

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

October 22, 2013

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 October 22, 2013, 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 following members of the Board, constituting a quorum, were present:

Robin Campbell	-	President
Alex Martinez	-	Secretary
Felix T. Amaro, Jr.	-	Treasurer
Kathy Haught	-	Assistant Secretary

Director Brenda Richter was absent. 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; Deputy Keith Kinnard of the Travis County Sheriff's Department; Richard Fadal of TexaScapes, Inc.; Scott Foster of 360 Professional Services, Inc.; Lupe Serna, Alan Rivaldo and Lee Hill, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

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. He recognized Ms. Serna, who stated that she was one of the members of the board of the Wildflower Homeowners Association ("HOA"), and introduced another homeowner, whom she stated was the wife of one of the other HOA board members. Ms. Serna expressed confusion regarding enforcement of the restrictive covenants and the process of enforcement within Wildflower. Ms. Littlefield confirmed that the District's contract with the HOA under which the HOA had enforced covenants in Wildflower had been terminated many years previously, at the HOA's request. After discussion, the Board clarified that the District did enforce covenants throughout the District, including in Wildflower. Ms. Serna thanked the Board and stated that the HOA was working on collecting assessments in order to place lighting in the alleyways and asked if there was a permit needed. The Board directed her to the City of Austin.

Director Campbell then stated that the Board would consider approving the minutes of the September 24, 2013 Board meeting. Upon motion by Director Amaro and second by Director Martinez, the Board voted unanimously to approve the minutes.

Director Campbell then recognized Deputy Kinnard for purposes of receiving the District's security report. Deputy Kinnard reported that his office had been able to make some apprehensions and the deputies, particularly Deputy Flanagan, had done an

outstanding job in making contact and addressing the burglary issue. Director Amaro stated that Deputy Flanagan had good contacts since he lived in the neighborhood. Deputy Kinnard stated that he had not received any reports of park problems or vandalism, although there had been a report of some burglaries of vehicles and thefts at the apartment complex in the District. He reported that the meeting with the Sheriff's Department's CID had been cancelled due to the drop in reported burglaries. Director Amaro asked if the deputies engaged other law enforcement groups if there were reports of suspicious vehicles or unsafe speeds when vehicles left the neighborhood. Deputy Kinnard stated that the departments had good information sharing and a lot of information was being sent out on things like stolen vehicles, so the deputies would be aware of things to look for, as the city departments would also be. Mr. Anderson thanked Deputy Kinnard for controlling traffic on Dessau Road when Crossroads had been monitoring hydrogen sulfide levels. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the payments to the Travis County Sheriff's deputies as set forth on the check register attached as **Exhibit "B"**.

Director Campbell stated that the Board would next receive the landscape maintenance report and recognized Mr. Fadal. Mr. Fadal presented the plant of the month, classic Pansies, which he noted were planted at the District's entryways. He stated that they were nice plants and would stay in bloom pretty much through May. Mr. Fadal then reviewed his maintenance report, noting that the weather was helping things look better in the parks. He added that the Fall mulching had been done and that TexaScapes would be doing the overseeding soon. Director Amaro asked how the soccer fields were looking and Mr. Fadal responded that they looked really good. Ms. Oliver stated that the District's maintenance crew had sanded and repainted the small goals and that she would be discussing when to re-open the field with the Parks Subcommittee. Ms. Oliver stated that the crews would be diligent about closing the fields when needed.

Director Campbell then stated that the Board would next receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver stated that she had no directives, but advised the Board that the District had 100% participation in the staff 401K plan and that the staff was very happy. She presented the staff maintenance report attached as **Exhibit "C"** and distributed the purchase request for 12 yards of decomposed granite attached as **Exhibit "D"**. Director Martinez advised the Board that the Parks Subcommittee would be evaluating ways to mitigate damage from heavy rains at its next meeting, but that the granite was more of a patch job. He moved approval of the proposal. Upon second by Director Amaro, the motion was unanimously adopted. Mr. Foster stated that the District's maintenance crews were doing a good job of addressing pond maintenance issues. Ms. Oliver reported that the dog park had been closed for four or five days to allow maintenance after the rains and had been re-opened the previous day.

Director Martinez reported that the Parks Subcommittee had authorized a small tree clean-up by TexaScapes, which had added up to about \$600.00. Ms. Oliver stated that this expense would be reflected on the next subcommittee report.

