

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

October 28, 2008

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 28, 2008, 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, thus constituting a quorum. Also present at the meeting were Sam Jones of Sam Jones Consulting, Inc.; Mike Morin of SWWC Services, Inc.; Jesse Kennis, Mona Oliver and Don Williams of Wells Branch Municipal Utility District; Richard Fadal of TexaScapes, Inc.; Brad Sanders, representing the Wildflower Homeowners’ Association; Katherine Loayza and Jim Nias of Jackson Walker, representing The Village @ Northtown, Ltd.; Allen Douthitt of Peña Swayze & Co., L.L.P.; Marie Webb, a resident of the District and Sue Brooks Littlefield of Armbrust & Brown, L.L.P. Deputy Keith Kinnard of the Travis County Sheriff’s Department and Kora, his partner, arrived later.

Director Campbell called the meeting to order at 5:45 p.m., and stated that the Board would first consider the consent items on the Board’s meeting agenda: the minutes of the September 17 and September 23, 2008 Board meetings; the Amendment No. 1 to Engineering Services Agreement attached as **Exhibit “B”**, and the Assignment of Easements from the City of Austin attached as **Exhibit “C”**. Director Richter inquired as to the purpose of the Assignment of Easements, and Ms. Littlefield reminded the Board that, at the time the District had amended its Interlocal Agreement with the City of Austin and the City of Pflugerville regarding wholesale services to the Settler’s Meadow Subdivision, the City of Austin had agreed to obtain certain easements from the City of Pflugerville in order to enable the District to extend the facilities required for the District to obtain wholesale services for Settler’s Meadow from the City of Austin. She stated that this Assignment transferred the easements which had been obtained by the City of Austin to the District. After discussion, upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the consent items.

Director Campbell stated that the Board would postpone receipt of the security report until Deputy Kinnard arrived at the meeting. He inquired whether there were any citizens present wishing to address the Board and, there being none, recognized Mr. Williams for the

purpose of receiving a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Mr. Williams noted that one of the biggest ongoing issues had been graffiti, and distributed photographs documenting instances where graffiti had defaced District property. Director Richter explained that areas within the District had been “tagged” on Thursday, Friday, Saturday, Sunday and Monday. She noted that the Park Subcommittee had directed the Wells Branch staff to promptly paint over or remove any graffiti which was observed, and also to coordinate with the Sheriff’s Department. She noted that Deputy Kinnard was working with Wells Branch’s staff to identify the perpetrators. Director Richter also pointed out that the bridge in Stoney Creek Park did not belong to the District, and that it was prohibitively expensive to sandblast graffiti off of the bridge. She stated that she would like to be able to cover graffiti on the bridge with paint, as the District did in other instances, and stated that she would like to work with the County to obtain permission to do this. Director Richter asked that Mr. Williams take the lead on working with Travis County on this issue. Mr. Williams agreed to do so, and noted that his staff might not be able to paint over graffiti within 24 hours, as the Park Subcommittee had requested, because it was a very big job. Mr. Williams then reviewed his directives, noting that the light in the park which had been discussed at the previous Board meeting was on a timer, and that he would reset it as requested by Deputy Kinnard. He agreed that, if he corresponded with any District residents in writing, he would provide a copy to the Board members. He noted that he very infrequently did so. Mr. Williams also reported that Wells Branch had two full time staff members who were working primarily for the District, one of whom, Earnest Robles, had replaced Terry Langford. He stated that Mr. Robles had previously been with the City of Sunset Valley, and was very knowledgeable about utilities. Mr. Morin stated that he knew Mr. Robles and agreed that he was very well qualified. Director Richter stated that she was very pleased that Mr. Robles had already identified one of the graffiti taggers, due to his familiarity with various youth groups. Mr. Williams also advised the Board that Don Wiley was the other Wells Branch employee who was working primarily for the District, noting that he was employed as construction superintendent. He stated that he felt he had addressed the Board’s request for additional detail on Wells Branch’s invoices, and Mr. Morin and Director Henderson agreed. Mr. Williams indicated that the debris which had been discussed at the previous meeting had been removed from the street, and stated that he was working with Mr. Jones on the permit issue with the City of Austin. He also stated that he was working on replacing some of the District’s signs which had been defaced. Director Richter asked that the post for the signs also be removed while the signs were down, and Director Henderson stated that he would prefer that the posts not be cut off, as it would be expensive to replace them. Mr. Williams stated that he assumed that the signs would be replaced, and thus had left the posts in place. After discussion, the Park Subcommittee agreed to work with Mr. Williams on this matter.

