

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

June 23, 2009

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on June 23, 2009, at the Wells Branch Indoor Recreation and Conference Center, 3000 Shoreline, 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:

Robin Campbell	-	President
Brenda Richter	-	Vice President
William E. Henderson	-	Treasurer
Scott M. Gray	-	Secretary
Alex Martinez	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Travis County Constable Adan Ballesteros; Mary Bott of Peña, Swayze & Co.; Sam Jones of Jones-Heroy & Associates, Inc.; Mona Oliver of Wells Branch Municipal Utility District; Robert Anderson of SWWC Services, Inc. ("SWWC"); Richard Fadal of TexaScapes, Inc.; Scott Foster of Kimley-Horn & Associates, Inc.; Trent Rush of TBG Partners, Inc. ("TBG"); Lupe Serna of the Wildflower Homeowners Association; Mr. Revaldo, a resident of the District; Jay Howard of Texas Disposal Services, Inc. ("TDS") 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 taking action on the consent items on the Board's meeting agenda: the minutes of the May 26, 2009 Board meeting and a revised District Registration Form. Upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the consent items.

Director Campbell then recognized Constable Ballesteros, who stated that he was present in order to address the Board regarding public safety issues. He reviewed community policing policies and encouraged the Board members and residents who were present to contact his office if he could be of assistance. After discussion, the Board thanked Constable Ballesteros for attending the meeting, and he departed.

Director Campbell stated that the Board would next receive a report from the District's landscape maintenance contractor, and recognized Mr. Fadal. Mr. Fadal noted that he was meeting with the Parks Subcommittee, and hoped to have a proposed revision to his Landscaping Services Agreement to present to the Board at the next meeting. He also reported some vandalism to the District's irrigation system, which the Board requested that he also report to Deputy Kinnard. Mr. Fadal agreed to do so, and to copy Ms. Littlefield. Mr. Fadal indicated

that he was a couple of days away from completing the landscape maintenance for the month and that things were going well. At this time, Mr. Fadal left the meeting.

Director Campbell noted that Deputy Kinnard had been unable to attend the meeting due to a family emergency, and stated that the Board would next consider taking action regarding the District's Clean-Up Days and receive a report from the District's recycling and solid waste disposal contractor. Mr. Howard addressed the Board, and explained that his company had staged 14 containers for the first Clean-Up Day this year, which was two more containers than had ever been required in the past. He stated that there had been a little lag time in replacing the containers at two sites, although his company had worked diligently to replace filled containers with empty containers. He stated that a delay had occurred when all of the empty containers had been utilized, requiring the trucks to go back to the landfill in order to pick up more. He added that, ultimately, three additional containers had been delivered. He reported that 13 containers had been filled the next weekend, and that there had not been any delays. Director Richter pointed out that this was the highest level of participation in the Clean-Up Days which had ever occurred. Mr. Howard agreed and also stated that his dispatch personnel had reported that they had complied with the contract, noting that, under the contract's terms, they had an hour to replace a filled container. Director Richter stated that there were penalties available under the contract in the event of delays, but that she understood that there might have been some lag time before the Boy Scout's representative had called TDS to request the additional containers. Director Henderson stated that he believed there had been a delay in calling, based on his conversations with the Scout leader. Director Campbell noted that the Board's intent was to obtain compliance with the terms of the contract and not to penalize TDS for things which were outside of its control. The Board agreed that it would need to plan ahead for staging in 2010, noting that the McCallen Pass location would no longer be available. Ms. Littlefield suggested that the Board consider using the new Stoney Creek Park parking lot for the staging area in 2010, and the Board agreed that this would be a good option. Director Campbell stated that he felt that the Board and TDS were working together and the Clean-Up Days were part of an educational process. He encouraged Mr. Howard to assure that there were additional empty containers staged before the last empty container was utilized in future years. Mr. Howard agreed to do so. Director Gray stated that he felt that this was a very successful program, and that the residents really appreciated it. Director Martinez concurred, noting that there was a lot of awareness of the Clean-Up Days in the community.

