

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

August 25, 2009

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on August 25, 2009, 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	-	Secretary
Alex Martinez	-	Assistant Secretary

and all of the Directors were present, except Director Martinez, thus constituting a quorum. Also present at the meeting were Allen Douthitt of Bott & Douthitt, P.L.L.C.; Crystal Kaylakie of Southwest Securities; Sam Jones of Jones-Heroy & Associates, Inc.; Jesse Kennis and Mona Oliver of Wells Branch Municipal Utility District ("*Wells Branch*"); Robert Anderson of SWWC Services, Inc. ("*SWWC*"); Richard Fadal of TexaScapes, Inc.; Scott Foster of Kimley-Horn & Associates, Inc.; Lupe Serna, Amanda Gomez and Chrissie Bryant of the Wildflower Homeowners Association; Mr. Revaldo, Roderick Burns, John Falk, residents of the District and Sue Brooks Littlefield of Armbrust & Brown, L.L.P. Deputy Keith Kinnard of the Travis County Sheriff's Department arrived later.

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 July 28, 2009 Board meeting. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the minutes.

Director Campbell then called for citizens' communications, and recognized Mr. Burns. Mr. Burns advised the Board that he resided at 13715 Greinert, and explained that the area between the fences, pond and trailer park was overgrown and housed a number of wild animals. He stated that he wondered if there was a plan to clear the area. Director Richter stated that she or Director Henderson would contact Mr. Burns in order to clarify the area in question, and that they would either mow it, if it was District property, or otherwise coordinate with the County to see if the County could assist through the Austin-Travis County Health Department.

Director Campbell then recognized Mr. Falk, who stated that he resided on Earl Gray, and wished to raise a security issue. He stated that the park was wonderful, but that he felt there was a security problem with trail, which he routinely walked. He stated that coyotes had been observed on the trail, and that it was also very dark and he would like to see some lights installed on poles along the trail. Director Richter thanked Mr. Falk for his feedback, noting that the

Board had a consultant contacting the City of Austin about getting lights installed through the City. She stated that she agreed that this would help the Sheriff's Office patrol the area, as well as assist when they were doing surveillance. Mr. Falk offered to assist the District with fundraising for the project, if needed. Mr. Campbell pointed out that part of the work on the trails was being done with grant funds, in cooperation with the Lower Colorado River Authority. Ms. Gomez then expressed a concern regarding skunks, noting that there had been a report of a rabid skunk in the area. Ms. Littlefield agreed to contact the Austin-Travis County Health Department to see if it could provide any assistance with regard to controlling these animals.

Director Campbell then stated that, as Deputy Kinnard had not yet arrived at the meeting, the Board would receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District. He recognized Mr. Kennis, who reviewed his directives from the previous Board meeting, noting that he had located the sign letters, but that they were not sufficient for all of the signs owned by the District. He stated that he was deferring purchasing more letters until the Board completed the sign project which was underway. Ms. Oliver stated that letters had been placed on the four signs located at the major entryways to the District. Mr. Kennis confirmed that Wells Branch Municipal Utility District had issued the credit which had been agreed upon, and that his maintenance crews had removed a tree which contained a bee hive. He pointed out that the form of inspection reports being used by Wells Branch Municipal Utility District had changed, and stated that he was experimenting with a work order system to provide additional detail. Mr. Kennis then presented the proposal for additional park benches attached as **Exhibit "B"**. Director Richter stated that the Park Subcommittee recommended approval of the proposal. Director Campbell raised a question regarding the style of benches proposed to be purchased, and Mr. Kennis confirmed that it was the same style as the District's existing benches. After discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the proposal. Mr. Kennis presented the updated task list attached as **Exhibit "C"**, and Director Campbell noted that he appreciated the revised format.

