

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

July 24, 2007

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on July 24, 2007, 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
Michael Zeniecki	-	Assistant Secretary
William E. Henderson	-	Treasurer

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Mike Morin of ECO Resources, Inc.; Sam Jones of Sam Jones Consulting, Inc.; Mona Oliver of Wells Branch Municipal Utility District; Richard Fadal of TexaScapes, Inc.; David Armistead of the Wildflower Homeowners' Association; Chip Boyd of KB Homes; Ryan Beard of Texas Disposal Systems and Sue Brooks Littlefield of Armbrust & Brown, L.L.P.

Director Kowis called the meeting to order at 6:00 p.m., and recognized Mr. Boyd, for purposes of receiving his development report. Mr. Boyd reported on development within the KB Homes' new project within the District, noting that KB Homes was moving forward with its models, and expected the subdivision to be accepted by the end of August and sales to begin in September. Director Richter stated that KB Homes had offered to install a municipal utility district sign at the entrance to its subdivision, and requested that Ms. Littlefield send language to Ms. Searle-Sears of KB Homes. She stated that this would be located at the most visible location, probably near the community mail box. Ms. Littlefield noted that she and Mr. Boyd had discussed the extension of solid waste services to the KB Homes community, pointing out that this had not been addressed in the District's interlocal agreement with the City of Austin. Ms. Littlefield stated that she had had a preliminary discussion with Bart Jennings of the City of Austin, and that the issue was not yet resolved. The Board agreed that it was willing to provide solid waste services, and asked that Ms. Littlefield relay to Mr. Jennings the Board's concern regarding multiple solid waste vehicles operating within the District, as well as the hours of operation. She agreed to do so.

Director Kowis then stated that the Board would consider approving the minutes of the June 26, 2007 Board meeting. Upon motion by Director Campbell and second by Director Richter, the Board voted unanimously to approve the minutes.

There being no citizens' communications, Director Kowis asked if there were any announcements by Board members. Director Zeniecki stated that the District had received notice that it would receive restitution for vandalism which had occurred in the District's park, and provided the Board with the letter attached as **Exhibit "B"**. He noted that he expected to receive a restitution check in September in the amount of \$194.

Director Kowis then stated that the Board would consider taking action regarding the tax and budget process for the 2007-2008 fiscal year. The Board reviewed the tax schedule, which called for meetings on the Board's regularly established meeting dates. Director Kowis stated that the Budget Subcommittee expected to have the final budget for presentation to the Board at the August meeting.

Director Kowis then stated that the Board would receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Ms. Oliver explained that Mr. Williams was out of the state for a funeral, but that she would present information regarding his directives. She advised the Board that the installation of posts with cables to prevent parking on District park property would cost \$40 per post, while installing large rocks would just require paying the cost of the hauling. Director Kowis reminded the Board that it had discussed the issue regarding vehicles being parked on District park property, and that legal concerns regarding installing "no parking/towing" signs had been raised by Deputy Kinnard, and so the Board had agreed to look at other options. Director Kowis proposed that the Board authorize the Park Subcommittee to choose an option and proceed with the installation of the "no parking" barriers. Upon motion by Director Campbell and second by Director Henderson, the Board voted unanimously to do so.

Ms. Oliver reported that the wet pond had been treated twice, and that Mr. Williams intended to do so again the following week. She stated that Mr. Williams was soliciting bids for modification of the fence along Lampting, and hoped to have this information within a few days. After discussion, Director Richter suggested that the Board authorize the Park Subcommittee to proceed with the fence modification project. Upon motion by Director Henderson and second by Director Campbell, the Board voted unanimously to do so. Ms. Oliver then reviewed the restrictive covenant report, noting that she believed that 13811 Lampting was ready for suit. Ms. Littlefield stated that she did not have the file on the matter and, after discussion, upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to authorize Ms. Littlefield to proceed with suit in connection with the violation at 13811 Lampting, if appropriate.

Mr. Armistead then distributed the memorandum attached as **Exhibit "C"**, noting that this was a proposal from the Wildflower Homeowners' Association to address non-compliant buildings in Wildflower. Mr. Armistead also advised the Board that the property line was five feet from the side of the alley behind the Wildflower residences. Director Kowis stated that the District would confirm the location of the property line before installing the "no parking" barriers. Director Campbell inquired regarding goats which had been reported on Mr. Armistead's covenant violation report. Mr. Armistead indicated that the goats were still there, and that the matter had been referred to the District's law firm.

Director Kowis then stated that the Board would next receive a quarterly report from the District's solid waste disposal hauler. Mr. Beard distributed the report attached as **Exhibit "D"** and reviewed it with the Board.

Director Kowis then stated that the Board would receive a report regarding park development matters. She advised the Board that she expected to have a proposal for project management in connection with the District's parks at the next Board meeting, which would enable the Board to move forward with the development of the 50-acre park. Director Kowis noted that the Park Subcommittee had re-evaluated the ponds which had been discussed at the last meeting, and had determined that these had already been accepted for operation and maintenance. Ms. Littlefield explained that DR Horton wished to dedicate the land on which the ponds were located to the District for ownership. She stated that there were still some title issues which needed to be resolved before the Board's action could be finalized, but suggested that the Board authorize Director Kowis to execute the deeds and accept the property on behalf of the District, subject to the resolution of the outstanding title issues. Upon motion by Director Campbell and second by Director Zeniecki, the Board voted unanimously to do so.

