

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

November 19, 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 November 19, 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. ("TexaScapes"); Scott Foster of 360 Professional Services, Inc.; 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. There being none, Director Campbell stated that the Board would consider approving the minutes of the October 22, 2013 Board meeting. Upon motion by Director Amaro and second by Director Martinez, the Board voted unanimously to approve the minutes.

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, an Italian Stone Pine, which he noted was one of the living Christmas trees that actually grew well in the Central Texas area. He stated that, although not a native, it was well adapted and could grow up to 60 feet tall. Mr. Fadal then reviewed his maintenance report, noting that the top dressing and overseeding had been completed, but that some of it had been affected by the recent storms. He stated that he would monitor and spot re-seed some areas if needed. Mr. Fadal stated that most of the District's plantings had not been affected by the storms. He also advised the Board that some of the trees in the greenbelts had trapped loose debris during the storms, and TexaScapes' crews would be removing it to avoid creating larger hazards, but that some bigger clean-ups would also likely be required. Ms. Oliver asked if the soccer goals could be reinstalled and Mr. Fadal stated that they could be, with Board approval, if the District wanted to allow play during the winter. Director Martinez stated that the Parks Subcommittee would evaluate this.

Director Martinez requested that the Board convene in executive session for purposes of receiving legal advice regarding the recent flood damage. At 5:53 p.m., Director Campbell announced that the Board would convene in executive session as authorized by Section 551.072 of the Texas Government Code in order to receive legal advice. At 5:58 p.m., the Board

reconvened in open session and Director Campbell stated that no action had been taken in executive session.

Mr. Foster then advised the Board that the recent rain events had resulted in flood damage and that flooding had been determined to be in excess of a 100-year flood event. Mr. Fadal explained that some areas that had been determined to present a danger to the residents had been cleaned-up. The Board reviewed the phasing and scope of the proposed repairs recommended by the Parks Subcommittee, attached as **Exhibit “B”**, and discussed the requirements applicable to public works projects. The Board agreed it would consider competitively bidding components of the repairs when it was appropriate to do so, since there were good public policy reasons behind the competitive bidding requirements applicable to construction projects. Director Campbell reminded the Board that he would be abstaining from the discussion of and vote on the work because of his relationship with TexaScapes, but suggested that the Board prioritize the emergency repair items. Director Martinez stated that he felt the priorities were items 8491 and 8493. Mr. Foster stated that item 1 could be phased, with a granite repair as a first step on the proposal.

After discussion, upon motion by Director Martinez and second by Director Haught, the Board voted to approve proposals 8491 and 8493, subject to Ms. Oliver meeting with the insurance adjuster and the Parks Subcommittee giving the notice to proceed, with Director Campbell abstaining from the vote. Director Amaro inquired if the damage that had been repaired had been documented so it could be presented to the insurance adjuster as well. Mr. Fadal stated that he would provide documentation of the work that had been completed to date.

Director Campbell then recognized Mr. Douthitt, who presented his updated bookkeeping report, attached as **Exhibit “C”**. He reviewed the funds transfers he was recommending for approval as summarized on page one of his report, including transfers from the District’s operating account to the manager’s account, from District’s TexPool account to the operating account, and from the District’s lock box account to the TexPool account. He stated that the District had a CD maturing soon and recommended its renewal for six additional months. He reminded the Board that it would need to void the per diem to Director Richter due to her absence from the meeting. 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. Mr. Douthitt reminded the Board that the September financials marked the end of the fiscal year and stated that he would be forwarding the District’s accounting records to the auditor in the near future. Upon motion by Director Haught 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 recommended.

Director Campbell then recognized Deputy Kinnard for purposes of receiving the District’s security report. Deputy Kinnard reported that there was a new group active in the area that was checking car doors and burglarizing any vehicles that were not locked. He also stated that there had been one attempted residential burglary reported. Deputy Kinnard stated that there was a detective assigned to the area burglaries and that the patrols had really increased their presence. He also reported that one of the deputies had been involved in a rescue off of Dessau during the flooding. Deputy Kinnard noted that there had been some damage due to vandals painting on trees in the District’s parks. He stated that he was pleased with the deputies’ work and their communication.