Director Campbell then recognized Ms. Oliver, for purposes of receiving a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Ms. Oliver advised the Board that additional vandalism had occurred within the District. She added that the video camera had now been installed, and that the test pictures had come back very clear. She stated that the camera had two memory cards so one would always be available, but no vandalism had yet been recorded. Director Richter stated that she had asked Deputy Kinnard to test the camera during the evening hours so the Board could see how it photographed at night. Ms. Oliver then presented the proposal for security lighting at Meadow Pointe Park attached as **Exhibit "B"**, noting that the estimated cost was \$8,800. The Board reviewed the schematics for the proposed lighting and Director Richter explained that this light would be located at the end of Greinert, adjacent to the park, and would illuminate the area where the playscape was located, as well as areas where individuals were entering the District from outside. Director Richter stated that she and Director Henderson recommended that the Board proceed with this project, but were willing to meet with any of the Board members who might have concerns regarding the proposal.

Director Henderson pointed out that there was already one similar light structure in the Stoney Creek Park near the lift station. Director Richter agreed, and noted that Deputy Kinnard recommended installing the light. Director Martinez expressed concern regarding possible light pollution and the impact on neighboring residents. Director Richter explained that the design of the light was such that it would avoid impacting the neighbors. Ms. Oliver pointed out that the Park Subcommittee had discussed adding a vegetative screen in the future, similar to the one that was at the lift station, and Director Richter agreed. The Board then discussed the fact that the District had spent a lot of money on graffiti removal, including removing graffiti from residents' fences and trees in this area. Director Martinez inquired whether the Parks Subcommittee had actually talked to the residents who would be affected, and Director Richter responded that Mr. Robles had done so. Director Gray inquired whether there was anything the District could combine this project with in order to get a better price, and Director Richter stated that she did not believe this would be possible as the area was already built out. Director Gray stated that he would like Deputy Kinnard's input on the light, and Director Richter stated that the Park Subcommittee had already obtained input. Director Richter suggested that the Park Subcommittee work to get the affected residents' acknowledgement of the plan, and to confirm that they had no opposition to it. The Board agreed that this would be a good idea. After further discussion, the Park Subcommittee agreed to work on obtaining the acknowledgement and consent of the residents who would be affected by the project. Director Campbell requested that the Park Subcommittee bring the proposal back to the Board with an accompanying landscape plan, and Director Richter agreed to do so. She stated that the Park Subcommittee would also coordinate getting the acknowledgements from the residents before bringing the matter back to the Board. Director Richter requested that Ms. Littlefield provide suggested language for the joinder or acknowledgement to Ms. Oliver, and she agreed to do so. Mr. Revaldo then addressed the Board, noting that he would be affected by this lighting as he was a resident of the area in question. He stated that he had sent an email recently on some dead trees which he was concerned about, but had not received a response. After discussion, the Board determined that Mr. Revaldo had sent the notice to Wells Branch Municipal Utility District, rather than the District. Mr. Anderson provided Mr. Revaldo with his business card, so that he could contact him in the event he had any further concerns. Director Richter noted that the Board had asked the District's landscape maintenance contractor for a proposal for the removal of several dead trees. Mr. Revaldo indicated that he believed one tree near the bridge was in danger of falling down. The Board agreed that, if this was the case, it required immediate attention. After discussion, Director Gray moved that the Board authorize the Park Subcommittee to work with Mr. Fadal to identify and remove any falling or dangerous trees, at a cost not to exceed \$2,000 per tree. Upon second by Director Martinez, the motion was unanimously adopted.

Director Campbell then stated that the Board would receive a report from the Wildflower Homeowners' Association, and recognized Ms. Serna. Ms. Serna stated that she did not have a written report to present, but that restrictive covenant violation notices had been sent out and she would present a report at the next Board meeting. Director Campbell inquired whether Ms. Serna had any questions on the form for this report, and Ms. Serna responded that she did not. Director Campbell stated that Ms. Littlefield's office would assist Ms. Serna as needed in connection with the report which was required under the District's contract with the Homeowners' Association, and Ms. Serna responded that she had received the information she needed. Director Campbell noted that there were several additional Wildflower-related items on the agenda, including the McCallen Pass/Heatherwilde Boulevard fencing. Director Richter reported that she and Director Henderson had met with representatives of the Wildflower

Homeowners' Association and would be meeting again on-site the following day in order to obtain clarification regarding the proposed fence location and certain construction-related details. She stated that she hoped to have a recommendation to present to the Board at its July meeting. Director Campbell noted that he understood that there were issues based on the ownership of land and existing facilities, as well as other matters. He recommended that the Park Subcommittee provide a plat map showing the proposed location of the fence as well as any items such as fire hydrants which would impair the District's ability to construct the fence, and Ms. Littlefield agreed that her office could provide plats to do this. Director Campbell stated that he had the same request with regard to the proposed soccer field improvements which had been proposed by the Wildflower Homeowners' Association, and Director Richter agreed to provide this information. Director Campbell stated that he would also like to review the estimated maintenance costs at the time of receiving this updated information regarding the soccer fields, and the Board agreed.