Director Campbell then recognized Ms. Oliver, who reported that she was coordinating with a resident who had a number of questions regarding restrictive covenant enforcement, and that she believed that she had answered all of them. She stated that she had also moved forward with Architectural Control Committee approval in Settler's Meadow, as previously discussed. Mr. Kennis then presented the proposal for hydrological surveying attached as **Exhibit "D"**, and explained that this was intended to locate the best sites for the drilling of the District's intended water wells. He pointed out that the cost of doing this would be \$11,315. Director Richter reminded the Board that it had discussed using wells instead of potable water for irrigating the District's parks for some time, and pointed out that this would provide background information to determine the availability of water before the District spent a lot of money on drilling the wells. Mr. Kennis agreed, noting that the work would verify both quantity and quality of available water. Director Richter stated that there was money in the budget for this project, and that she felt it was the appropriate first step before drilling the wells. After discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the proposal.

Director Richter then explained that she and Mr. Kennis were going to go through the existing Interlocal Agreement between the District and Wells Branch Municipal Utility District to determine what needed to be included, and they would forward the business points to Ms.

Littlefield for the preparation of a draft. Director Campbell stated that he believed it was important to have an agreement that was beneficial to both sides, and the Board concurred.

Director Campbell then stated that the District would consider taking action regarding Wildflower Homeowners' Association matters, and recognized Ms. Serna. Ms. Serna stated that she did not have a restrictive covenant report to present, and that the residents had decided to terminate the contract between the Homeowners' Association and the District. She stated that they had discussed doing this in writing, but that she did not have a letter to present. Director Campbell stated that he would accept Ms. Serna's statement as notice of the Homeowners' Association's desire to terminate the agreement, and that Ms. Littlefield would prepare a written confirmation and forward it to the Association. Upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to accept the termination of the Restrictive Covenant Enforcement Agreement with Wildflower Homeowners' Association.

Director Campbell then recognized Mr. Fadal, for purposes of receiving a landscape maintenance report. Mr. Fadal advised the Board that the main thing his crews were dealing with was the prolonged drought and the impact of the severe limits on outside water use on plants within the District. He stated that the long-term effect on the landscaping was uncertain and that TexaScapes had begun taking action on a drought response plan. He stated that his crews were setting the watering schedules to comply with the requirements of the applicable governmental entities, and watering intensely on the permitted days. He stated that they were also visually monitoring irrigation systems to be sure that all heads were operable, and mowing only when it was needed to reduce the traffic on the grass. He stated that they were also installing hose bibs to allow hand watering and would be applying seaweed as well as a product designed to reduce wilting. He stated that the crews would also cultivate and top dress with mulch as appropriate to treat any brown patches. Mr. Fadal predicted rain by October. He stated that, in the greenbelts, his crews had already gone to a winter maintenance pattern because they anticipated a wet fall. Mr. Fadal then presented the proposal for fall overseeding attached as **Exhibit "E"**, stating that he recommended approval of the proposal, subject to authorization to proceed by the Park Subcommittee. He indicated that he would normally do this work at the end of September or early October, but would hold off until the weather was appropriate. Director Richter then presented the proposal attached as **Exhibit "F"** for removal of dead and declining large trees, and explained that the group of dead trees in question had been the one that contained the bee hive previously mentioned by Mr. Kennis. She also noted that the proposal for the Wildflower Park soccer practice area initial mowing attached as **Exhibit "G"** had previously been approved by the Park Subcommittee and the work had been completed. She stated that this was being presented for the Board's information only. Mr. Fadal then presented the proposal for regular maintenance of the Wildflower soccer field practice area attached as **Exhibit "H"** and Director Richter explained that the area was big enough for one adult as well as one child-sized field. Mr. Fadal stated that the area was not growing now, and so he would not intend to commence regular mowing until the area needed it. After further discussion, Director Richter moved that the Board approve the proposals for fall overseeding, dead and declining large tree removal and landscape maintenance for the Wildflower Park soccer area as presented. Upon second by Director Henderson, the motion was unanimously adopted.

