

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

May 27, 2008

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on May 27, 2008, 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
William E. Henderson	-	Treasurer
Scott M. Gray	-	Director

and all of the Directors were present, except Director Kowis, thus constituting a quorum. Also present at the meeting were Mike Morin of SWWC Services, Inc.; Sam Jones of Sam Jones Consulting; David Armistead of the Wildflower Homeowners' Association; Don Williams and Mona Oliver of Wells Branch Municipal Utility District; Deputy Keith Kinnard of the Travis County Sheriff's Department; Richard Fadal of TexaScapes, Inc.; Ray Garza, Alex Martinez, Sharon Collier and Mr. & Mrs. Doug Stewart, residents of the District, and Sue Brooks Littlefield of Armbrust & Brown, L.L.P.

Director Campbell called the meeting to order at 5:45 p.m., and stated that the Board would first consider approving the minutes of the April 29, 2008 Board meeting. Upon motion by Director Henderson and second by Director Richter, the Board voted unanimously to approve the minutes.

Director Campbell then inquired whether there were any citizens' communications. Mr. Stewart addressed the Board, noting that he resided at 903 Lothian Cove. He stated that his neighbor was building fences between his home and his neighbors' homes, and that he understood either the approval of the developer or architectural control committee was required for the construction of fences in the neighborhood. Director Henderson noted that he served on the architectural control committee for the subdivision in question, and had looked at the fence, which met the requirements of the restrictive covenants. Director Campbell inquired whether the fence was on the property line, and Mr. Stewart complained that the original post holes were not in a straight line. He stated that he did not wish to be responsible for maintaining the fence because he felt that it was being poorly constructed. The Board reviewed photographs of the fence, and noted that, currently, a section of the fence appeared to be constructed of chain link fencing. Ms. Oliver stated that she had inspected the fence and had talked to the owner, and that

it was temporary fencing in order to allow him to complete the construction of a privacy fence. Mr. Stewart stated that the chain link fence had been in place for over a year. Ms. Oliver responded that she had given the resident a two-week extension in order to complete the privacy fence. The Board agreed that, if Ms. Oliver had authorized an extension, no action could be taken at the present time, but requested that Ms. Oliver re-inspect the fence in two weeks to determine if the privacy fence, consistent with restrictive covenant requirements, had been completed.

At 5:55 p.m., Director Campbell stated that the Board would convene in executive session, in order to receive legal advice from the District's attorney and consider taking action regarding personnel matters, including the appointment of a replacement director. At 6:20 p.m., the Board reconvened in open session, and Director Campbell noted that no action had been taken during the executive session. Director Campbell inquired whether there were any additional citizens' communications and, there being none, stated that the Board would next consider approving the Sworn Statements and Oaths of Office for Directors Campbell and Henderson. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the Sworn Statements and Oaths of Office.

Director Campbell stated that the Board would next consider taking action regarding the resignation of a director and the appointment of a replacement director. He reminded those present that the Board had been discussing appointing a replacement director to fill the vacancy created by the resignation of Director Kowis. He asked if any Board member wished to make a motion for the Board's consideration. Director Henderson noted that, at the current time, there was only one position vacant and that there were three candidates to fill the position, all of whom he felt would do a good job. He then moved the appointment of Alex Martinez to fill the vacancy created by the resignation of Director Kowis, and Director Gray seconded the motion. There was no discussion and, upon being put to a vote, the motion was unanimously adopted.

Director Campbell then requested that the Board consider approving the Sworn Statement, Oath of Office and Bond for Director Martinez. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the Sworn Statement, Oath of Office and Bond for Director Martinez.

Director Campbell then stated that the Board would consider the election of officers. Director Henderson moved that the Board appoint Director Campbell as President, Director Richter as Vice President, himself as treasurer, Director Gray as Secretary and Director Martinez as Assistant Secretary. Director Richter seconded the motion, which was unanimously adopted.

Director Campbell then recognized Deputy Kinnard, for purposes of receiving a security report. Deputy Kinnard reported that criminal activity was picking up with the advent of summer. He stated that kids were more active because they were out of school. Director Richter inquired whether the Board needed to increase patrol hours, and Deputy Kinnard stated that burglaries were up and so an increase was probably appropriate. After discussion, Director Richter moved that the Board increase the patrol hours to 70 per month. Upon second by Director Henderson, the motion was unanimously adopted. Deputy Kinnard noted that there had been a drowning incident at the Brookfield pool, which was owned by the Brookfield Homeowners' Association. He stated that the Association had not been receptive to his offer of

providing additional patrol assistance in the neighborhood and that the Homeowners' Association had contracted with a private security company.