Director Campbell then stated that the Board would consider taking action regarding park development matters. Director Richter presented the Park Subcommittee report attached as **Exhibit "C"**, and noted that she hoped that this written report would cut down on the time she required for a report at the Board meetings. The Board then discussed vandalism in the park, and Director Richter reported that Stoney Creek Park had been hit with graffiti on the playscape as well as the sidewalk. She stated that, as the area on the sidewalk could not be sandblasted immediately, a new protocol had been implemented which was to paint over the graffiti on the sidewalk on a temporary basis until the sandblaster could be brought to the area to permanently remove it. Director Gray inquired as to the cost to the District of graffiti removal, and Director Richter stated that it depended on the amount of graffiti involved. She noted that Wells Branch charged for this on a time and materials basis. Ms. Oliver stated that this incident had involved a lot of graffiti. After discussion, the Board requested that Mr. Douthitt track the cost of graffiti removal, and Ms. Bott agreed to relay this directive to Mr. Douthitt.

Director Campbell then stated that the Board would next consider taking action regarding the Phase 2 park improvements. Mr. Rush stated that he had met with the City of Austin's Parks Department and gone through the playscape design with them. He stated that they had agreed that either playscape design which had been recommended would be acceptable and that, subsequently, the Park Subcommittee had met and confirmed the manufacturer it wished to utilize. He stated that his firm was continuing its work on the design for the playscape, landscaping and irrigation for the 50-acre park. Director Richter advised the Board that the City of Austin was also moving in the same direction on playscape design, and Mr. Rush agreed. He stated that the City Parks Department was pleased that the District would be utilizing the manufacturer in question, as it was the one they also preferred.

Mr. Foster then updated the Board on the status of the site plan for the Phase 2 park improvements, noting that he had received Travis County and Fire Department, as well as District engineer, approval of the plans. He stated that he was waiting on City of Austin comments, but believed that most issues had been resolved. He pointed out that he had also received the City of Austin's Water Utilities' sign-off, although he thought it was possible that they would still require an easement for a water meter. He stated that his company had begun advertising for bids, and noted that he believed the District had been wise in implementing a prequalification of bidders policy, noting that Cedar Park had taken bids recently on a project and not required prequalification, and that they had received bids from many unqualified bidders

as a result. Mr. Foster advised the Board that bids were due on July 12, and stated that the Park Subcommittee would be invited to attend the bid opening.

Director Campbell stated that the Board would next consider taking action on a proposal from Rone Engineering Services, Ltd. for construction materials testing. Mr. Foster noted that he had received a proposal from Rone, but had not yet received a proposed contract from Ms. Littlefield to review. He stated that this company would provide the materials testing in order to provide quality assurance. He stated that this was the same group that had done the boring work in the District's park. After discussion, Director Richter moved that the Board authorize the Park Subcommittee to negotiate and execute a contract with Rone Engineering Services, Ltd. for construction materials testing substantially in accordance with the proposal attached as **Exhibit "D"**, subject to Ms. Littlefield's review and approval of the form of the contract. Upon second by Director Henderson, the motion was unanimously adopted.

Director Campbell stated that the Board would next consider taking action regarding the posting of erosion and sedimentation control fiscal with the City of Austin. Mr. Foster explained that the City of Austin required the posting of revegetation fiscal for various phases of the project, in accordance with his summary attached as **Exhibit "E"**. He explained that the fiscal posting was phased with the project, and that the City of Austin would release portions of the fiscal as portions of the project were complete. Director Richter advised the Board that Mr. Douthitt had agreed to monitor this, so that the District could timely request the release of fiscal as each phase of the project was completed. After discussion, Director Richter moved that the Board approve the posting of fiscal in accordance with the information provided by Mr. Foster, and authorize the issuance of a check in the amount of \$237,780. Upon second by Director Henderson, the motion was unanimously adopted.

Mr. Foster stated that he would also like the Board to approve a water meter easement in case one was required by the City of Austin, in order to avoid any delay in the project. After discussion, Director Richter moved that the Board authorize Director Campbell to execute and deliver a water meter easement, if the City of Austin determined it was necessary, in order to allow the project to proceed in a timely manner. Director Henderson seconded the motion, which was unanimously adopted.