Mr. Williams stated that his staff had been working on the creek bed, and had discovered, among other things, several appliances as well as a tractor tire. Director Richter reported that Mr. Williams had found someone who could refurbish the appliances and reuse them, and stated that she was very pleased with his initiative. Director Richter also advised the Board that Mr. Jones was working with the City of Austin on the red tag issue, and pointed out that Mr. Williams had restored the earthen area around the pecan tree in the District’s park, and that the Park Subcommittee now realized that it needed to be more attentive to the City of Austin’s requirements. She stated that the project would be getting back on track after the delay resulting from the red tag.

Ms. Oliver then addressed the Board regarding restrictive covenant matters, and reported that a garage door which she had requested be repainted at an address on Camborne had been repainted with a mural which she had photographed for the Board's review. After review of the photograph, attached as **Exhibit "D"**, the Board declined to pursue the matter as a nuisance. Ms. Oliver stated that the vacant lot which had been discussed at the previous Board meeting had been mowed, but that the vegetation had re-grown, and she would be following up on the matter. The Board asked that Ms. Oliver work with Ms. Rickman in Ms. Littlefield's office on an unmaintained grass strip adjacent to the Wildflower neighborhood. Ms. Littlefield stated that Ms. Rickman had researched the matter, and would be able to advise Ms. Oliver of her findings. Ms. Oliver reported that there had been increased instances of covenant violations in the Brookfield Subdivision, and wondered whether the Homeowners' Association was continuing with its enforcement efforts. After discussion, Ms. Littlefield agreed to obtain a contact person with Brookfield Homeowners' Association and to provide that information to Ms. Oliver.

Director Campbell then recognized Mr. Sanders, who reported that the new, shortened covenant violation report which had been requested had been provided. The Board agreed that the shorter form of report was acceptable for the purposes of the meeting packets, but Director Campbell pointed out that more detail on a violation would be required before the District would refer any reported violation to the District's attorney for enforcement action. Director Richter asked about a transmission which remained in a Wildflower alleyway, and also noted that there was a sink located at another address on Wild Senna. Mr. Sanders agreed to follow up on the violations. Director Richter stated that she felt the appearance of the Wildflower neighborhood was improving, but pointed out that there were still many abandoned cars in the neighborhood. Mr. Sanders agreed, and stated that he was working with the Sheriff's Department to remedy the problem. He also explained that the Wildflower Homeowners' Association Board of Directors was working on architectural control related issues at this time, including carports, garages and porch covers.

At this time, Director Campbell noted that Deputy Kinnard had arrived at the meeting, and recognized him for his report. Deputy Kinnard noted that he was in direct contact with Mr. Robles and working to identify the vandals who were placing graffiti on District facilities. Director Richter noted that the Park Subcommittee felt that it might be advisable to clear the area between Meadow Pointe and the mobile home park, in order to make this area more visible instead of leaving it in an over-grown condition, which seemed to be encouraging vandalism and other problems. Deputy Kinnard concurred that improving visibility was a good idea. After discussion, the Board concurred, and directed the Park Subcommittee to work with Mr. Fadal to get the area cleared out.

Director Campbell then stated that the Board would consider taking action regarding park development matters. Director Richter reminded the Board that the dog park project had been red tagged by the City of Austin, which had resulted in a delay. She stated that she felt the Park Subcommittee had probably gotten a little too excited about moving forward with the project, and proceeded too quickly. She stated that she would like to get a proposal from TBG Partners, which had prepared the District's original park master plan, in order to get them involved in updating the master plan and assisting with the budget and a phasing plan for the park improvements. She noted that some of the District's park improvements would need to be competitively bid under the provisions of the Texas Water Code. After discussion, Director Richter moved that the Board authorize the Park Subcommittee to begin negotiations with TBG

Partners, with the expectation that the Park Subcommittee would bring a formal proposal to the Board for approval at the next Board meeting. Upon second by Director Gray, the motion was unanimously adopted. Director Richter explained that the Park Subcommittee's goal was to remediate the City issue which had been raised, and to move forward with the dog park. She stated that Mr. Fadal would keep maintaining the park areas, including the dog park area, and noted that she also recommended putting a sign up that explained what the Board was doing in the park, noting that it was unusual for residents to have access to a park area while development activities were underway.