Director Campbell then noted that Deputy Kinnard had arrived at the meeting, and recognized him for purposes of receiving the security report. Deputy Kinnard indicated that the Sheriff's Department had had fairly productive surveillance the previous month, and was

concentrating its efforts in the park. He stated that they intended to emphasize protecting the District's existing assets. Director Richter explained that lighting of the trail area had been requested by one of the residents who lived near the trails, and Deputy Kinnard indicated that this could be helpful. He stated that he would like to have access to the Village @ Northtown property in order to allow his deputies to get from one park to another and the Board agreed. Director Henderson stated that he would contact the necessary property owners to work on obtaining authorization for this access. Deputy Kinnard also pointed out that Wells Branch Municipal Utility District had purchased an all-terrain vehicle for patrols of its trails, and indicated that a similar vehicle would be useful for the District. Director Richter suggested adding something to the District's budget for this. After further discussion, the Board agreed that Deputy Kinnard was authorized to adjust the timing and number of patrols as needed to provide the maximum security for the District and its residents.

Director Campbell then stated that the Board would consider taking action regarding park development matters. Director Richter presented the Subcommittee report attached as **Exhibit "I"**, and also pointed out that the Subcommittee was moving forward with work on the proposed Wildflower fencing. She asked Mr. Foster to contact Kari Moore of Ms. Littlefield's office and to let the Park Subcommittee know if it could proceed with the permitting necessary for the fence installation. She stated that there was a spillway installed at the Meadow Pointe pond which had a potential permit issue which had been identified by Mr. Foster. She indicated that there had not been another major incident of vandalism, and felt that the nighttime surveillance which was in place had helped. She then presented the proposal from TBG Landscape Architects attached as **Exhibit "J"**, noting that this would authorize TBG to update the park master plan, which was needed in order to provide up-to-date information to the residents who would be affected by the construction. She stated that the Park Subcommittee recommended approval of the proposal at a cost not to exceed \$1,000. After further discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the proposal.

Director Richter then commended Mr. Foster for the progress at which the park project was proceeding. She reported that the work was going very rapidly and that the contractor was doing an excellent job. She stated that, as soon as the master plan update was complete, the Park Subcommittee would send a letter to the residents who would be affected by the construction. She noted that the City would not allow any dust control, and that she expected the construction to be quite dusty. She indicated that the Park Subcommittee would install a sign in the construction area, with a copy of the permit as well as the master plan. She reported that Mr. Anderson was working on the lighting for the Meadow Pointe Park and pond as well as the Battenberg Bridge for the September meeting.

Director Richter then advised the Board that the Park Subcommittee would like to begin moving forward with the selection of an architect for use in the design of the proposed amenity center. She stated that she would like to go out for proposal for someone who would work on the design of the building, noting that this was a long process and that she would like to be in a position to take advantage of the current economic situation in order to get the work done at a favorable price. After discussion, the Board agreed that Director Richter and Director Henderson should put together a scope of work, and bring it back to the Board for approval at the next meeting, in order to allow the District to move forward with a request for proposal.

Director Campbell then reported that he and Director Gray had been working with Mr. Rush and Mr. Raudabaugh of TBG Partners in revising the District logo and also on the specifications for a standard District sign design. Director Gray presented the schematic and stated that he and Director Campbell would like authorization to move forward with the whole signage package, subject to the Board's approval of the schematic design for the logo. After discussion, the Board approved the schematic design and agreed that the Signage Subcommittee should proceed as requested. Ms. Oliver suggested consider using the logo on the District's letterhead, and the Board agreed that this would be appropriate once it was finalized.