Director Campbell then stated that the Board would consider taking action regarding the Dessau wastewater treatment plant. Mr. Jones advised the Board that he had approved the change order that was necessary in order for the Excel to move forward with its contract. He noted that, as previously discussed, some of the work which was originally contemplated had been deleted from the contract, and that Excel could now complete what it needed to do. He stated that Dessau Utilities would complete the project from the point that Excel's work stopped. He also indicated that no additional District funds would be required. Mr. Jones stated that he had signed the change order, but had not yet given the contractor authorization to proceed. After discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the Change Order attached as **Exhibit "B"** and to authorize the contractor to proceed. Director Campbell then noted that Dessau Fountains had been assessed a penalty by the Texas Commission on Environmental Quality under the proposed Order attached as **Exhibit "C"**.

Director Campbell then stated that the Board would receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Mr. Williams addressed the Board, noting that he had removed a bee hive at the MeadowPointe Park, and that graffiti had been removed at a couple of places. He stated that the 50-acre park development was going well, and that his crews were moving forward with the dog run areas as well as a full-sized sport field. Director Richter stated that the residents she had encountered when the Park Subcommittee had been on-site were very pleased with the development, which was coming along well. Mr. Morin stated that the lights at the entrance to the MeadowPointe subdivision were out, and that he was having trouble identifying an electrician to make the repairs. He recommended that the Board authorize Mr. Williams to handle this. After discussion, the Board agreed that Mr. Williams should coordinate the repairs in connection with the Park Subcommittee.

Director Campbell then stated that the Board would receive a restrictive covenant status report, and recognized Ms. Oliver. The Board discussed a home on which a roof repair had been made using shingles which did not match the original roofing. Ms. Littlefield stated that her review of the covenants indicated that there was no basis to pursue this, except as a nuisance, and that she did not recommend doing so. The Board agreed that there would be no further action taken with regard to this matter. Director Richter noted that a number of fences along Wildflower were in need of repair and requested that Ms. Oliver send appropriate violation letters. Ms. Oliver agreed to inspect the area and follow up as appropriate. Director Campbell then inquired whether Mr. Armistead had anything to report, and he stated that he did not. Ms. Littlefield inquired about an article on the Wildflower Homeowners' Association website which indicated that there would be a new covenant administrator for the subdivision. Mr. Armistead stated that this was the case and that a transition was being made.

Director Campbell stated that the Board would next consider taking action regarding park development matters. Director Richter advised the Board that the Park Subcommittee expected the dog runs to be completed in the next three weeks. She stated that Mr. Williams and his crews had done excellent work, and that the District had benefited from Mr. Williams' expertise. She stated that the project was on track, and that the Park Subcommittee had discussed expanding the park development into additional areas. She noted that the Park Subcommittee had discussed

natural insect control and was revisiting the idea of a community garden. She stated that she expected completion of substantial improvements in the next few months, and asked that Mr. Fadal be sure to keep his maintenance proposals current, so that all park areas were properly maintained. Mr. Fadal agreed to do so. Director Henderson inquired regarding the status of the update of the District's park master plan. Mr. Williams stated that it was time to do this now that the actual sites which were being developed had been identified. Mr. Jones stated that he was working on updating the District's park maintenance map as well.

Director Campbell then recognized Mr. Fadal, for the purpose of receiving the landscape maintenance report. Mr. Fadal presented his maintenance report, attached as **Exhibit "D"**, and reviewed it with the Board. He stated that the District's parks were in great shape, and that the Stoney Creek expansion was now in the second month of maintenance. Mr. Fadal indicated that poison ivy control remained a big challenge, and also reported that he was working on the landscape improvement plan which had previously been discussed, and hoped to have a plan for subcommittee review in about two weeks.