Director Campbell then recognized Mr. Fadal, for purposes of receiving a landscape maintenance report. Mr. Fadal stated that he was up to date on all of his directives, and reviewed the maintenance report attached as **Exhibit "E"**. He noted that all routine tasks were on schedule and that his crews had applied a fire ant treatment. He stated that he felt fire ants were under good control, as was the District's poison ivy growth. Director Richter then presented several proposals for work which had been recommended by Oteka McClain in connection with the Park Subcommittee's evaluation of the dry and wet ponds within the District. She noted that Proposal No. 7274 for the Gaston-Sheldon Pond No. 5, a copy of which is attached as **Exhibit "F"**, would clear the area around the ponds' spillway and would also include clearing the sand out of the outfall. She stated that the proposal for Dry Pond B3 and Parkway No. 1, attached as **Exhibit "G"**, would include the clearing out of the sand and brush from the spillway. She stated that the Proposal for Wildflower Creek Deadwood Tree Pruning, attached as **Exhibit "H"**, would remove the deadwood located in the creek area, noting that the best time to do this was when it was dry. Mr. Fadal stated that this would also include pruning the undergrowth of the trees, to allow seven feet of clearance from the ground, so that people could walk under the trees. Finally, Director Richter presented the Proposal for the trail clearing and pruning of the northwest perimeter attached as **Exhibit "I"**, but stated that, if approved, this work would not be done until the winter season, when the plant life was dormant. Mr. Fadal noted that this included some clearing around the new park trails. After discussion, Director Richter moved approval of the four proposals, as presented. Director Henderson seconded the motion. Director Richter asked that Mr. Fadal work with Mr. Williams and Mr. Robles on the implementation of the proposals, and he agreed to do so. Director Richter also requested that a meeting be scheduled with the Park Subcommittee, Mr. Williams, Mr. Kennis and Mr. Fadal to coordinate on the park development work, and Mr. Fadal agreed. After further discussion, and being put to a vote, the motion was unanimously adopted.

Director Campbell then stated that the Board would receive a report from the District's general manager, and recognized Mr. Morin. Mr. Morin reported that the District had experienced an 8.24% water gain during the previous billing period, and noted that the District's water losses had been tracking well, and that he was not sure what had caused this spike, noting that it might just be a timing issue. Mr. Morin stated that he had been talking to Director Campbell about disconnects during the holiday season which was upcoming, and noted that the Board's general policy was not to cut off utility services during the holidays. He noted that this did increase the risk of loss due to non-payment, and pointed out that there had been 127 utility cutoffs earlier in the day. Mr. Morin recommended that the Board move the November cutoff to the first week in December and move the December cutoff to the first week in January, and then resume the regular cutoff schedule. After discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the amended cutoff schedule proposed by Mr. Morin. Mr. Morin reported that The Lake at Tech Ridge had paid