Director Richter then stated that, in response to comments which had been received regarding the inconsistent signage utilized throughout the District, she had requested that TBG prepare a proposal for the development of a park signage master plan. She noted that this would include a design and a plan for the location of the signs, but would not include any actual signs. Director Richter presented the proposal attached as **Exhibit "F"**, and reviewed it with the Board. After discussion, Director Richter moved that the proposal be approved. Upon second by Director Gray, the motion was unanimously adopted.

Director Campbell stated that the Board would consider taking action regarding a park project construction manager. Director Richter noted that the District had never been provided with a park construction manager as originally contemplated under the Wells Branch Interlocal Agreement. She stated that the park construction project would really only be of about six months' duration, and that she and Director Henderson did not recommend hiring someone for this short period. Director Richter explained that she had requested a proposal from Mr. Foster's

firm for construction project management, which could be presented at the next Board meeting, as an alternative.

Director Campbell then pointed out that the reconciliation of billings under the Wells Branch Interlocal Agreement appeared to be a “disappearing directive,” and requested that this be placed on the agenda in order to assure that it actually occurred. The Board discussed the cause of the delay in the meeting between the two subcommittees and, after discussion, Director Campbell stated that he would like this to be reassigned to himself and Director Richter to handle. Director Richter agreed to work on this project with Director Campbell, and stated that she would contact Mr. Kennis to encourage him to get this meeting set up. Director Campbell stated that one other “disappearing directive” related to the cell tower which had previously been discussed. He stated that he had received additional information shortly before the meeting, and requested that an item be placed on the agenda for the next Board meeting for discussion of the proposal. Ms. Littlefield agreed to add the necessary items to the July agenda.

Director Campbell then stated that the Board would receive a report from the District’s engineer and recognized Mr. Jones. Mr. Jones reviewed his directives from the previous Board meeting, and noted that the inlet protectors at the Village at Northtown’s property had been repaired. After discussion, Director Gray and Mr. Jones agreed to meet in order to ensure that any areas which had been areas of concern to Director Gray had been addressed. Mr. Jones advised the Board that he had not notified Keystone Construction’s bonding company of the District’s concerns regarding erosion, but would meet with the Park Subcommittee the following day in order to be sure that the responsible parties addressed any erosion. Director Richter asked for clarification as to where the physical tie-in to the District’s lift station had been made, noting that the dirt to the side of the bridge was her primary concern. Director Richter also expressed frustration that the City of Austin had been relatively unresponsive on the erosion issue relating to its water line leak, even though the City staff had recently required the District to revegetate a pond, including resodding the area, at a very high cost. Director Richter also stated that she and Director Henderson had been told that one of the contractors on the Wells Branch Parkway project had advised Ernest Robles that the Wildflower Trail was not actually a trail but was instead a service drive. Mr. Jones agreed to follow up with the project manager regarding this statement, and the Board’s continuing concerns regarding the repair of the Wildflower trail. Ms. Littlefield stated that she would also follow up with Mr. Nias, to be sure that he was aware of the District’s concerns regarding the project. Director Richter pointed out that the area was very overgrown and could pose a fire hazard, and that there had also been substantial graffiti and other damage done to the inlet structures. Mr. Jones agreed to follow up with the project manager on this issue as well. The Board then discussed the responsibility for pond maintenance in the area. Mr. Jones indicated that the ponds were regional in nature and so he would look to Travis County for the maintenance. Ms. Littlefield stated that, if the County was indeed responsible, she would follow up with Steve Manilla of the County regarding the problem. Mr. Jones then advised the Board that he had received approval of the District’s MS-4 Permit, and stated that Mr. Heroy of his office had worked up an implementation schedule for the permit, attached as **Exhibit “G”**. He asked that the Board authorize him to work with Ms. Littlefield on the implementation, noting that this would require some training as well as the adoption of a few rules. The Board agreed, and directed Ms. Littlefield and Mr. Jones to proceed with the implementation. The Board discussed the public education process required under the rules, and Mr. Anderson explained that this would be done by a mail-out twice per year, and stated that he would calendar it to assure that the required mail-outs were sent. Mr. Jones also advised the

Board that he had received the Declaration of Administrative Completeness for the District's on-channel reservoir permit application, and added that he had nothing new to report on the City of Austin water line repair. He stated that water was not bubbling up to the surface of the ground, and that he believed that the City of Austin was waiting on the alternative water supply line to be completed before inspecting the repair.

