

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

September 22, 2009

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 September 22, 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 Richter and Director Martinez, thus constituting a quorum. Also present at the meeting were Allen Douthitt of Bott & Douthitt, P.L.L.C.; Jesse Kennis and Mona Oliver of Wells Branch Municipal Utility District; Crystal Kaylakie of Southwest Securities; Sam Jones of Jones-Heroy & Associates, Inc.; Robert Anderson of SWWC Services, Inc. ("SWWC"); Richard Fadal of TexaScapes, Inc.; Scott Foster of Kimley-Horn & Associates, Inc.; Lupe Serna, Mr. Revaldo, Earl English and Delia English, residents of the District; Deputy Keith Kinnard of the Travis County Sheriff's Department 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 regarding budget and tax rate items. The Board reviewed the updated certified appraised value attached as **Exhibit "B"**, and Director Campbell then announced that the Board would conduct a public hearing on the District's 2009 tax rate. He opened the public hearing and inquired whether there was anyone present wishing to address the Board on the matter of the District's tax rate. He explained that the District was proposing to establish the same tax rate for 2009 as it had the previous year, and that this tax rate was \$0.75 per \$100 assessed valuation. There being no one present wishing to address the Board on the tax rate, Director Campbell closed the public hearing.

Director Campbell then stated that the Board would consider taking action regarding the District's budget for fiscal year 2009-2010. Mr. Douthitt distributed the proposed budget, and reviewed it with the Board. He noted that the budget was the same as had been reviewed at the budget worksession, and added that he had met with Director Richter on Wells Branch-related expenses and had updated the budget based on the revised assessed valuation and the recommended tax split between the operations and maintenance tax and the debt service tax. He noted that Ms. Allen's office was recommending an operations and maintenance tax component of \$0.3032 per \$100 assessed valuation and a debt service component of \$0.4468 per \$100

assessed valuation, for a total tax rate of \$0.75 per \$100 assessed valuation. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the Resolution Adopting Budget attached as **Exhibit “C”**, incorporating the budget as presented.

Director Campbell then stated that the Board would consider taking action regarding the District’s 2009 tax rate. Ms. Kaylakie presented the tax rate analysis attached as **Exhibit “D”**, and reviewed it with the Board. She noted that her office was recommending the same total tax rate, with the allocations Mr. Douthitt had previously described. She called the Board’s attention to the public notice which had been given, a copy of which is attached as **Exhibit “E”**. Director Campbell pointed out that the notice was also posted on the District’s website. Ms. Kaylakie explained that the increase in assessed value would result in approximately \$45,000 more in property tax revenues. After discussion, upon motion by Director Gray and second by Director Henderson, the Board voted unanimously to approve the tax rate of \$0.75 per \$100 assessed valuation, and to adopt the Order Levying Taxes attached as **Exhibit “F”**, with Directors Campbell, Gray and Henderson present and voting “yes” and Directors Richter and Martinez absent and not voting.

Director Campbell then stated that the Board would consider taking action regarding the consent items on the Board’s meeting agenda. He noted that the Board would not need to act on an Amended and Restated Information Form, as the District’s tax rate was not changing. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the minutes of the August 25, 2009 Board meeting and the Revised Resolution Establishing Offices and Meeting Places of the Board of Directors and Establishing Locations for the Posting of Notice of Meetings of the Board attached as **Exhibit “G”**.

Director Campbell then inquired whether there were any citizens present wishing to address the Board. Mr. and Mrs. English stated that they were present in order to get information regarding the District’s park improvements. Director Henderson reviewed the park plan and proposed amenities with them, and the Board briefly discussed status of the proposed park improvements.

Director Campbell then stated that the Board would receive the security report and recognized Deputy Kinnard. Deputy Kinnard stated that it had been a busy month and that there had been six arrests in the park for marijuana use. He stated that burglaries of residences and vehicles were about the same, but that graffiti incidences had declined. He stated that he wanted to encourage resident involvement in reporting potential crimes in the District’s parks, noting that residents were the eyes and ears of the police force. He added that, with the new park coming on-line, he would like to meet with the Board to discuss improving the patrol services provided by the Sheriff’s Department. Director Campbell noted that the District had a resident on Ceylon Tea who was concerned about activities at the Ceylon Tea pond. After discussion, the Board requested that Ms. Littlefield provide a memorandum summarizing Mr. Hissam’s concerns to Deputy Kinnard, and she agreed to do so. After further discussion, Director Gray moved that the Board authorize payment of the checks to Travis County Sheriff’s deputies indicated on the cash activity report attached as **Exhibit “H”**. Upon second by Director Henderson, the motion was unanimously adopted.

