at a cost not to exceed \$200.

Director Martinez then reviewed various options for an all-terrain vehicle ("ATV") and stated that he felt the Park Subcommittee would ultimately recommend the John Deere unit, but that they would still like to meet with the District's consultants one more time before finalizing the purchase. Director Richter stated that she believed the District would be able to get a lower, governmental price. Ms. Oliver confirmed that the ATV could be stored in the storage unit at the pavilion. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to authorize the Park Subcommittee to finalize the purchase of an ATV at a cost not to exceed \$10,500.

Director Gray stated that he and Director Richter would meet on District staffing, including employee benefits and personnel policies, and provide a report at the next meeting.

Director Campbell reported that the fence at the corner of Tudor House which had been damaged by a vehicle had been repaired. He stated that Ms. Oliver had been told that the owner of the vehicle had no insurance, and so the District would absorb the cost of the repair. Ms. Oliver confirmed that the District had received reimbursement of the other fence that had been damaged.

Director Campbell then stated that the Board would receive a report from the District's landscape contractor and recognized Mr. Fadal. Mr. Fadal reported that the work between the District's staff and his crews was going very well. He stated that the park areas were in good condition and handling the increased volume of use well. Director Richter stated that she had received a compliment on the condition of the dog park, as well as its perimeter landscaping. The Board agreed that it was a nice amenity. Mr. Fadal reviewed changes to his company's maintenance procedures which he

explained were intended to create more of a vegetative buffer and filter zone adjacent to the creeks. Director Martinez then presented Proposal No. 7971 for summer maintenance to the soccer fields, attached as **Exhibit “E”**. He stated that the fields had experienced a lot of wear and tear and that the Park Subcommittee recommended approval of the proposal. Mr. Fadal stated that it was the ideal time to do this work, and added that he recommended a temporary closure of the fields to allow the grass to grow in. Ms. Oliver agreed to coordinate signage to notify residents of the closure. Director Martinez then presented Proposal No. 7974, for the Gaston Sheldon Pond I2 and I3 maintenance, attached as **Exhibit “F”** and stated that the Park Subcommittee recommended approval. Mr. Foster stated that last year these ponds had been under water and that he recommended this maintenance be approved. Director Martinez then presented Proposal No. 7978, attached as **Exhibit “G”**, for upgrade of the dog park staging area. He stated that this would bring the landscape quality up to the level of the rest of the park and noted that this was the final piece of the dog park landscaping. Director Martinez added that the District had \$140,000 allocated to the parks, and that only approximately \$100,000 had been spent to date. Director Richter noted that this \$100,000 included a number of other projects, all of which were characterized as landscape contingencies, including the lighting for the MeadowPointe entryway which had been approved at the prior Board meeting. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the proposals as presented.

Director Campbell then recognized Mr. Foster for purposes of receiving the engineer’s report. Mr. Foster confirmed that he was monitoring the revegetation of the disturbed area around the Harris Ridge Boulevard improvements. He also advised the Board that Lakes at Northtown Section 4 would be presented for acceptance at the next meeting and that he had received plans for Section 5. Mr. Foster then presented Pay Estimate No. 1 for the utility portion of the Harris Ridge Boulevard extension, attached as **Exhibit “H”**, and recommended approval. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the Pay Estimate. Mr. Foster stated that TBG was in the process of completing the plans for the Stoney Creek Park well, and that he would schedule a meeting with the Park Subcommittee to review the plans before they went out to bid. Mr. Foster then presented the proposal attached as **Exhibit “I”** for project management services for the well project. Director Martinez moved approval of the proposal, noting that he felt consistent oversight was important. Upon second by Director Richter, the motion was unanimously adopted. Mr. Foster then reviewed the status of the implementation of the pond maintenance plan, noting that, due to the dry weather, he recommended proceeding with seeking bids for the pond upgrade projects. He stated that he anticipated that bids would be considered and acted on in July, and that the work would take 90-120 days to complete. Director Richter asked how this work would be phased. Mr. Foster responded that he anticipated that one pond would be done at a time. Director Richter then moved that the Board approve proceeding with bidding of the project as outlined by Mr. Foster, noting that money had already been allocated for this work. Director Martinez seconded the motion, which was unanimously adopted. Mr. Foster noted that his firm’s proposal for the management of the work had already been approved by the Board.