Ms. Littlefield then advised the Board that Mr. Carlton of her office had informed her that Dessau Fountains had paid all of the back-billed charges except the cost related to the lift station pump repair. She noted that she understood that the total cost of the repair had been approximately \$75,000 and that, so far, the District had billed about \$12,000 of this at a 100% level. She noted that the balance of the costs had come in after the first bill had gone out. Ms. Littlefield explained that approximately 33% of the repair cost could be assessed to Dessau Fountains as a maintenance charge, but that the District had billed 100% of the cost because of its belief that the repairs had been necessitated by construction debris which had migrated into the lift station as a result of the Dessau Fountains project. She stated that Mr. Carlton needed additional documentation if this was the case, and that he was working with Mr. Anderson to obtain it. She noted that Dessau Fountains had indicated that it must have this documentation in order to backcharge the expenses to its contractor. After discussion, Mr. Jones indicated that it would be difficult to conclusively establish that the debris had come from the Dessau Fountains project. He recommended that the Board pursue the recovery of a portion of the costs as operations and maintenance expenses. After discussion, the Board agreed that this would be a more reasonable basis if there was any question about the cause of the damage, and agreed that Mr. Carlton should seek the recovery of one-third of the cost on this basis.

Director Campbell then stated that the Board would receive a report from the District's bookkeeper, and recognized Ms. Bott. Ms. Bott advised the Board that her office had followed up with Tommy Patterson on the apparently double-billed charges which had been discovered during the reconciliation of the inspection fees payable by DR Horton. She stated that Mr. Patterson had originally agreed that certain amounts had been double-billed, but that he had now come up with about \$24,000 in additional inspection fees which he said had never been invoiced or paid. Ms. Bott explained that this appeared to be an ongoing problem. Ms. Littlefield advised the Board that, immediately prior to the meeting, she had received a copy of the letter which Mr. Patterson had sent to Jim Brown of SWWC. She said that the letter did not make it clear what districts Mr. Patterson was claiming owed him money, or the amounts which were being claimed. Ms. Littlefield agreed to determine what contract, if any, the District actually had with Mr. Patterson, and to get with Mr. Anderson to determine how best to proceed with a response. The Board agreed that Ms. Bott should continue to hold the check which it had made payable to Mr. Patterson, pending a resolution of this new claim. Ms. Bott then reviewed the bills and invoices received by the District, as set forth on the cash report attached as **Exhibit "H"**. She pointed out that three additional checks had been added to the cash report since the packet date. She reported that she had been in communication with the City of Austin regarding its erroneous charges based on the Olympic master meter, and stated that three adjustments would be reflected on the next monthly invoice. Ms. Littlefield inquired whether the City had adjusted the District's winter-average based on the elimination of the Tech Ridge water usage, and Ms. Bott agreed to confirm this with Mr. Douthitt. Director Richter pointed that landscape maintenance expenses were coming out of the park allocation line-item, and stated that she believed that the Board had previously agreed that these would come out of general operating fund. The Board concurred, and stated that it only wanted capital expenditures to be charged against the park fund. Ms. Bott

then presented the proposed transfer to the District manager's account attached as **Exhibit "I"**. Upon motion by Director Henderson and second by Director Richter, the Board voted unanimously to approve the payment of the bills and invoices as presented and to approve the transfer, as requested, with a directive to Ms. Bott to hold the payment to Tommy Patterson Quality Inspections and the check to the Wildflower Homeowners' Association. The Board discussed how best to proceed with the Homeowners' Association, due to the fact that the Homeowners' Association had now not provided the contractually required report to the District for two months in a row, despite several discussions and notices that it needed to do so. Ms. Littlefield suggested that the Board advise the Homeowners' Association that it needed to provide the report both for the month of June and July, and confirm that the Board wanted to provide funding for the services contemplated by the contract, but was unable to do so if the Homeowners' Association did not comply with the terms of the contract. The Board agreed, and requested that Ms. Littlefield request reports for both June and July. Ms. Bott then reviewed the District's budget comparison, noting that water sales had increased, but the District had not spent all of its budgeted capital project fund money at this point in the fiscal year. She noted that budget season was beginning and inquired which Board members would serve as the District's Budget Subcommittee. After discussion, Director Campbell and Director Gray agreed to serve as the Budget Subcommittee for the upcoming fiscal year.

