

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

June 26, 2012

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on June 26, 2012 at the Wells Branch Tech Center, 1421 Wells Branch Parkway, Suite 106, Pflugerville, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit "A"**.

The roll was called of the members of the Board:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Scott M. Gray	-	Treasurer
Alex Martinez	-	Secretary
Felix T. Amaro, Jr.	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; Robert Anderson of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Scott Foster of 360 Professional Services, Inc.; Kim Mathieson of the Brookfield Homeowners' Association (the "HOA"); Alan Rivaldo, Mednia Willis, Jude Ugnin and Lee Hill, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC. Brooks Rowell of the HOA 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. Director Campbell recognized Mr. Hill who reported that one of his neighbors had expressed concern about security in the neighborhood and not feeling safe, noting that this neighbor had had his door kicked in, which was one major cause of his concern. He stated that he personally had a concern about the trend of homes going from owner-occupied to tenant-occupied, which he noted was not healthy. Director Campbell agreed, noting that this was not within the District's control, but it was clear that owner-occupied units did tend to be more responsible all-around. Director Richter asked Deputy Kinnard if there was anything specific causing the increase in criminal activity. Deputy Kinnard responded that the Sheriff's office had increased its presence, both through the District's supplemental patrols and through the County proper, noting that he had seen four sheriff's department units in the District earlier in the week. Director Gray stated that the Security Subcommittee had been aware of the trend, as there had been an increase in burglaries in the neighborhood. Director Amaro stated that he had observed more groups of teenagers congregating, which he felt was partially because of the summer months. Ms. Mathison then addressed the Board, noting that the HOA also wanted to know how to better address crime in the neighborhood. She reported that the HOA represented 1,460 homes and was experiencing similar problems in that about 1/3 of the homes were now rental properties. She added that dues were extremely low, at

\$28 per month, but the HOA had about \$200,000 in delinquencies. She added that the HOA wondered how this could be improved upon, noting that delinquencies had been allowed to snowball over the years. Ms. Mathieson added that the HOA hadn't been able to get a quorum for its annual meeting earlier in the year. Director Amaro told Ms. Mathieson that he also lived in the Brookfield neighborhood and that he questioned whether the HOA was getting the service from its management company that it required. Ms. Mathieson responded that the HOA could move away from the existing management company, but had pending litigation and the management company's records were subject to being produced in the litigation, which made timing problematic. Ms. Mathieson also stated that the HOA did have a relationship with Deputy Kinnard, but noted that the management company had discouraged the HOA from reporting trespassing at the HOA pool. Director Richter stated that the District reported every criminal incident and encouraged the HOA to do the same. Ms. Oliver added that Deputy Ramsey tracked all of the incident reports, and so it was helpful to report every incident. Director Amaro concurred and stated that being told to turn a blind eye was not a helpful response. Director Campbell stated that more rental units did mean less pride of ownership, noting that this was hard to combat. Director Gray stated that, from the Security Subcommittee's perspective, Brookfield was the number one security focus, not only due to its geographic location, but also due to its size. He stated that the District allocated a significant portion of its security budget and resources to this area, but added that he would encourage the HOA's sharing of information so the Board could allocate resources in the most effective manner. Ms. Oliver confirmed that vandalism picked up when school let out. Ms. Mathieson stated that the HOA would be interested in providing additional security funding. Ms. Littlefield confirmed that the District could accept the donation of funding from the HOA to provide additional security patrols. After discussion, the Security Subcommittee agreed to discuss this proposal further with Ms. Mathieson.

Mr. Hill then asked if the Board was familiar with the electrical poles that Oncor had placed in the middle of the sidewalks along Heatherwilde Boulevard. He stated that he was discussing this with the City of Austin, as he understood Oncor had not pulled a permit for the work. Ms. Willis then addressed the Board and stated that she was aware that a school was being built off of Harris Ridge and was concerned about what kind of traffic would be coming through on her street. Director Richter stated that the District had no say over there only being one way in and out of the school. Director Gray noted that it was an elementary school, if that was any solace. Mr. Hill reported that there was going to be a private Lutheran High School opening on Heatherwilde.

There being no further resident communications, Director Campbell inquired if there were any Board member announcements. Director Richter thanked everyone who had attended the CASE conference and provided input, noting that the CASE Board appreciated and considered all input received.

Director Campbell stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the May 22, 2012 Board meeting and the Bookkeeping Services Agreement with Bott & Douthitt, PLLC 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 then stated that the Board would next receive a report on the Clean-up Day and recognized Ms. Oliver, who advised the Board that the Clean-up Day had gone very well and the District had collected a large amount of trash. Director Richter asked if she could find out how many dumpsters were filled and Ms. Oliver agreed to do so. Director Richter thanked Ms. Oliver and the staff for their work coordinating this event. Director Richter then moved approval of a manager's check for payment to the Boys Scouts for their work on the Clean-up Day. Upon second by Director Gray, the motion was unanimously adopted.