Director Campbell then stated that the Board would receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District and recognized Mr. Kennis. Mr.

Kennis presented the correspondence with the Lower Colorado River Authority (“LCRA”) attached as **Exhibit “I”**, noting that the LCRA had approved the extension of the completion date for the community garden, the disk golf course and the fitness stations to March 2010. He stated that there was an old well located within the 50-acre park site which could be used as a test well. Mr. Kennis stated that, although the well had not been closed as required by Texas Commission on Environmental Quality’s standards, it was not unsafe. Ms. Littlefield expressed surprise that the well had not been pointed out to the Board in the environmental study which had been provided prior to acceptance of the park, and Mr. Kennis responded that it had been in a very overgrown area and difficult to locate. He reviewed the maintenance work which had been undertaken within the District’s parks, including painting over graffiti. He stated that he was working on a term sheet for the Interlocal Agreement with Director Richter and expected to have this complete before the next Board meeting. Director Campbell stated that he expected that he and Director Richter would meet with Mr. Kennis on this around the first week in October, so the Board could move forward with the finalization of the revised Interlocal Agreement. Mr. Kennis then presented the proposal for soccer goals for the Wildflower Park attached as **Exhibit “J”**. Director Campbell noted that he had heard concerns that no one was currently using the new soccer fields. The Board agreed that this was probably weather-related, and that usage would likely increase once the goals were installed. Ms. Serna agreed, stating that she felt the Wildflower community would use the soccer fields once they were complete. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the proposal.

Director Campbell then recognized Ms. Oliver, for the purpose of receiving a restrictive covenant status report. Ms. Oliver noted that there was a car on Harris Ridge without plates, and stated that she was going to ask Deputy Kinnard to tag and tow it. She stated that she had also received an inquiry about the mural on Cambourne, which she had referred to Ms. Littlefield.

Director Campbell then stated that the Board would consider taking action regarding Wildflower covenant enforcement and Homeowners’ Association issues. Ms. Serna reported that the Wildflower Homeowners’ Association had held new board elections and that the new Board members were Alejandra Ortiz, Nick Contreras and Leonard Deleon and that the officers included Esmeralda Tapia as Secretary and Lupe Serna as Treasurer. She stated that everyone had been advised that the Homeowners’ Association was no longer doing covenant enforcement and the District would be sending out violation letters. The Board then discussed restrictive covenant enforcement for Wildflower, and Director Campbell stated that he felt it was important that the District’s efforts be consistent throughout the entire District. Mr. Kennis stated that he estimated that it would take about ten hours per week for covenant enforcement within Wildflower. Ms. Littlefield recommended that the Board arrange to begin covenant enforcement activities in Wildflower immediately, noting that it had been several months since anything had been done. Director Campbell agreed, and proposed that the Board implement interim services through Wells Branch Municipal Utility District. He suggested that the fee for this be \$800 per month. After discussion, upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to appoint a subcommittee consisting of Directors Henderson and Gray to contract with either Wells Branch Municipal Utility District or Alliance Management for covenant enforcement services for Wildflower at a fee not to exceed \$1,100 per month.

Director Campbell then recognized Mr. Fadal, for purposes of receiving the landscape maintenance report. Mr. Fadal reviewed his report, a copy of which is attached as **Exhibit “K”**. He noted that his crews had been delayed on the large tree removal due to the recent rains.

Director Campbell then stated that the Board would consider park development matters. Director Henderson reported that the District’s parks were looking very nice. Director Campbell stated that there were legal issues which still needed to be resolved with regard to the McCallen Pass/Heatherwilde Boulevard fencing. He noted that the original proposal had been to stop the fence at the end of the District’s property, but that he felt this would not present a finished appearance. He stated that he thought the Board might want to wrap the fence around the back of the next two lots. The Board discussed concerns regarding the stopping point for the right-of-way fencing, and Ms. Littlefield pointed out that any additional fencing would actually be park fencing, which could be placed on District’s park property, rather than on the adjoining property line as would be the case with the right-of-way beautification fencing. After discussion, the Board agreed that it would not take any action on this matter, but would make a decision on the stopping point of the fence at a future meeting. Mr. Anderson stated that he had been meeting with the City of Austin to discuss the lighting which was proposed for Meadow Pointe Park and Pond and Battenburg Bridge, but he was not very optimistic that directional lighting could be obtained through the City. Director Campbell inquired whether the residences affected by the construction of the new park had been notified, and Ms. Littlefield stated that the notice had not gone out because she had never received the updated park master plan which was supposed to be included with the notice. The Board directed Mr. Foster to check on the status of the park master plan update from TBG Partners.