Director Campbell then recognized Mr. Jones, for purposes of receiving a report from the District's engineer. Mr. Jones indicated that he had looked into the location of the fire hydrant which was beside the sidewalk in Wildflower, and that he and Director Richter felt that there might be enough room to install the proposed fence without moving the hydrant. Mr. Jones stated that it was a District fire hydrant and that, if it was necessary to move it, the District would have to pay for it. Mr. Jones reported that he had set up the training for Texas Disposal Systems as required under the District's MS4 permit, and that Director Campbell had also posted information regarding the permit on the District's website. He stated that the City had repaired the major waterline leak which had previously been discussed. Director Richter stated that she was very unhappy with the appearance of the repair under the bridge, as it looked like the City had simply spread asphalt across the surface. She stated that she also believed that the contractor had damaged the District's irrigation system when it had made the waterline repair.

Director Campbell then recognized Mr. Douthitt, for purposes of receiving the bookkeeper's report. Mr. Douthitt reported that he had scheduled all of the Patterson invoices, for a total of \$23,890. He stated that, of that amount, \$7,100 represented duplicate billings and that Patterson had agreed that these were duplicated. After discussion, the Board agreed that Mr. Douthitt and Ms. Littlefield would be authorized to negotiate a settlement with Mr. Patterson, which should be net of any inspection fees payable to either Mr. Barker or Mr. Shipman, as they had previously signed releases. Mr. Douthitt stated that he had confirmed that the Tech Ridge irrigation usage had been netted out of the District's wastewater winter-average. He then presented the updated cash activity report attached as **Exhibit "K"** and reviewed it with the Board. He explained that there had been several stale-dated checks payable to Travis County, which he had been in the process of clearing out in preparation for the District's upcoming audit, but that the County had now contacted him regarding these checks, indicating that they had held the checks because they did not know where to apply them. He pointed out that he was reissuing these checks, as requested by the County, and that they were included on the list of bills to be paid. Director Campbell reminded the Board that it had discussed proceeding with a multi-year contract for web hosting if there was a savings in doing so. He stated that he had determined that there would be a substantial savings for a 39 month contract, and so had requested a manager's check from Mr. Douthitt to cover the expense, as there had been a short window to obtain the favorable price. Mr. Douthitt then presented the transfer letters attached as **Exhibits "L", "M" and "N"**, and also pointed out that Check No. 3450 to Director Martinez and Check No. 3480 to Wildflower Homeowners' Association would need to be voided. Director Henderson moved that the Board approve the payment of the bills and invoices as recommended by Mr. Douthitt and the transfers as presented. Upon second by Director Gray the motion was unanimously adopted.

Director Campbell then stated that the Board would next receive a report from the District's general manager and recognized Mr. Anderson. Mr. Anderson explained that he

continued to work on payments which were due from Tech Ridge and DR Horton as a result of the meter bypasses. He stated that he would provide an update on his efforts at the next Board meeting. He advised the Board that a pumper truck had not been needed when the City of Austin was doing its waterline repair because, when the pressure-reducing valve had been adjusted, everything had worked properly. Mr. Anderson reported that he had repaired the pole gates, but would like more direction on the locks which the Board wished to have installed. After discussion, the Board agreed that the Park Subcommittee would be authorized to provide any necessary guidance on the locks for the gates. Mr. Anderson stated that he had received information from the City of Austin to send out to the District's residents regarding protecting the District's sewer system, and noted that Director Campbell was also going to put this information on the District's website. He reported that they were ready to transfer the Settler's Meadow water service from Pflugerville to the City of Austin, and the Board agreed that Mr. Anderson should coordinate the transition with Mr. Jones and the City. Mr. Anderson presented the write-off list attached as **Exhibit "O"**, and recommended approval. Director Campbell inquired whether the collection company ever actually realized a return on these accounts, and Mr. Douthitt stated that payment was sometimes received from the collection agency and sometimes from the customer, and he could provide more detail if the Board wished. After further discussion, upon motion by Director Gray and second by Director Henderson, the Board voted unanimously to approve the write-offs. Mr. Anderson advised the Board that the Subcommittee had not yet met regarding the Parkway Homeowners' Association grinder pump charges, but that he would work to schedule a meeting over the next month. He stated that the Subcommittee had met on the proposal from Clear Wireless, LLC for a cell phone tower site lease, but still had questions regarding how the water quality berm would be affected. He stated that he thought that they had a workable solution, but that he had not yet been able to discuss the matter with a representative for the company. Mr. Anderson reported that he had received a notice of violation from the Texas Commission on Environmental Quality after an unnamed resident had complained about low water pressure. He stated that apparently the pressure in the area had dropped to about 30 to 35 psi, but that the day that the test meter had been removed was the date the Wells Branch Parkway waterline was repaired, and that the issue was now resolved to the TCEQ's satisfaction. Mr. Anderson also reported that he had received a customer complaint and, when his crews had gone out to check the meter, they had found that the register for the meter had been knocked off. After discussion, Director Campbell stated that, when this type of damage to a District facility was discovered, the manager's direction was to immediately contact the Sheriff. Ms. Littlefield inquired whether the meter boxes could be locked to avoid meter tampering, and Mr. Anderson responded that pin locks were an option. Mr. Kennis added that these were advantageous, as they could not be cut with bolt cutters. After discussion, the Board directed Mr. Anderson to begin installing pin locks on the meter boxes of all disconnected customers, and he agreed to do so.