some of its past due accounts, but that \$75,000 remained in arrears. Ms. Littlefield suggested discussing this matter in executive session, and the Board agreed. Mr. Morin also advised the Board that he had received an inquiry from T-Mobile for lease of a cell tower site, noting that the initial proposal had been \$750 a month, but that he had responded that this was too low after discussing the matter with Ms. Littlefield and Director Campbell. He stated that he had received a revised proposal right before the meeting, which offered \$1,000 a month with the idea that the District could obtain additional income if other carriers were added to the same tower. After discussion, Director Richter moved that the Board refer the matter to a subcommittee consisting of Directors Martinez and Campbell, which would be authorized to negotiate and finalize an agreement. During discussion, Director Gray stated that he would prefer to see the final agreement before it was executed. After further discussion, the Board agreed, and authorized the subcommittee consisting of Directors Martinez and Campbell to negotiate with T-Mobile for a cell tower site lease, and to bring back a recommended agreement to the Board for approval. Mr. Morin then continued with his report, noting that the City of Austin had dropped its mandatory water restrictions. He presented the write-off list attached as **Exhibit "J"**, and recommended approval. After discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the write-offs as presented. Mr. Morin then reminded the Board that he presented a large write-off in the amount of \$1,273.83 the previous month, which the Board had declined to authorize. He acknowledged that there had been some operating procedures which had not been followed, which had increased the amount which was not paid. He stated that he had been working to evaluate the problem and propose a resolution. Mr. Morin stated that, after removing late payment penalties and the tiers which were involved, so that all of the usage was billed at the lowest rate, as well as removing the reconnect fees, the amount which would need to be paid in order to make the District whole after the first disconnect was \$508, which his company was willing to pay. He asked how the Board would like this to be handled on the District's books. Director Campbell pointed out that, if the District's procedures had been followed, there would have only been one month lost. He stated that he felt it was fair that SWWC Services bear the cost of not following the District's procedures, but that it was also fair to reduce the amount reimbursed to the District's actual out-of-pocket costs. He noted that, in addition, there was a potential for collection of the unpaid amount from the customer, and that he did not recommend writing off less than the amount actually due, in order to assure that the maximum potential for collection was reached. After discussion, Director Richter moved that the Board accept the \$508 offered by SWWC Services, and approve a write-off of the amount due from the customer, with reduction of \$120, representing the reconnect fees which should not have been added to the account. Upon second by Director Gray, the motion was unanimously adopted. Mr. Morin noted that Director Campbell had pointed out that the 30-60-90 day receivables were no longer included in the packet and had asked that he begin providing this information again. He noted that, beginning with the next meeting packet, he would include the arrearage report in his packet information. Mr. Morin then explained that, in a number of situations, charities and banks offered to provide a pledge agreement to avoid the disconnection of utilities to a customer which the charity or church was trying to assist. After discussion, the Board agreed that this was a legal matter and that it wanted to evaluate the pledge agreements and guarantees of payment which were proposed to be accepted by SWWC Services from District customers. Ms. Littlefield agreed to place an item on the next meeting agenda in order to enable the Board to do so.

At 7:05 p.m., Director Campbell announced a brief recess. The Board reconvened in open session at 7:09 p.m., and Mr. Morin continued with his report, and presented the bills and

invoices received by the District, as set forth on **Exhibit “K”**, as well as the supplements attached as **Exhibits “L”** and **“M”**. Mr. Morin explained that he had experienced a problem with the bookkeeper, Municipal Accounts and Consulting, to whom SWWC Services, Inc. had, with the Board’s approval, subcontracted the District’s bookkeeping work. He noted that Municipal Accounts and Consulting’s bookkeeper had arbitrarily cut off the consideration of invoices earlier than the Board’s designated cutoff date, and had refused to issue a number of checks even though he had requested that she do so. Mr. Campbell pointed out that he understood that Director Henderson had been required to review invoices twice in one day due to Municipal Accounts and Consulting’s behavior. Mr. Morin apologized for the problem, and stated that he understood that this was an internal matter which his company needed to resolve. After discussion, upon motion by Director Henderson and second by Director Richter, the Board voted unanimously to approve the payment of the bills and invoices, as presented. Mr. Morin then presented the transfer request, a copy of which is attached as **Exhibit “N”**, in order to transfer funds to cover the checks indicated on the supplemental check registers, and also requested authorization to transfer another \$50,000 for the same purpose. Upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the requested transfers. Mr. Morin then noted that there were some additional documents which needed to be executed in connection with the transition of bookkeeping services to Peña Swayze & Co., L.L.P. He presented a notice letter to the District’s banking institutions, a copy of which is attached as **Exhibit “O”**; a letter to the Logic Fund authorizing Peña Swayze & Co., L.L.P. to begin transacting business as the District’s bookkeeper, a copy of which is attached as **Exhibit “P”**; and a Notice of Change of Address and Power of Attorney for the Internal Revenue Service, a copy of which is attached as **Exhibit “Q”**, as well as updated tax forms. The Board agreed that these should be executed in order to effectuate the transition of bookkeeping services as previously authorized.

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 also reported that the District did not currently have any uncured erosion control violations. She stated that she would have a more detailed report at the next Board meeting, and noted that, if any violations had not been resolved within the cure period, the Board could proceed with the imposition of a fine. She noted that there had been some discussion about placing additional notices of Board meetings on a number of signs within the District, and requested the Board’s direction on how to proceed. After discussion, the Board agreed to defer the matter to the Park Subcommittee.