Director Kowis stated that one of the ponds appeared to not be draining properly. Mr. Jones responded that it was working properly, and that the area she had observed was an inlet. Director Kowis also noted that there were some access issues relating to the pond at Merseyside, and that the area needed to be maintained because weeds had grown to the top of the pond structure. She stated that the Park Subcommittee had asked Mr. Fadal to provide options for an access solution, as well as a maintenance proposal.

Director Kowis then recognized Mr. Fadal, for purposes of receiving the landscape maintenance report. Mr. Fadal presented his report, a copy of which is attached as **Exhibit "E"**.

Director Kowis then stated that the Board would receive a report from the District's general manager. Mr. Morin stated that there was a fence pole which had been hit and bent, and would need to be repaired. He presented the write-off list attached as **Exhibit "F"**, and requested Board approval. Upon motion by Director Campbell and second by Director Henderson, the Board voted unanimously to approve the write-offs.

Mr. Morin then requested approval of the transfers described on **Exhibit "G"**. Upon motion by Director Zeniecki and second by Director Henderson, the Board voted unanimously to approve the transfers. Mr. Morin then reviewed the bills and invoices received by the District, as set forth on **Exhibit "H"**. He noted that Director Campbell had reviewed these invoices. Mr. Morin then presented an invoice in the amount of \$225 to Atex, Inc., explaining that this invoice was for a service which allowed the District auto-dialers to be monitored remotely. He stated that he recommended this service. Director Kowis noted that, based on a long history, she felt that additional monitoring of lift station operations was well worth the small fee. Mr. Morin then proposed to present additional bills and invoices for consideration, and Director Kowis reminded Mr. Morin that the Board had a long standing policy that all invoices needed to be included in the Board's meeting packet in order to be considered at the Board meeting. After discussion, Mr. Morin agreed to send out an email reminding all consultants that invoices must be received by the Thursday before packets were sent out in order to be considered at the Board meeting. Director Campbell suggested that he establish this date as the second Thursday of the month, so that there was no uncertainty as to the intent of the Board. After further discussion, Director

Campbell moved that the Board approve the payment of the bills and invoices as set forth on **Exhibit “H”**, with the addition of a check to Atex for monitoring in the amount of \$225, a payment to the City of Austin in the amount of \$1,500, and per diem and mileage checks in the amount of \$415.57 to Director Richter and \$75.18 to Director Kowis.

The Board then reviewed the analysis of the developer escrow accounts, and noted that several developers were substantially in arrears. The Board directed that the DR Horton pond lots not be accepted until DR Horton became current with sums due to the District.

Director Kowis then stated that the Board would receive a report from the District’s attorney. Ms. Littlefield reviewed her directives from the prior Board meeting, and also updated the Board on recent legislative changes affecting the District’s bidding procedures.

Director Kowis then stated that the Board would receive a report from the District’s engineer. Mr. Jones distributed the summary attached as **Exhibit “I”**, analyzing the contract for utility improvements at the Lakes at Tech Ridge. He stated that the developer’s intent was to have the homeowners’ association maintain the wet ponds within the project. Ms. Littlefield stated that the District would need to require a pond covenant, to assure the District of maintenance of the ponds and to allow the District to enforce the covenant if maintenance was not undertaken. After further discussion, Director Richter moved that the Board approve Pay Estimates No. 5 through 8 and Change Orders No. 1 and 2, copies of which are attached as **Exhibits “J”** through **“O”**, subject to Mr. Jones confirming that there was a restrictive covenant in place which required that the ponds be perpetually maintained and provided the District with enforcement rights, and accept the water and wastewater facilities only in the Lakes at Tech Ridge for operation and maintenance. Upon second by Director Zeniecki, the motion was unanimously adopted. Mr. Jones then advised the Board that Mike Fisher and he had met with Consort, Inc. regarding the Settler’s Meadow improvements, and that Mr. Fisher was prepared to submit the plans for the improvements to the City of Austin for approval. Ms. Littlefield stated that there had been a lack of progress on the Interlocal Agreement with Travis County, due to the fact that the County no longer had an attorney working on the project.

Mr. Jones then reported that he had determined that a postponement of action on the change order presented by the contractor for the bypass piping project would not affect KB Homes’ service. He noted that KB Homes was currently receiving service from a City of Austin line, and had indicated that it was acceptable to postpone action until the next Board meeting. Director Kowis expressed serious concerns about the change order, and Director Zeniecki concurred, stating that he believed that it represented a significant waste of money.

Mr. Jones then advised the Board that he had asked for a change order to the low flow lift station improvement contract to delete revegetation, because the work that was proposed to be done in connection with the improvements under the Tri-Party Agreement with the City of Austin, Tex Aust Limited Partnership on Aus Cal, LLC, and Dessau Fountains Estates, LLC would disturb this same area. He noted that this would be a deduction from the original contract price. Mr. Jones reported that the plans for the improvements under the Tri-Party Agreement had been submitted to the City of Austin. Director Kowis stressed that the contract for these improvements needed to include very strong requirements regarding revegetation of the land around the lift station, which had recently been landscaped by the District. Director Richter concurred, noting that she was very concerned about this. Both Director Kowis and Director

Richter emphasized that the condition of the area needed to be documented in advance, and directed that Mr. Fadal be asked to inspect the vegetation and document it, as well as doing inspections during construction. Mr. Jones agreed to do so.

Ms. Littlefield advised the Board that the District had received the Staff Memorandum in connection with the District's proposed 2007 bond issue. She stated that her office was in the process of assembling information which needed to be submitted to the City of Austin upon receipt of the Commission Order relating to the bond issue.

There being no further business to come before the Board, the meeting was adjourned at 7:10 p.m.

Date: _____.

(SEAL)

Brenda Richter, Secretary
Board of Directors