Director Campbell advised the Board that he, Director Martinez and Ms. Oliver had been working with the sign designer on the maps that the Board had previously discussed and that he felt they were close to completion. Director Campbell stated that

he had asked about the status of the bases for the sign. He explained that it appeared that the estimate from the sign company had not been signed, even though it had been approved, so he had now signed it and authorized moving forward. He stated that he was hopeful that both maps would be installed before the end of the year.

Director Campbell then recognized Mr. Foster. Mr. Foster presented his report, attached as **Exhibit “E”**, and advised the Board that his office was in the process of completing the annual MS4 report, which would be completed and filed in early December. He stated that some pond-related work that was due had been delayed due to the rains, but he was hopeful that the annual pond inspections would be able to be performed soon. Mr. Foster reported that the plans for the force main project had been submitted to the City and County and that he expected permits by the first of the year. He stated that he anticipated that he would be bringing the project to the Board for action at that time. He advised the Board that he and Ms. Littlefield recommended that the Board consider a bidder prequalification policy for contractors who would be considered for the force main project and suggested that it could be a simple policy, similar to that which the Board had approved for its park projects. The Board agreed that this should be prepared and brought to the Board for approval at the next meeting.

Director Campbell then recognized Mr. Douthitt, who presented the updated bookkeeper’s report attached as **Exhibit “F”**. He reviewed the funds transfers he was recommending for approval, as summarized on page one of his report, and recommended renewal of a CD at First State Bank Central Texas for the park fund. Mr. Douthitt then reviewed the payments that he was recommending for approval and the payments that had been made out of the manager’s account since the last meeting. He noted that the per diem to Director Richter would need to be voided due to her absence from the meeting. Mr. Douthitt pointed out the checks that had been added to the report since the packet date, including a fee to BLX Group for its arbitrage review. He called the Board’s attention to the payment to WCID 10 for rate case expenses, noting that this was for a two-month period and included a payment for July that had somehow been overlooked. Mr. Douthitt noted that the bookkeeper’s report was through the end of September and that the District’s records would be sent to the auditor shortly after the beginning of the next month. Upon motion by Director Amaro and second by Director Martinez, the Board voted unanimously to approve the payment of the bills and invoices, the renewal of the CD and the transfers as presented, with the exception of the payment to the Sheriff’s deputies previously approved and the per diem to Director Richter.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager’s report. Mr. Anderson reviewed his report, attached as **Exhibit “G”**, with the Board, noting that the District currently had 2,890 occupied active single-family connections. He stated that the District had experienced a 10.45% water gain and that all water test results were satisfactory. He stated that he had no 90-day delinquent accounts and requested approval of the write-offs attached as **Exhibit “H”**. Mr. Anderson reported that Lift Station No. 2 had been operating with no problems since the diverter was installed. He added that hydrogen sulfide levels had been at 180 parts per million, but, since application of the new chemical, the reading had dropped to .6, while the permissible reading was 10. Mr. Anderson stated that the new control panel was about 80% to 90% complete and that Crossroads was doing a gradual ramp-up with slow start ups and shut downs, to avoid the potential of a water hammer. Upon motion

by Director Amaro and second by Director Haught, the Board voted unanimously to approve the write-offs.

Director Campbell then stated that the Board would receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield explained that, in 2006, the District had obtained a water line and tank site easement from the City of Pflugerville in connection with a District waterline project. She explained that, although the easement that was transferred allowed above-ground facilities, the District's facilities were underground. Ms. Littlefield stated that the City had indicated that it wished to remove its pumps and storage tank from the easement and the District had agreed to allow this under the terms of the letter attached as **Exhibit "I"**, but it had not done so. She explained that the enclosure around the pumps and storage tank had been left open and Ms. Oliver had received inquiries related to the area. After discussion, the Board directed Ms. Littlefield to contact the owner to determine if they would want to modify the easement and remove the pumps and storage tank. Director Campbell then reported that the Wholesale Rate Subcommittee had received a report from Mr. Wilburn on the case and the Subcommittee would be meeting to discuss settlement options.

There being no reports from developers' and landowner's representatives, Director Campbell stated that the Board would next discuss its holiday meeting schedule. After discussion, the Board agreed to move its November and December Board meetings up a week and asked Ms. Littlefield to notify Director Richter of the changes.

There being no further business to come before the Board, the meeting was adjourned.

Date:_____.

(SEAL)

Alex Martinez, Secretary
Board of Directors