Director Campbell then stated that the Board would receive the on-site manager’s report and recognized Ms. Oliver. Ms. Oliver stated that there had been a lot of damage to the park as a result of the recent rains. She stated that the Covenant Subcommittee had approved a suit for the derelict vehicle and lawn maintenance relating to violations at 228 Wild Senna. Director Amaro noted that this situation was not a minor infraction. Ms. Oliver then presented the

Purchase Request for crushed limestone attached as **Exhibit “D”**. She stated that the Parks Subcommittee had requested that this be presented for approval, noting that the material would provide a better base for the crushed granite. Upon motion by Director Martinez and second by Director Haught, the Board voted unanimously to approve the Purchase Request.

Director Martinez stated that the recent flooding had resulted in the most damage that he had experienced in the eight years that he had been in the District. He commended the TexaScapes’ crews and the District’s staff for their cooperative effort on the clean -up.

Director Campbell then reported that the structural components for the new signs had been ordered, but the maps were being delayed until it was determined if the flood damage would affect the final layout of the facilities. Director Martinez stated that one of the disc golf holes was going to have to be relocated, and it was possible that access to another hole would be affected.

Director Campbell then recognized Mr. Foster for purposes of receiving the engineer’s report. Mr. Foster presented his report, attached as **Exhibit “E”**, and advised the Board that he had been advised that the plans for John Henry Faulk Drive had been presented to the City for approval, but the plans had not been submitted to the District. Mr. Foster reported that the pond maintenance related to the MS4 permit had been suspended until the weather was cooperative, and the annual MS4 report had been submitted to the Texas Commission on Environmental Quality. He stated that he anticipated bringing an updated estimate for the force main to the Board in December, bidding the project in January and awarding a contract in February. Mr. Foster stated that he had had a positive meeting with the school and that they offered to allow use of their email system to transmit notices to area residents and use of the school for meetings. The Board directed that Ms. Littlefield place a resolution to add the school to list of Board meeting places on the next meeting agenda. Mr. Foster reviewed the proposed bidder prequalification policy for the force main project attached as **Exhibit “F”** and he and Ms. Littlefield both recommended its approval. Upon motion by Director Martinez and second by Director Amaro, the Board voted unanimously to approve the prequalification policy.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager’s report. Mr. Anderson reviewed his report, attached as **Exhibit “G”**, noting that the District currently had 2,900 occupied active single-family connections. He stated that the District had experienced a water gain the prior month and that all water test results were satisfactory. He requested approval of the write-offs attached as **Exhibit “H”**. Upon motion by Director Amaro and second by Director Haught, the Board voted unanimously to approve the write-offs. Director Amaro inquired how the improvements at the lift station were working and Mr. Anderson responded that they were working well. Mr. Anderson stated that the City had not yet responded to Crossroad’s report on the new chemical application to reduce hydrogen sulfide levels in the sewer mains.

Director Campbell then stated that the Board would receive the attorney’s report and recognized Ms. Littlefield. Ms. Littlefield reported on her directives and stated that she had not yet followed up with the landowner about the surface use of the pump station easement, but would do so before the next meeting.

Director Campbell then reported on the meeting of the districts who were involved in the joint rate challenge, noting that input had been provided on what the participants would like to see in the terms of a settlement. He noted that one of the requests was that no rate increase be implemented for five years and that a more rational basis be provided for future increases. He stated that a meeting with the City’s legal staff was scheduled for the near future. Director Campbell then explained that there was a separate rate discussion underway with regard to wholesale sewer rates, noting that the participants would differ slightly, as Travis County Water

Control and Improvement District No. 10 did not provide sewer service. The Board then reviewed the First Amendment to the Interlocal Agreement attached as **Exhibit "I"** relating to the sewer rate challenge. Upon motion by Director Amaro and second by Director Martinez, the Board voted to approve the Amendment, with Director Haught abstaining from the discussion and the vote. Director Campbell then called the Board's attention to the supplemental engagement letter from the District's rate analyst, Expergy, attached as **Exhibit "J"**, noting that Mr. Joyce's rate were the same as for the water rate challenge. Upon motion by Director Amaro and second by Director Martinez, the Board voted unanimously to approve the engagement letter, with Director Haught abstaining from the discussion and the vote.

At 6:45 p.m. Director Amaro moved that the meeting be adjourned. Upon second by Director Martinez, the motion was unanimously adopted.

Date: _____.

(SEAL)

Alex Martinez, Secretary
Board of Directors