

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

May 26, 2015

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on May 26, 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"**.

All of the members of the Board were present, as follows:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Kathy Haught	-	Secretary
Felix Amaro, Jr.	-	Treasurer
Chris Capers	-	Assistant Secretary

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; Lee Hill, a resident of the District; and Kimberly S. Beckham of Armbrust & Brown, PLLC.

Director Campbell 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 addressed the Board and stated that he wished Ms. Oliver "godspeed" with respect to repairing the damage in the District's parks caused by the recent storms. He stated that the owners of 1505 Lantern had demanded that his wife pick-up dog waste on the opposite side of the street from where she was walking their dog, noting that they had criticized her language skills as well. Mr. Hill reported that there had been a drug seizure at this resident's property.

Director Campbell stated that the Board would next consider approving the consent items, including: (i) the minutes of the April 28, 2015 Board meeting; and (ii) renewal of the Bookkeeping Services Agreement with Bott & Douthitt, PLLC. After discussion, upon motion by Director Haught and second by Director Capers, the Board voted unanimously to approve the minutes and the Bookkeeping Services Agreement with Bott & Douthitt, PLLC, a copy of which is attached as **Exhibit "B."**

Director Campbell then stated that the Board would receive the District's security report. Deputy Gonzales stated that there had been an auto theft, an unauthorized use

of a vehicle, criminal mischief, and several burglaries over the past month. He stated that, with respect to the auto theft, the Sheriff's Department had found the burned-out car in Travis County. Deputy Gonzales then briefly reviewed each burglary, describing the items that were allegedly stolen. He advised the Board that the criminal mischief charge pertained to damaged landscaping, noting that the perpetrators were observed committing the crime. Deputy Gonzales then directed the Board's attention to the Crime Prevention & Security Tips flyer that had been distributed, a copy of which is attached as **Exhibit "C."** He advised the Board that the handout had been included in each resident's water bill that month. Deputy Gonzales stated that the deputies had been varying their patrol hours in the District in an attempt to catch people off guard. Ms. Oliver reported that she had received an email from a resident praising the efforts of the officers and noting she was very happy to have them around. Director Haught asked if Deputy Gonzales had all he needed in preparation for the July 4<sup>th</sup> holiday weekend. Deputy Gonzales responded that he did and appreciated her asking. He stated that he planned to have 2 or 3 deputies in the District on July 4<sup>th</sup>.

Director Campbell then stated that the Board would receive the landscape maintenance report. Ms. Oliver noted that Mr. Fadal was out of town and directed the Board's attention to the landscape maintenance report attached as **Exhibit "D."** Ms. Oliver then reviewed the TexaScapes proposal for the 50 Acre Park/Sports Field summer renovations, noting that the cost was \$7,560.00. After discussion, upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the proposal, a copy of which is attached as **Exhibit "E."**

Director Campbell 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 "F"**, with the Board. She stated that the District parks were a mess after the storms. Ms. Oliver reported that she had met with Director Richter, Mr. Foster and Mr. Anderson, and noted that the 50 Acre Park would be closed, with the gates locked, until all of the hanging limbs could be cut.

Director Campbell then stated that the Board would receive the park development report. Director Richter reported that she had toured the District the prior Sunday, before the Monday storms, noting that the Saturday storms had caused a lot of damage to the trees and the 50 Acre Park had most of the damage. She stated that the parks had received five to six inches of rain on Monday, noting that the storm was between a 100 and 500 year flood event. Director Richter stated that the water had risen up to the park benches. She recommended that the Board direct Mr. Foster to perform an assessment of the damage and bring a report and budget for the repairs back to the Board for consideration at its next meeting. Mr. Foster noted that several concrete areas had washed out. Director Richter added that the restoration work would need to be bid. Mr. Foster stated that the last concrete repairs in the parks had withstood the recent flooding. Director Richter advised the Board that the District's maintenance crew would perform some repairs to enable the District's parks to be reopened quickly. Director Campbell asked how the dog park had fared. Director Richter responded that there were some trees down, noting that many of the softwood trees had broken. After discussion, the Board directed Mr. Foster to perform an assessment of the damage and prepare a budget for the cost of repairs, and bring them back to the Board at the next

meeting. Mr. Foster agreed to do so. Director Richter then stated that the Park Subcommittee was requesting \$10,000 to remove the downed trees and broken tree limbs, noting that she and Director Haught recommended hiring a company to remove the trees and tree limbs and either mulch them or remove them from the District's property. Director Amaro asked if \$10,000 would be enough. Director Richter responded that it would be. After discussion, upon motion by Director Amaro and second by Director Capers, the Board voted unanimously to approve the expenditure of up to \$10,000 for post storm tree clean-up in the District's parks. Director Richter reported that the Park Subcommittee, Mr. Fadal and Ms. Oliver were investigating a butterfly garden project, noting that it would be considered at a later date due to the recent storm damage. Director Campbell stated that he had been contacted about a show segment featuring Mike Rowe and the disk golf course. Ms. Oliver stated that Mr. Rowe had never called back.