Director Campbell then recognized Deputy Kinnard for purposes of receiving the security report. Deputy Kinnard advised the Board that the District had seen an increase in crime over the past month, including vandalism to park property. He reminded the Board that the District had had a bad month in April, but a good month in May after increasing patrols. He stated that he felt good that the increased police presence worked, but noted that this month there had been an increase in silly things like graffiti on trees, the theft of a large park boulder and a gate, and damage caused to the area around the playscapes by four wheelers. He stated that the Sheriff's Department had identified the perpetrators who had damaged the area around the playscapes. Deputy Kinnard stated that there were a lot more juveniles out at night, and so he felt the deputies needed to have more of a presence at night instead of so much during the day. He added that they wanted to protect the park properties as this was the cause of a lot of financial loss to the District. He suggested that the Board allocate an additional 20 security patrol hours for the months of July and August, which would allow coverage every day of the week. Ms. Oliver stated that she would like to see Friday and Saturday nights covered. Deputy Kinnard agreed that this could be done, and that the coverage could also go a little later in the evening. Director Richter then moved approval of 20 additional patrol hours for July and August and, upon second by Director Martinez, the motion was unanimously adopted. Deputy Kinnard then reported that he had met with the neighbors on Merseyside Drive who were in a dispute over a fence and lighting, among other things, noting that this dispute included lawsuits back and forth. Deputy Kinnard then reported on a number of incidents that had occurred in Brookfield and Ms. Mathieson explained that the HOA had improved the security system at the pool and upgraded the locks. Director Richter suggested that the HOA meet with Ms. Oliver on some of the security devices that had assisted the District in resolving similar difficulties. Deputy Kinnard confirmed that the Sheriff's Department, HOA and District were in a partnership and were all trying to work together to address the problems. He stated that it was correct that part of the cause of the problem was the transition from owner-to-renter occupied residences, but that he felt this progression had slowed down. He also noted that he had seen some positive changes, such as the prices on the duplexes starting to go up. He then reported that he had lost one deputy from his team and would be replacing him.

Director Richter then moved approval of the payments to the deputies set forth on the updated cash activity report attached as **Exhibit "C"**. Upon second by Director Gray, the motion was unanimously adopted.

Director Campbell stated that the Board would next receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver reported that she had obtained more information on emergency messaging systems and distributed the information attached as **Exhibit "D"**. She stated that another large district that used the IRIS messaging

system only had about a 15% participation percentage. She added that the system would not change the notice requirements if there was a public health notice required. Ms. Littlefield stated that, although it would not change legal posting requirements, it could possibly be used to improve communications on other topics, including District security issues. After discussion, the Board agreed to assign further research on the messaging systems to the District's Security Subcommittee.

Ms. Oliver then reported on her directives, noting that she had bought a new game camera and that she had looked for, but hadn't identified a suitable area in Settler's Meadow for the Clean-up Day. She requested approval to repurchase mitts as set forth in the Purchase Order attached as **Exhibit "E"**. Director Richter recommended going to single-ply mitts, as the City of Pflugerville had done. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to authorize the purchase.

Ms. Oliver then recommended that the Board authorize the purchase of a trailer that would allow the staff to haul larger loads than was possible using the John Deere trailer. Director Richter stated that this expenditure would be made out of the money allocated in the budget for equipment purchases. She added that the trailer could be used for things like hauling mulch and confirmed that the ATV would pull it. Director Campbell asked how secure the District's outdoor storage area was and Ms. Oliver responded that the trailer would be locked to a pole within the fenced area. Director Richter suggested that a security camera be installed there as well, and the Board agreed. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to authorize the purchase of the trailer as discussed on the purchase request attached as **Exhibit "F"**.

Ms. Oliver then noted that the District had formerly used a small boat owned by Wells Branch Municipal Utility District to maintain its wet ponds, noting that a similar boat was needed to continue the required maintenance work. She then reviewed the purchase order for a jon boat and accessories attached as **Exhibit "G"** with the Board. Director Richter moved approval of the purchase and Director Martinez seconded the motion, which was unanimously adopted. Ms. Oliver then reported that, due to the extreme heat, the maintenance staff would be taking frequent breaks. Director Gray asked if there were any training videos that the staff could watch when they were in the office taking breaks from the heat and Ms. Oliver confirmed that she had access to a number of TML training videos. Mr. Hill suggested that the maintenance crews be allowed the option to work from 6:30 a.m. to 3:00 p.m., during the cooler part of the day. Ms. Oliver noted that this had been discussed, but that she thought she needed to have the staff around at the end of the day to lock up. Director Gray pointed out that the District had security through the Sheriff's office and stated that he thought the District should give the staff this option. Ms. Oliver agreed to discuss the proposal with the staff. Ms. Oliver then reported that she had hired a new employee to fill a vacancy on the maintenance staff who would begin work on July 6th.