Director Richter then reported that, in connection with the District’s wet ponds, the Park Subcommittee had met with Oteka Water Designs about the wet ponds, and they currently recommended only addressing the dry ponds. She stated that the District’s wet ponds were functioning correctly, and the Park Subcommittee did not intend to take any action regarding these ponds at this time. Director Richter stated that there was, however, a problem with the Brookfield wet ponds, and that these were not being properly maintained. Mr. Jones reminded the Board that the Brookfield wet ponds were to be maintained by the Homeowners’ Association. After discussion, Ms. Littlefield agreed to determine what Brookfield Homeowners’ Association’s obligations were with respect to the ponds and if any restrictive covenant was in place, such as that required by the City of Austin for the Tech Ridge ponds, which would allow the District to enforce the Homeowners’ Association’s obligations.

Director Campbell then stated that the Board would receive a report from the District's engineer, and recognized Mr. Jones. Mr. Jones advised the Board that he had completed all of his directives from the previous Board meeting. He also reported that Dessau Fountains had begun the second phase of the work necessary in order to connect to the District's lift station and receive City of Austin wastewater service. Director Richter stated that someone was pumping water out of the creek, and Mr. Jones stated that he believed that this was Excel Construction, which was using the water to irrigate the grass which was required for revegetation of the project. Mr. Jones reminded the Board that it had previously approved a change order to change out the impellers in the lift station, but stated that the truck which the contractor had proposed to use to do this had been unable to pull the pumps, and that a crane would be required. He presented the revised proposal attached as **Exhibit "R"**, noting that this added an additional \$636 for crane rental to remove the pumps. He stated that the contractor apparently had not checked the requirements before submitting its proposal. Ms. Littlefield inquired whether this cost would be covered by Dessau Fountains' escrow, Mr. Jones stated that it would. After discussion, upon motion by Director Richter and second by Director Henderson, the Board voted unanimously to approve the revised proposal. Mr. Jones then reported that, in connection with the extension of City of Austin wholesale water and wastewater service to Settler's Meadow, the Wells Branch Parkway construction was approximately 2/3 complete, and the contractor had started the renovation of the District's damaged trails in the Wildflower area. He reminded the Board that it had previously approved a contract with Schroeder Construction Co., Ltd. for the extension of the wastewater line necessary to serve Settler's Meadow. He stated that, once Schroeder Construction had begun work, it had discovered a problem due to some water lines which were placed within the wastewater easements which the District intended to use. Ms. Littlefield advised the Board that these easements were included in those which had been transferred to the District by the City of Austin, and noted that, when the problem had been discovered, Mr. Fisher's initial feeling was that the District would have to pay for the relocation cost. She explained that, as the District was operating within its easement and the City of Pflugerville, which had allowed the placement of waterlines within the same easement, had no right to use the easement, she had corrected this misunderstanding and, after some work, Mr. Jones and John Carlton of her office had obtained the agreement of the City of Pflugerville to cover the cost of the relocation of the waterlines. Mr. Jones advised the Board that he had received an additional proposal from Pate Engineering for work associated with the waterline relocation, a copy of which is attached as **Exhibit "S"**. He requested that the Board consider approving this proposal in the amount of \$1,750, and noted that it was his expectation that the City of Pflugerville would cover this additional cost. Mr. Jones also advised the Board that the City of Austin's approval of the wastewater line installation had expired due to the delay in starting construction. He stated that two additional manholes would be required as a result of changes in City requirements. Mr. Jones indicated that Schroeder Construction had submitted a Change Order, a copy of which is attached as **Exhibit "T"**, and noted that, when he had questioned the cost of the additional manholes, which was higher than Schroeder Construction's standard cost in its original bid, he had been advised that the cost was higher due to the deeper excavation which was required. He presented the letter of explanation attached as **Exhibit "U"**, and noted that the total change in price would be \$12,724. He stated that he had also received an additional proposal from Pate Engineering to process obtaining the additional plan approval required from the City of Austin. Mr. Jones stated that he had advised Mr. Fisher that he could not recommend this additional proposal without additional information from Pate, and indicated that he was disappointed that no one from Pate Engineering had attended to present the proposal. After discussion, Mr. Jones recommended that the Board approve the proposal for the additional