Director Campbell then recognized Mr. Morin, for purposes of receiving the District general manager's report. Mr. Morin advised the Board that Clean-Up Day started on Saturday, and would run for the next two weekends. He stated that the area in the District south of the park would be this coming Saturday, and north of the park would be the following Saturday. He stated that there would be three dumpster locations each weekend, and that he was meeting with the Boy Scouts' leader in order to coordinate the work. He stated that two dumpsters would be delivered to each of the sites and that, when one dumpster was filled or became limited in space, the contractor would pull and replace it. He stated that the hours of the Clean-Up Day were from 9:00 a.m. to 2:00 p.m. He asked that the Board confirm the payment to the Boy Scouts, noting that the District had previously paid \$800 for one day's work. The Board agreed that it would pay \$800 for each of the two Saturdays.

Mr. Morin then reported that the Lake at Tech Ridge master meter was not working properly, and that the water usage had dropped. Director Richter pointed out that she had received an email from Lisa Martinez of the City of Austin indicating that the District was being unresponsive to the City's request for information. She stated that she had asked Ms. Littlefield to become involved in the matter, due to her concern with this situation. The Board directed Mr. Morin to forward the information needed to respond to the City to Ms. Littlefield.

Mr. Morin then stated that the irrigation meters for the apartments were also showing very high usage. He stated that he was checking the meters, but believed that they were working correctly. The Board discussed the wastewater charge which was being imposed due to the fact that the property manager had utilized the irrigation meter during the winter-averaging period. Ms. Littlefield reviewed the provisions of the rate order which resulted in the additional charge to this customer, and asked Mr. Morin for an analysis of the impact of the apartment complex's usage during the winter-averaging period on the District's wholesale wastewater bill. Mr. Morin agreed to provide the requested analysis. Mr. Morin also explained that the property manager had filled the wet ponds which were an amenity for the complex during the winter-averaging period, which was the reason that the water usage was so high. He advised the Board that the Consumer Confidence Report had been completed and was going to be mailed out shortly. The Board asked that Mr. Morin forward a copy of the Consumer Confidence Report to Director Campbell for posting on the District's website.

Mr. Morin then presented the write-off list attached as **Exhibit “E”**. Upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the write-offs.

Mr. Morin then presented the transfer letters attached as **Exhibits “F”** and **“G”**, and requested approval. Upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the transfer letters. Mr. Morin then presented the bills and invoices received by the District, as set forth on the check register attached as **Exhibit “H”**. He stated that Director Henderson had reviewed the invoices. Upon motion by Director Henderson and second by Director Richter, the Board voted unanimously to approve the payment of the bills and invoices.

Director Campbell then stated that the Board would consider taking action regarding management and bookkeeping services. Director Campbell stated that he recommended that the Board not take any action on bookkeeping services at this time. He stated that he and Director Richter had evaluated the proposals which had been received from Peña Swayze & Co., L.L.P. and Municipal Accounts and Consulting, L.P., and were pretty much in agreement on a recommendation; however, there were still issues that needed to be resolved before a contract was awarded. He noted that the award of a bookkeeping services agreement would result in changes to the District’s operations contract with SWWC Services, Inc. He advised Mr. Morin that he might need to meet with him on these contract issues prior to the next meeting, and Mr. Morin stated that he would make himself available.

Director Campbell then recognized Ms. Littlefield, for the purpose of receiving a report from the District’s attorney. Ms. Littlefield reviewed her directives from the previous Board meeting, and noted that the encasement pipe matter had been referred to Mr. Jones for resolution. She stated that, at this time, it was not being included in the District’s pending bond application. Ms. Littlefield presented the revised Order Establishing Rules and Regulations Governing Parks and Recreational Facilities and Greenbelt, including Wet Pond Facilities, attached as **Exhibit “I”**, noting that the changes that had been discussed at the last Board meeting had been made, but she wanted the Board to review the final Order and make sure it had no additional changes. The Board confirmed its approval of the Order as presented.

Director Campbell then stated that the Board would receive a report from the District’s engineer. Mr. Jones stated that he had no pay estimates or change orders to present for approval at this meeting. He advised the Board that the Wells Branch Parkway improvements were now moving forward and that the ground breaking was scheduled for the following week. He stated that he would follow up with the project manager on the status of the Cash Construction Company change order.

There being no further business to come before the Board, the meeting was adjourned at 7:24 p.m.

Date: _____.

(SEAL)

Brenda Richter, Secretary
Board of Directors