Director Campbell noted that Director Richter was interested in meeting with DR Horton’s representatives to discuss possibly purchasing a duplex to be used as a District office. Director Henderson stated that he had spoken with the sales representative for DR Horton, and that the corner across from the park parking lot was slated for another duplex unit. After discussion, the Board agreed that Director Henderson should follow up with Tom Anker of DR Horton regarding this proposal.

Mr. Foster then presented Pay Estimate No. 1 for the Phase 2A Park Improvements, a copy of which is attached as **Exhibit “L”**, and recommended approval. He also presented Change Order No. 1, representing a reconciliation of quantities in the amount of \$6,199.84, a copy of which is attached as **Exhibit “M”**, and Change Order No. 2, which he explained was a maintenance item to overlay the existing trail in the amount of \$23,793.75, a copy of which is attached as **Exhibit “N”**. Mr. Foster recommended approval of both change orders. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the Pay Estimate and the Change Orders, as presented. The Board then returned to a discussion of the McCallen Pass/Heatherwilde Boulevard fencing and agreed that Ms. Littlefield should coordinate a meeting with the Wildflower Homeowners’ Association and the affected residents through Ms. Serna.

Director Campbell then stated that the Board would consider taking action regarding District signage. He reported that the Signage Subcommittee had met with Jeff Raudabaugh regarding the signage plan, and that Mr. Raudabaugh was moving forward with some physical sign layouts for the Subcommittee’s approval. The Board then briefly discussed the appropriate locations for posting of agendas of Board meetings, with Director Campbell noting that the

current posting locations were not conducive to residents safely perusing the items posted on the agendas. He stated that he would like to plan for appropriate posting locations in conjunction with the new signage. The Board agreed that the District's website should be referenced on the signage, as this would provide an easy way for residents to check the items on the Board's meeting agendas.

Director Campbell then recognized Mr. Jones, for purposes of receiving the engineer's report. Mr. Jones reported that Settler's Meadow was now transferred to City of Austin water service. He presented the letter of recommendation regarding the contract for the Lakes at Northtown, Section 3 attached as **Exhibit "O"**, and concurred with the design engineer's recommendation of award of the contract to the low bidder, Austin Engineering. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the award of the contract to Austin Engineering, as recommended. Ms. Littlefield pointed out that the Lakes Section 1 pond had still not been accepted by the District, and inquired as to the status of the maintenance which was referenced in Mr. Jones' report, a copy of which is attached as **Exhibit "P"**. Mr. Jones stated that no action could be taken because the pond still needs rehabilitation. Ms. Littlefield pointed out that it appeared that no action had been taken on this since 2008, and inquired whether Mr. Jones had sent a letter to the property owner. Mr. Jones stated that he had not, but that he would do so. Mr. Jones then advised the Board that the District's MS4 Permit was in the implementation stage, and requested approval of his firm's proposal for training and a mapping of the District's storm water system, a copy of which is attached as **Exhibit "Q"**. Director Campbell inquired whether Mr. Jones' original proposal had included implementation and Mr. Jones stated that it had not. He stated that the original proposal was just for obtaining the permit, and that he and Mr. Heroy had been doing implementation work under that proposal as there had been additional funds available, but that now those funds had all been utilized. Upon motion by Director Gray and second by Director Henderson, the Board voted unanimously to approve the proposal. Mr. Jones then recommended approval of the Second Amended Erosion Control Rules and Rules Regarding Protection of District Utility Systems attached as **Exhibit "R"**, noting that these would provide for the rule changes required in connection with the MS4 permit. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the Amended Rules as presented. Mr. Jones then reviewed the memorandum regarding the proposed low flow lift station bypass attached as **Exhibit "S"**, and noted that it appeared that it would cost the Dessau Fountains Estates less than \$3,500 a month for participation in the bypass. Mr. Jones indicated that he would need approval of a proposal in order to design the bypass project. Ms. Littlefield stated that she understood that it could be difficult politically to obtain approval of the creek crossings that were required, and suggested that the Board be made comfortable that the plans would be approved before authorizing the design work to proceed. After discussion, the Board agreed that it wanted to know if the District would be able to obtain permission for the crossings before proceeding with the design work. Mr. Jones then stated that he expected to receive the form of notice for the on-channel reservoir permit soon, and would coordinate with Ms. Arias in Ms. Littlefield's office for the public notice that was needed. Mr. Jones stated that the Heatherwilde/Wells Branch Parkway improvements were not yet closed-out, but that he hoped they would be within the next 30 days. He stated that he would recommend acceptance once the as-built plans and close-out documents were received by his office.