Director Campbell then stated that the Board would receive the District's landscape maintenance report. Director Richter reported that Mr. Fadal was on vacation. She advised the Board that the MeadowPointe lights had been replaced, but that the Parks Subcommittee was not pleased with them and so Mr. Fadal would be reevaluating them. She then presented the proposal attached as **Exhibit "H"** for

remediation of the soccer fields and reminded the Board that the work was annual maintenance and the repair of normal wear and tear on the fields. She also presented the proposal attached as **Exhibit “I”** for the annual poison ivy treatment program. Director Richter moved approval of both proposals. Upon second by Director Gray, the motion was unanimously adopted. Director Richter then called the Board’s attention to the variance from the water restrictions attached as **Exhibit “J”**, noting that this had been approved by the appointed subcommittee.

Director Campbell then stated that the Board would next receive the engineering report. Mr. Foster advised the Board that Lakes at Northtown Section 5 and the second phase of the Lakes Boulevard multi-family project were under construction. Mr. Foster also reported that Pflugerville ISD had finally received approval to connect to the District’s water and wastewater system, noting that he was still working with the Village @ Northtown on pond issues because the City had accepted the water and wastewater improvements only. Director Richter stated that she had thought the liner issue had been resolved and Mr. Foster responded that it was still being worked out. Mr. Foster then reported that the lift station project was generally complete, noting that the generator was on line and he expected to receive the final pay estimate later in the month. Mr. Foster reported that the cistern was up for the Stoneycreek well project, and that he expected the contractor to begin filling it the next week and it would hopefully be on line by the end of July. Director Richter stated that the stone veneer wouldn’t be installed until after the cistern was filled. She explained to those present that the well was for irrigation and was also needed to keep the ponds filled as required by a Texas Commission on Environmental Quality rule. The Board discussed the potential need for another security camera to be located in the area of the well and cistern. Mr. Foster then presented Pay Estimate No. 2 for the well project, attached as **Exhibit “K”**. Director Richter moved approval of the Pay Estimate. Director Martinez seconded the motion, which was unanimously adopted. Mr. Foster then reported that the plans for the MeadowPointe and Wildflower park playscape improvements had been submitted to the City and he hoped to bring bids to the Board in August and complete the projects by the end of the year.

Director Campbell then stated that the Board would discuss park development matters and Director Richter noted that the only actions that had been taken by the Parks Subcommittee were to authorize replacing the dog gate at the dog park and to approve the rental of a wood chipper for one day. Director Campbell stated that the ad hoc Park/Signage Subcommittee had met to discuss the monuments in the park and hoped to bring a report to the Board soon.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper’s report. Mr. Douthitt reviewed his updated report, attached as **Exhibit “C”**, with the Board. He reviewed the proposed transfers summarized on page one of his updated report, including a transfer from the District’s operating account to the manager’s account, from the Logic operating account to the checking account, from the lockbox account to the Texpool operating account and from the Logic Park account to the Chase Park account, noting that this transfer was to pay the approved park pay estimate. Mr. Douthitt called the Board’s attention to the payments that had been added since the date of the packet, and requested approval of one additional check, Check No. 4709 for \$1,091.82, to Director Gray. He reviewed the customer refunds and other activity in the manager’s account, and called the Board’s attention to the payments

to TBG and G Creek from the park account. Upon motion by Director Gray and second by Director Richter, the Board voted unanimously to approve the transfers and the payment of the bills and invoices, as presented, except for the payments previously approved to the Sheriff's deputies.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager and utility operator's report. Mr. Anderson reported that he had proceeded with the annual consumer confidence report as directed. He also noted that he had sent information to the Board, Ms. Littlefield and Ms. Oliver regarding a monitoring violation caused by a Crossroads' employee who had failed to take required samples over one weekend. He noted that this had required notice to go out with the bills to each resident. He apologized for this failure and assured the Board that it would not happen again. He stated that the District currently had 2,806 occupied residences and 2,905 total active connections. He stated that all tests were satisfactory and the District had no 90-day arrears. He reviewed the revised write-off list attached as **Exhibit "L"**, and recommended approval. Upon motion by Director Gray and second by Director Martinez, the Board voted unanimously to approve the write-offs. Director Campbell then asked where the "3.5" multiplier that was used to determine populations came from and Mr. Anderson agreed to try to research this.

Director Campbell stated that the Board would next receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield reported she had completed her directives and that the District's bond refunding had been placed on the City Council agenda for August.

Director Campbell then reported that he and Director Amaro had met with the representatives of the existing apartment complex regarding the landscaping and related covenant violation issues and had received a revised submittal, which they felt was inadequate. He stated that Mr. Foster was going to get back in touch with the representatives to discuss this further. He noted that the subcommittee had also received some renditions of the building in the new apartment project that was proposed to be located in an area that was too close to the road under the covenants for the second phase. Director Amaro noted that the location was an issue due to the configuration of the tract. Director Campbell stated that discussions were still very preliminary on both projects.

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

Date: _____, 2012.

(SEAL)

Alex Martinez, Secretary
Board of Directors