

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

July 19, 2010

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A special meeting of the Board of Directors of Northtown Municipal Utility District was held on July 19, 2010, 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:

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

and all of the Directors were present, except Director Martinez, thus constituting a quorum. Also present at the meeting were Robert Anderson of SWWC Services, Inc. ("**SWWC**"); Michael DeMotte of Kimley-Horn & Associates, Inc. and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Campbell called the meeting to order at 6:00 p.m. and stated that the Board would first discuss the Dessau Road Force Main repair and replacement project and recognized Mr. DeMotte. Mr. DeMotte presented photographs taken during the investigation of the 12-inch and 14-inch force mains in Dessau Road, copies of which are attached as **Exhibit "B"**. He called the Board's attention to the gas line which had been discovered on top of a portion of the 12-inch force main, noting that this discovery had resulted in a change in plans and that, instead of excavating the line, the contractor had pulled a "coupon" from the line in order to determine its condition. Mr. DeMotte also explained that they had done an ultrasonic test of the line, and evaluated the thickness of the pipe based on the sound waves. He reported that the test results indicated that the pipe thickness was at or above the nominal thickness, and added that they had also done ultrasonic tests of the 14-inch line, which also indicated that its thickness was at or above the nominal thickness. Mr. DeMotte stated that the tapping contractor had taken a "coupon" of the 12-inch line, but had not been able to do that with respect to the 14-inch line. He stated that a six-inch segment of pipe had been removed, and stated that the "coupon" had verified the ultrasonic test results. He contrasted the sample which had been pulled, which he had brought with him to the meeting, to the piece of pipe which had been extracted during the prior repair and noted that the difference was very encouraging. Mr. DeMotte stated that this test had been run at the point of the line which they had been determined was the second most likely to have problems and that, even though the test was based on one data point, he felt the result was very positive and indicated that the District was not in a crisis situation. He added that he felt

comfortable proceeding with the wastewater master plan based on this determination. Director Richter expressed the Board's appreciation to Mr. Anderson, Mr. DeMotte and Mr. Foster for their diligent efforts in connection with this project, noting that there had been a high amount of coordination and that she felt that everyone involved had done an excellent and very professional job. Director Campbell concurred, stating that he was very impressed that, upon encountering difficulties, Mr. Foster quickly developed a list of alternatives and a schedule of related costs which had allowed the subcommittee to make a decision and move forward.

Mr. DeMotte then explained that, although the lines were in satisfactory condition, the Board would still need to make a decision in order to provide service to the Village@Northtown, because the force mains were undersized based on the District's ultimate service requirements. He stated that, with these force mains in service, the District was better positioned but would still need the McCallen Pass service line. Director Henderson inquired whether the District could transfer responsibility for these force mains to others and Ms. Littlefield responded that this was unlikely, as they were only sized for the District and the City was aware of the concerns regarding their condition.

Director Richter inquired as to the next action to be taken by the Board. Mr. DeMotte recommended that the District proceed with the upgrade the low flow lift station and adding an alternative point of connection through the McCallen Pass interceptor. Upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to proceed as recommended. The Board directed Mr. DeMotte to bring a proposal to the Board for the design of the upgrade to the lift station as soon as possible. Director Richter then moved that Kimley-Horn also be directed to proceed with a proposal for the design of the McCallen Pass service line. Director Gray seconded the motion, which was unanimously adopted. Director Campbell reiterated that the Board appreciated the efforts which had been made by both Kimley-Horn and Mr. Anderson in connection with the line testing project.

Director Campbell then stated that the Board would consider taking action regarding District operations services and the related contract. Director Campbell stated that, with the testing information in hand, he felt the Board was positioned to make a change in its operations services and management. The Board discussed service issues and concerns regarding the stability of the District's management. Director Richter then moved that, subject to Crossroads Utility Services' approval of a three-year contract with the District, in the form reviewed by the Subcommittee consisting of herself and Director Campbell, with a consumer price index adjustment annually and a provision for the Board's approval of the designated manager, the Board terminate the existing operations services agreement with SWWC Services, Inc., give 30 days' notice of termination to SWWS Services, Inc. and authorize Director Campbell to execute a new contract with Crossroads Utility Services, effective as of August 15, 2010. Director Gray seconded the motion, which was unanimously adopted. A copy of the notice of termination of the SWWC Services, Inc.'s contract is attached as **Exhibit "C"** and the contract with Crossroads Utility Services, as finally executed, is attached as **Exhibit "D"**.

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