Upon motion by Director Gray and second by Director Amaro, the Board voted unanimously to authorize Mr. Foster to proceed with bidding of the lift station upgrade

project. Mr. Foster reported that the water master plan and water/wastewater mapping projects were complete and that copies would be distributed for review. He added that he would be meeting with the Infrastructure Subcommittee on implementation of the findings. Director Amaro inquired if the system maps could be provided electronically and Mr. Foster agreed to do this.

The Board then discussed the MeadowPointe fence project. Director Gray agreed to again attempt to contact the resident who had stated that she would not grant an easement for the fence. After discussion, the Board directed Ms. Littlefield to send a letter to the residents notifying them that the fence would be stopped at this resident's property line, and to proceed with obtaining easements on the other tracts.

Director Campbell then stated that the Board would discuss park development matters and recognized Director Martinez. Director Martinez stated that the Park Subcommittee had not yet met on the well monitoring proposal. The Subcommittee agreed that this directive and the directive to work with Ms. Oliver to identify park signage to be ordered in bulk should be carried over to the next Board meeting.

Director Martinez then presented the Amended and Restated Landscape Maintenance Agreement with TexaScapes, Inc. attached as **Exhibit "J"**, and explained this revision would extend the term of the contract to 2016, and would include all of the new park areas. Director Richter confirmed that the increased maintenance cost had already been incorporated into the District's budget, and noted that this revision clarified and restated the contract and also made the mapping more clear and accurate. Director Martinez moved approval of the amended contract. Upon second by Director Gray, the motion was unanimously adopted.

Director Martinez then reviewed the updated park budget, attached as **Exhibit "K"**, and noted that the Park Subcommittee was using this as a tool to keep up with all park-related expenditures. He stated that the well project would be monitored separately from the park improvements. Director Martinez then reviewed the Park Subcommittee's expenses for the prior month, including costs associated with replacement of the disc golf signs. Director Martinez stated that the pavilion was complete and that the Park Subcommittee had granted final approval of the project. Director Richter stated that the final retainage could now be released to the contractor and requested that Mr. Douthitt do this. Mr. Stafford stated that he would send the final acceptance letter for the project, noting that he had received the warranty bond and final release from the contractor. He agreed to copy Mr. Douthitt on his letter. Director Martinez then presented the proposal for engineering for a low water pedestrian bridge, attached as **Exhibit "L"**. Director Richter stated that this would provide an ADA accessible crossing of the creek, noting that there was not a suitable pedestrian crossing at this time. Mr. Foster concurred, noting that this would include all of the engineering work, but not the construction cost. Director Richter moved approval of the proposal. Upon second by Director Gray, the motion was unanimously adopted.

Director Martinez then reviewed the proposal attached as **Exhibit "M"**, for additional park equipment for a new picnic area in an area residents were already using and for the dog park. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the proposal. Director Richter requested that

an item be placed on the agenda for the next Board meeting to allow the consideration of revised park rules and Ms. Littlefield agreed to do so.