At 7:40 p.m., Director Campbell announced a brief recess. The Board reconvened in open session at 7:47 p.m., and Director Campbell recognized Mr. Douthitt, for purposes of

receiving a report from the District's bookkeeper. Mr. Douthitt explained that there were still difficulties with resolving the claim by Tommy Patterson Quality Inspections. Ms. Littlefield suggested that this be discussed in executive session, and the Board agreed. Mr. Douthitt then reviewed the updated cash activity report attached as **Exhibit "H"**, noting that this included a \$16,000 check to replenish the District's manager's account. Director Henderson confirmed that he had reviewed the bills and invoices, and recommended approval of the disbursements as presented. Upon motion by Director Gray and second by Director Henderson, the Board voted unanimously to approve the payment of the bills and invoices as set forth on the cash activity report, with the exception of the check to Director Martinez, which would be voided due to his absence from the meeting. Director Campbell commended Mr. Douthitt on the form of the escrow deposit reconciliation included in his report. Mr. Douthitt noted that DR Horton had not yet paid the amount which was due, although it had been invoiced. He reported that DR Horton had advised him that they were no longer building in the District, and stated that he would be coordinating with Mr. Anker to resolve any outstanding amounts.

Director Campbell then recognized Mr. Anderson, for purposes of receiving a report from the District's general manager. Mr. Anderson stated that he would meet with the Park Subcommittee on the locks for the park gates, and asked that that directive be carried over. He noted that the transition of Settler's Meadow water service to the City of Austin had been completed. He confirmed that his company was installing pin locks on all discontinued customers, and stated that this was working very well. He reported that the District had experienced an 11.76% water loss, which he found disappointing because he had felt the correction of the bypass situations would help resolve the loss problem. He stated that he hoped that this would resolve itself over the next 30 days but, if not, he would continue to investigate and attempt to determine the cause of the problem. He presented the write-off list attached as **Exhibit "T"**, and recommended approval. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to approve the write-offs. Mr. Anderson also reported that notification to the District's residents regarding the MS4 permit was required twice a year, and that the first notice would go out in the next billing cycle. Ms. Littlefield presented the Revised Order Establishing Water Conservation and Drought Contingency Plan attached as **Exhibit "U"**, and recommended approval. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to do so. Director Campbell asked for a copy of the Revised Water Conservation and Drought Contingency Plan as well as the revised Erosion Control Rules for posting on the District's website, and Ms. Littlefield agreed to provide them to him. Ms. Littlefield then presented a memorandum regarding concerns which had been raised by District resident Timothy Hissam, a copy of which is attached as **Exhibit "V"**. She pointed out that he was concerned regarding the effect of activities of residents in and around the pond on wildlife. She noted that it appeared there were currently "no trespassing" signs posted around the pond and that the Board needed to determine how the pond was to be utilized, and be sure the signage was consistent. The Board requested that Mr. Fadal look at the Chinaberry which Mr. Hissam had reported needed to be removed, and he agreed to do so. The Board agreed that it would defer action on signage for the pond area until the Park Subcommittee completed its work. The Board also agreed that the Park Subcommittee should evaluate the rules for use of the wet pond area for consideration by the Board.

Mr. Anderson stated that there had been no further contact from Clear Wireless, LLC regarding the proposed cell phone tower site lease. Director Campbell stated that Mr. Jones had looked at their electronics issue and he felt that, if Clear Wireless wanted to have a tower, they

would need to pay for a study in order to confirm that it would not have any adverse effect on the District's electronics for the lift station. Mr. Anderson agreed to communicate this to the representative for Clear Wireless.

There being no reports from developers' and landowners' representatives, Director Campbell stated that the Board would convene in executive session for purposes permitted by Section 551.071 of the Texas Government Code, in order to receive legal advice from the District's attorney. At 8:37 p.m., the Board reconvened in open session, and Director Campbell announced that no action had been taken during executive session. Upon motion by Director Henderson and second by Director Gray, the Board voted unanimously to authorize Director Henderson to negotiate for the acquisition of pedestrian access easement over the property identified by Mr. Foster as desirable for park access, to authorize Mr. Douthitt to proceed with negotiations of a settlement with Tommy Patterson Quality Inspections, and to authorize Ms. Littlefield's office to proceed with a suit with regard to the mural located at 13807 Cambourne. At 8:40 p.m., the Board reconvened in executive session, for purposes permitted by Section 551.074 of the Texas Government Code, in order to discuss personnel matters, including consultant reviews. At 9:25 p.m., the Board reconvened in open session, and Director Campbell announced that no action had been taken during executive session.

There being no further business to come before the Board, the meeting was adjourned upon motion by Director Henderson and second by Director Gray.

Date: _____.

(SEAL)

Scott M. Gray, Secretary
Board of Directors