Director Campbell then recognized Mr. Foster for purposes of receiving the engineer's report. Mr. Foster presented his report, attached as **Exhibit "G"**. He stated that he had received a check for the park fees for Oaks at Techridge, Phase III, noting that he had approved the plans for the project. He also noted that the contractor for the Harris Ridge Boulevard extension project had reached out to him and there was recent activity on the project. Mr. Foster reported that the MS4 2015 compliance report and pond inspections were on hold due to the rain and flooding. He noted that the ponds were functioning. Mr. Foster then directed the Board's attention to the City of Austin's final acceptance letter dated April 22, 2015 for the Northtown MUD Low Flow Lift Station Force Main Improvements, a copy of which is attached as **Exhibit "H"**. He then reviewed the Texas Commission on Environmental Quality Interoffice Memorandum concerning the pre-purchase inspection for the \$689,749 surplus funds application, a copy of which is attached as **Exhibit "I,"** noting that it was KB Homes' obligation to provide the required cost information to the auditor. Mr. Foster reported that the District had solicited nine bids for the 50 Acre Park storage building but only two companies had provided a bid. He then reviewed the bid tabulation, a copy of which is attached as **Exhibit "J"**. Mr. Foster advised the Board that the Parks Subcommittee recommended award of the contract to TCB Construction, Inc., the low bidder. Director Amaro asked why the G. Creek, Inc. bid was so high. Mr. Foster stated that G. Creek was concerned about the foundation, so their estimate was much higher for that part of the project. He then reviewed Additional Services Addendum No. 1 from 360 Professional Services, Inc., a copy of which is attached as **Exhibit "K"**, related to the project. He explained that the services were for testing of the building slab, noting that the cost would not exceed \$3,000. After discussion, upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve: (i) the award of the contract for the storage building to TCB Construction, Inc., a copy of which is attached as **Exhibit "L"**; and (ii) the Additional Services Addendum No. 1 from 360 Professional Services, Inc., for an amount not to exceed \$3,000.

Director Campbell stated that the Board would next discuss the Application to the Texas Commission on Environmental Quality for use of surplus funds attached as **Exhibit "M"**. Mr. Foster stated that KB Home was the hold-up at this point, reiterating that the company owed cost information to the auditors.

Director Campbell then stated that the Board would receive a report from the District's financial advisor. Director Campbell noted that Ms. Allen was not in attendance, but the Bond Subcommittee had met with Ms. Allen the prior week to review the potential for refunding bonds. He reported that interest rates were currently not favorable to achieve the City of Austin's minimum net savings, but advised the Board that the Bond Committee had authorized Ms. Allen to move quickly once the threshold savings were achieved.

Director Campbell then recognized Mr. Douthitt, who presented the updated bookkeeping report attached as **Exhibit "N"**. Mr. Douthitt reviewed the proposed funds transfers summarized on page one of his report, including a transfer from the District's operating account to the manager's account in the amount of \$11,700, a transfer from the District's TexPool account to the District's operating account in the amount of \$250,000 and a transfer from the District's Compass Lockbox account to the District's TexPool general operating account in the amount of \$92,801.17. He recommended that the Board approve the renewal of the Sovereign Bank certificate of deposit in the amount of \$245,000 for six months. Mr. Douthitt also reviewed the Director and vendor payments that were being presented for approval and called the Board's attention to payments related to the City of Austin rate case. Upon motion by Director Amaro and second by Director Richter, the Board voted unanimously to approve the payment of the bills and invoices, the transfers, and the renewal of the certificate of deposit, as recommended.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager's report. Mr. Anderson noted that the District currently had 2,947 occupied single-family connections, a total of 3,830 accounts and an estimated population of 10,086. He added that the District had satisfactory lab results and had experienced a 6.93% water gain for the prior reporting period, which offset a portion of the water loss from the prior reporting period. Mr. Anderson then directed the Board's attention to the JBS Associates report on fire hydrant leak detection, a copy of which is attached as **Exhibit "O"**, noting that six hydrant leaks were detected and repaired. Director Haught asked how often the fire hydrants were evaluated. Mr. Anderson responded that they were not evaluated often, noting that it had been several years in between the reviews. Mr. Anderson then called the Board's attention to the write-offs set forth on the list attached as **Exhibit "P"**. He noted that he had included the billing histories for the larger write-offs and requested approval of the write-offs. After discussion, upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the write-offs, as presented.

Director Campbell then recognized Ms. Beckham for purposes of receiving the attorney's report. Ms. Beckham advised the Board that Ms. Littlefield was reviewing the covenants and agreements with the Village@Northtown to determine the District's remedies related to the graffiti at the pond.

There being no reports from developers' and landowners' representatives, and no other business to come before the Board, the meeting was adjourned.

Date: June 23, 2015

(SEAL)

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Kathy Haught, Secretary  
Board of Directors