Director Campbell then stated that the Board would consider taking action regarding budget and tax items, and recognized Ms. Kaylakie. Ms. Kaylakie stated that Ms. Allen had requested that the Board review its plans for its existing operating surplus. The Board discussed its plans for park expenditures, repair reserves and operating reserves. Ms. Littlefield presented the updated 2009 certified assessed valuation, and pointed out that there had been a reduction of almost \$1 million which she believed was due to the fact that 100% disabled veterans were now receiving a 100% tax exemption. She noted that some taxing jurisdictions in the area had been severely impacted. Ms. Kaylakie stated that her firm was recommending that the District maintain the same overall tax rate, and that this would be allocated between debt service and

operations and maintenance. Ms. Littlefield recommended that the Board establish a proposed tax rate, schedule a public hearing at which adoption of the tax rate would be considered and authorize publication of notice of the public hearing on the tax rate. After discussion, upon motion by Director Gray and second by Director Richter, the Board voted to approve a tax rate of \$0.75 per \$100 assessed valuation, with Directors Campbell, Richter, Henderson and Gray present and voting "yes" and Director Martinez absent and not voting; to schedule a public hearing at which adoption of the 2009 tax rate would be considered for September 22, 2009 at 5:45 p.m. at the Wells Branch Community Center and to authorize Ms. Kaylakie and Ms. Littlefield to publish notice of the public hearing.

The Board then discussed its budget for 2009-2010 and agreed to hold a special meeting at 4:00 p.m. on September 2, 2009 at the Wells Branch Community Center in order to do additional work on the proposed budget.

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, and presented information regarding the landscape area along Olympic Drive which had been requested in connection with the Board's consideration of obtaining an easement for a proposed District sign. She noted that Mr. Douthitt had confirmed that the Tech Ridge water usage had been netted out of the District's winter-average, and that she and Mr. Douthitt would continue to work to resolve the claims made by Tommy Patterson Quality Inspections. She indicated that there would be a number of items on the next meeting agenda in connection with implementation of the District's MS4 permit. She pointed out that, based on the foreclosure report prepared by Southwest Securities, the District had had five foreclosures in the month of July, which was the highest number thus far in 2009. She stated that there had been no violations of the District's erosion control rules during the previous 30-day period.

Director Campbell then stated that the Board would consider taking action regarding water conservation and water rationing. Ms. Littlefield noted that the City of Austin had requested that all of its wholesale customers implement the City's Stage 2 mandatory watering restrictions. She recommended that the District comply with this request. After discussion, upon motion by Director Richter and second by Director Campbell, the Board voted unanimously to implement Stage 2 mandatory water restrictions as requested.

There being no further business to come before the Board, the meeting was adjourned at 8:45 p.m.

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

(SEAL)

---

Scott M. Gray, Secretary  
Board of Directors