work required in connection with the relocation of the Pflugerville waterlines and the Change Order from Schroeder Construction. Upon motion by Director Henderson and second by Director Richter, the Board voted unanimously to do so. The Board directed Mr. Jones to obtain a reconciliation from Pate Engineering showing its original fee for the Settler's Meadow project and each proposal for additional services, and the total now proposed to be charged for the project, and also stated that this explanation must be provided at no cost to the District. Mr. Jones reported that the application for permits for the on-channel reservoirs had not yet been filed, but should be complete and filed soon. Director Richter inquired as to the status of Municipal Separate Storm Sewer System Permit application, and Mr. Jones explained that an application for the permit had been filed, and that the resulting permit would require some training on monitoring under the storm water management plan. Ms. Littlefield advised the Board that, at the time the Settler's Meadow wastewater project was completed, wholesale service would need to be initiated from the City of Austin according to Mr. Fisher. She noted that, as this was in advance of the initiation of water service from the City of Austin to Settler's Meadow, it created an issue as to whether or not the City of Pflugerville would be willing to discontinue its wastewater charges to the District, which were based on winter-averaging, once the connection was made. After discussion, the Board authorized Ms. Littlefield to review the Interlocal Agreement, and make contact with the City of Pflugerville regarding this issue.

Director Campbell then stated that the Board would receive reports from developers' and landowners' representatives. He recognized Mr. Nias, who advised the Board that he and Ms. Loayza had met with the District's subcommittee on the land plan amendment which had been submitted by the Village @ Northtown, Ltd. on October 9. Director Campbell confirmed this, and advised the Board that the changes requested were minimal and did not affect the District's parks. He added that, basically, a small adjustment was being made to various classes of land-uses, and that the net result was a slight increase in single-family use, and that not much else was changing. He stated that he and Director Martinez recommended approval of the revised plan. Mr. Nias advised the Board that Ms. Littlefield had prepared a proposed resolution and that he had reviewed it and asked that the Board approve it so he could present it to the City of Austin's staff. He noted that, with this approval, his client would be able to move forward with the first phase of subdivision lots. Director Richter inquired as to the pedestrian crossing which had been promised as part of the original agreement, and Ms. Littlefield agreed to pull the language from the Agreement with Village @ Northtown and to provide it to Director Richter for review and discussion. After further discussion, upon motion by Director Martinez and second by Director Henderson, the Board voted unanimously to approve the Resolution Approving Change in Land Use Plan Contingent upon the Consent of the City of Austin, attached as **Exhibit "V"**.

Director Campbell then stated that the Board would consider its holiday meeting schedule. After discussion, the Board agreed to hold its November meeting on the regular meeting date, and to move its meeting in December to December 16th. Ms. Oliver agreed to confirm that the Wells Branch meeting space would be available on this date.

At 7:58 p.m., Director Campbell stated that the Board would convene in executive session in order to take action regarding personnel matters and to receive legal advice from the District's attorney regarding the Lake at Tech Ridge billing issue. At 8:38 p.m., the Board reconvened in open session, and Director Campbell announced that no action had been taken during executive session.

Director Campbell then stated that the Board would consider taking action regarding utility services for the Lake at Tech Ridge. Director Richter moved that the Board notify the management of the Lake at Tech Ridge that the District would terminate services on December 1st unless the two accounts which were delinquent were paid in full by that date, and further moved that the District's rate order be amended to ensure that any additional wastewater charges incurred by the District on a going-forward basis were required to be paid by the customer whose actions had resulted in those charges being assessed to the District, including any charges for wastewater resulting from irrigation meter usage during the winter-averaging period, and that the District's rate order be further amended to require an appropriate security deposit, corresponding with the type of security deposit required of commercial customers, from large irrigation users, and that the Board further authorize moving forward with a lawsuit against the Lake at Tech Ridge if the District's utility bills had not been paid in full by December 1st, and that this customer not be eligible for any additional utility connections, effective immediately. Director Martinez seconded the motion, which was unanimously adopted.

There being no further business to come before the Board, the meeting was adjourned at 8:44 p.m.

Date:_____.

(SEAL)

Scott M. Gray, Secretary
Board of Directors