Director Campbell then recognized Mr. Anderson, for purposes of receiving a report from the District's general manager. Mr. Anderson stated that, while he was new to the utility business, there were two items in the operator's report which were unacceptable to him. He stated that one of these was the District's lost water, which was 13.3%, which he found unacceptable. He stated that the 90-day receivables were also higher than he felt they should be. He advised the Board that he was working on both of these items. Mr. Anderson also explained that SWWC was moving customer service back to Austin, and stated that this would provide customers with a local phone number to call if they had questions. He also informed the Board that SWWC was moving towards a new system for automatic credit card payments, and that the cost of this would be borne by SWWC, so that there would not be any cost to either the District or its customers. Director Richter noted that the District was currently incurring several thousand dollars' worth of costs per month as a result of credit card charges, and noted that this would provide a significant savings, and the Board agreed. Mr. Anderson then presented the write-off list attached as **Exhibit "J"**, and reviewed it with the Board. Upon motion by Director Gray and second by Director Henderson, the Board voted unanimously to approve the write-off list. The Board agreed that it wished to have customer names rather than addresses on the write-off list and Mr. Anderson agreed to provide the information in this format. Mr. Anderson advised the Board that Ms. Martinez of the City of Austin had indicated that the City was very close to completing the Wells Branch water line, which would provide a secondary feed and allow the repair of the line adjacent to the District which had been affected by the leak. He also explained that he was working diligently to track the District's water loss, and pointed out that the April figures were in the packet for this month, the May figures would be in the next month's packet, and he was working on identifying the problem so that the June figures would improve. Mr. Anderson then advised the Board that he had had to replace two grinder pumps in the Parkway condominium project and the total cost had been approximately \$7,000. He noted that the District's rate order provided that the Homeowners' Association was responsible for the cost and, if it did not pay, the owners were responsible. He noted that he had reviewed the situation with Ms. Littlefield, prior to communicating with the Homeowners' Association's management company about the rate order's requirements, and that she had confirmed that the cost should be



billed to the Homeowners' Association. Mr. Anderson indicated that the manager of the Homeowners' Association was now disputing the charge, and had stated that he did not understand why the District would require the Homeowners' Association to pay this cost. After discussion, the Board agreed that an item should be placed on the next Board meeting agenda if the Homeowners' Association wished to discuss the issue.

Director Campbell then stated that the Board would receive the attorney's report, and recognized Ms. Littlefield. Ms. Littlefield reviewed her directives from the previous Board meeting, noting that the only directives that remained to be finalized were working on the revised TexaScapes contract and following up on participation by Dessau Fountains in the bypass project. She called the Board's attention to the foreclosure report which had been prepared by Southwest Securities, noting that there had been four home foreclosures during the month of May. The Board then discussed erosion control inspections, and Ms. Bott pointed out that one penalty due from DR Horton was still outstanding. The Board discussed additional issues which had been raised by Director Richter related to the DR Horton area and, after discussion, directed Ms. Littlefield to advise the inspector as well as DR Horton that any trash container must be in the immediate proximity of the homes served by it under the District's rules, and further agreed that the District's rules would be revised in order to provide that a container could not serve more than two residences. Ms. Littlefield presented the Comprehensive Compliance Investigation report attached as **Exhibit "K"**, noting that the Commission staff had originally raised a question regarding the District's wholesale water contract, but that it had resolved the question after further investigation. She pointed out that the District's water contract was almost 30 years old and, therefore, did not include certain provisions which the Commission's current rules required. She noted that the District's water contract was very favorable and basically required the City to provide the District with all of the water and wastewater services needed for development within its boundaries.

Director Campbell requested that the amendment of the Interlocal Agreement with Wells Branch Municipal Utility District and the reconciliation of the related invoices be moved under the Wells Branch report on the agenda, and Ms. Littlefield agreed to do this.

Director Campbell then inquired whether there were any other items to come before the Board. Mr. Anderson noted that he understood that there were several Eagle Scouts who were interested in providing service projects for the District, and the Board briefly discussed the best means of providing these opportunities for Scout projects. Director Henderson stated that it was the Eagle Scouts' obligation to design and implement their projects, as well as to obtain the funding for them.

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

Date: \_\_\_\_\_.

(SEAL)

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Scott M. Gray, Secretary  
Board of Directors