Director Campbell then stated that the Board would discuss District signage. Director Campbell noted that the installation of the new entry signage had been delayed due to the recent rains, and explained that there had been one complication in that irrigation lines had been identified at the Tudor House and Cambourne signage locations. He stated that Mr. Fadal could reroute the lines at the Tudor House location, but the Cambourne location was not ideal due to other conflicts. He noted that Ms. Littlefield had confirmed that the District owned the property across the street, which would provide an alternative location. Director Campbell requested that Mr. Fadal not complete the relocation work at Cambourne until the Subcommittee determined if the alternative location would be more suitable. He stated that he was hopeful that the new signs would be installed prior to the next meeting.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt presented the updated cash activity report attached as **Exhibit "C"** and reviewed it with the Board. He reviewed his directives, noting that he had not yet met with the Budget Subcommittee, but suggested that the Subcommittee meet prior to the next Board meeting. He pointed out that the major changes he anticipated were deletion of the Wells Branch Interlocal Agreement-related expenses and addition of the District's office and employee expenses. Mr. Douthitt then reviewed the transfers and investments summarized on page 1 of his report. Mr. Douthitt confirmed that he had reviewed all of the invoices with Director Gray, as the District's Invoice Review representative. Mr. Douthitt called the Board's attention to the manager's checks which had been written since the last meeting, including a payment to Texas Municipal League and a payment of State unemployment tax. He added that the District was still running ahead of plan on the budget. Upon motion by Director Martinez and second by Director Gray, the Board voted unanimously to approve the payments as presented, with the exception of the checks previously approved to the Travis County Sheriff's Department, and to approve the transfers and investments as 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 flier announcing the Clean-up Days had been distributed to the residents. He advised the Board that the District had 2,728 occupied single-family connections and that all test results for the prior month had been excellent. He stated that the District's water loss for April was 6%. Mr. Anderson also presented the write-offs attached as **Exhibit "N"**. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the write offs. Mr. Anderson then presented the letter from TCEQ attached as **Exhibit "O"**, relating to water quality and sampling. He confirmed that Crossroads was in compliance with these requirements. He stated that the AVR system would be implemented with the District's next billing cycle. Director Martinez asked how the system would be implemented and Mr. Anderson stated that Crossroads would provide notice and stay in communication with the District residents. Director Campbell noted that there would be a link to the AVR System on the District's website. He agreed to provide the Board members with a copy of the notice that would be sent to the District's residents. The Board agreed that Director Campbell and

Director Richter should provide any comments on the form of the notice to be provided to the residents to Mr. Anderson.

Director Campbell then stated that the Board would receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield stated that she had completed her directives from the last meeting and stated that there was a possibility that she would be out of town at the time of the next Board meeting, in which case Ms. Beckham would attend in her place.

Director Campbell then noted that the District's financial advisor had raised the possibility of a bond refunding, and that an item might be placed on the next agenda for discussion of this.

Director Campbell stated that the Board would next receive reports from developers' and landowners' representatives and recognized the representatives of the Oaks at Tech Ridge. Director Campbell presented an artist's rendition of the project as facing Tech Ridge Boulevard. Director Amaro noted that it was very wide-angle, but did show the stone and elevations. Director Campbell stated that, after the information had been received, the Subcommittee had held a conference call with the applicant, and that, following the call, they had received further modifications of the variance request as follows:

1. Gates would not be required.
2. The step-back would be eliminated due to the set back from the street, which would be quantified.
3. The density would be increased from 22 units to 22.95 units per acre, and that a density offset would be applied to the next tract.
4. They would drop the request to leave masonry off the trash receptacles and all would be masonry.
5. The overall masonry component throughout project would be 25%, which was what was granted the first project.

Mr. Patterson stated that the owner's current request was 25% masonry overall. Director Richter stated that she wanted the masonry to be consistent with what was required on the first apartment project. The Board agreed that its major concern was the visual impact of the project from The Lakes Boulevard. Mr. Patterson stated that the owner could place more masonry on the buildings and garages facing the street, and so could keep the elevation that was provided to the Subcommittee, but adjust the masonry throughout the remainder of the project in order to meet the 25% requirement. Director Campbell advised the Board that he and Director Amaro had received confirmation of approval of the request from the neighbors of the project. He then reminded Mr. Patterson that the Board also wanted a restriction that no boat or trailer parking would be permitted in the front parking area. The Board confirmed that it was comfortable proceeding with the variances, as outlined. Mr. Patterson confirmed that the landscaping would be consistent with the plan provided. The Board agreed that Mr.

Foster could sign off on the site plan so the developer could proceed with obtaining its site development permit.

Director Campbell then recognized Mr. Nias and Ms. Loayza. Mr. Nias presented a map depicting the future park dedications required from the project, noting that there was about a seven acre park tract that was “stand-alone”. He reminded the Board that this had been raised about a year previously, and stated that he believed the Board had gotten comfortable with it. The Board discussed the buffer that had been required as a transition from the existing Settler’s Meadow. After discussion, the Board agreed that it could not support the requested change. Mr. Nias requested a letter from Ms. Littlefield confirming that the developer was up to date on its park dedication requirements under the consent agreement.

There being no further business to come before the Board, upon motion by Director Richter and second by Director Amaro, the meeting was adjourned at 8:50 p.m.

Date:_____.

(SEAL)

Alex Martinez, Secretary
Board of Directors