

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

December 18, 2007

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 December 18, 2007, 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:

Texana Kowis	-	President
Robin Campbell	-	Vice President
Brenda Richter	-	Secretary
Michael Zeniecki	-	Assistant Secretary
William E. Henderson	-	Treasurer

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Jeff Garrett of ECO Resources, Inc.; Sam Jones of Sam Jones Consulting; Richard Fadal of TexaScapes, Inc.; David Armistead of the Wildflower Homeowners' Association; Don Williams, Mona Oliver and J.T. Benton of Wells Branch Municipal Utility District and Sue Brooks Littlefield of Armbrust & Brown, L.L.P.

Director Kowis 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 November 27, 2007 Board meeting and the revised Order Establishing Service Rates, Charges, Tap Fees and Adopting Policies with Respect to the District's Water, Wastewater and Drainage Systems attached as **Exhibit "B"**. Upon motion by Director Campbell and second by Director Henderson, the Board voted unanimously to approve the consent items.

There being no citizens' communications and no announcements by Board members, Director Kowis stated that the Board would receive the report under the Interlocal Agreement with Wells Branch Municipal Utility District. Mr. Williams introduced J.T. Benton, noting that he was the employee of Wells Branch Municipal Utility District who would be serving as the District's project manager. Director Kowis advised the Board that Mr. Benton would be working with Mr. Williams to finalize the District's park grant documentation, and then would manage the grant and construct the District's park improvements. Mr. Williams distributed a schematic showing the new color scheme for the District's park signs, and the Board agreed that it was an improvement over the former brown-colored signs. Mr. Williams advised the Board that he was doing work to the Wildflower Pond to correct a problem at the end of the pond, noting that the District would be supplying the concrete, but that the contractor was providing the labor at no additional charge. He stated that his crews had painted the concrete at the detention ponds on Wells Branch Parkway with the base graffiti paint, which would make it easier to keep up with

graffiti when it was placed on the District's facilities. Mr. Williams also advised the Board that Neil Zeinert, who had been a full time employee of Wells Branch for approximately five years, and who was one of two Wells Branch employees who were certified as play ground safety inspectors, would become the full-time Northtown team leader under the amended Interlocal Agreement between Wells Branch and the District. He stated that Mr. Zeinert had been out in the District about three days a week in the past, but would be in the District some of each day on a going-forward basis. Mr. Williams stated that he felt the Interlocal Agreement was well-staffed and that he was ready to proceed.

Director Kowis then recognized Ms. Oliver, who stated that she had referred the graffiti problem which had been discussed at the prior Board meeting to Deputy Kinnard, but had not heard back from him. The Board agreed that it wished Ms. Oliver to continue to refer any observed graffiti vandalism to the Sheriff's Department. Ms. Oliver also advised the Board that a lawsuit against the resident of 13923 Greinert was on the agenda for approval, and distributed photographs showing a continued problem with debris being left in the yard at that residence. The Board discussed the matter, and Ms. Oliver explained that the debris varied, but that it was a continuing problem. After discussion, the Board agreed that Ms. Littlefield should send a continuing violation letter to the resident, advising the resident that, unless the yard was completely cleaned up by January 1 and thereafter kept free of debris, the District would proceed with a lawsuit.

Director Kowis then recognized Mr. Armistead, for the purpose of receiving a report from the Wildflower Homeowner's Association regarding restrictive covenant matters. Mr. Armistead reported that the goats remained on the Shugan property, stating that the Homeowner's Association was fining the property owner and would be proceeding with foreclosure. The Board expressed concern with the District proceeding with a lawsuit if this action was being taken by the Homeowner's Association. After discussion, Ms. Littlefield agreed that her office would contact Ms. Heyer, the attorney for the Homeowner's Association, and obtain information on the Homeowner's Association's enforcement activities with regard to this matter. Mr. Armistead also reported that the Association was getting houses painted and painting fences. He stated that the soccer goals had been installed in Wildflower Park, and thanked the Board for doing this. He asked whether nets would be provided for the soccer goals and Director Kowis explained that the District had been unable to keep nets in the goals because people took them and so the Board did not plan to place nets on the goals, but stated that the Homeowner's Association was welcome to do so.

There being no security report, Director Kowis stated that the Board would next receive a report regarding park development matters. Director Richter advised the Board that the Park Subcommittee was working with Mr. Fadal in connection with the rough clearing of the Stoney Creek Park. She stated that the Park Subcommittee had authorized installation of trash screens in the Brookfield ponds by the Wells Branch crews at a cost not to exceed \$800. She also stated that Mr. Fadal was providing pictures of the clearing work to Director Campbell, who was posting them on the website. Director Richter reported that she recommended delaying any action in connection with the proposed lighting improvements at the bridge, because it would be very expensive to install a pole and fixture, with an estimated cost of approximately \$7,800. She stated that it would cost approximately \$800 to install a more protective cover on the light at the lift station. She noted that an alternative to a new light pole would be installing "arms" off of the bridge, but that this was not her preferred alternative. Director Richter noted that she and Mr.

Morin should have a more definitive recommendation at the next Board meeting. Ms. Littlefield advised the Board that she had not received a proposal from Gray-Jansing & Associates, Inc. to locate the Stoney Creek Park boundary, and the Board requested that she follow-up with Mr. Gray on this proposal and, if Gray-Jansing was not interested in performing the work, obtain a proposal from another surveyor so that the work could be done very soon.

Director Kowis then recognized Mr. Fadal, for purposes of receiving the landscape maintenance report. Mr. Fadal reported that all of the District's scheduled maintenance had been completed, and that the park areas looked good. He stated that a lot of work had been done on the rough clearing of Phases 1 through 4 and that, once the rough work was completed, the crews would go back for a more detailed clearing. He also presented the proposal for the clearing of Phases 5 through 8, a copy of which is attached as **Exhibit "C"**. He noted that Mr. Williams anticipated beginning physical improvements in Phase 5 by March, and that the timing of the clearing of the various phases might need to be adjusted based on his needs. After discussion, Director Richter moved that the Board approve the proposal as presented. Upon second by Director Henderson, the motion was unanimously adopted.

Director Kowis stated that she had requested a proposal for the annual clearing of the ponds and creek area, noting that there was a lot of deadfall that needed to be removed. She requested that Mr. Fadal prepare a proposal for the Board's consideration at its January meeting, and he agreed to do so.

Mr. Fadal then reported that the improvements related to the Dessau Fountain lift station project were in process, and reminded the Board that there had been a \$12,000 allowance for landscape replacement, and that this cost had been change-ordered out of the cost of the work and would be contracted for directly by the District. Director Kowis stated that her intention was to try to save the existing vegetation, noting that there were some trees which were of significant size that she would like to see saved. Mr. Fadal indicated that it would not be possible to evaluate the feasibility of saving the trees until the project was further along, and agreed to bring a proposal back to the Board for consideration at its next meeting. Director Richter inquired whether Mr. Fadal had inspected the wet pond to determine if the City of Austin had caused any damage when it removed its monitoring equipment. Mr. Fadal agreed to check on the condition of the wet pond prior to the next meeting.

Director Kowis then recognized Mr. Garrett, for purposes of receiving the general manager's report. Mr. Garrett reported that Mr. Morin was currently working on closing the Compass Bank account. Director Kowis stated that she did not believe it should take over 30 days to close an account, and inquired how difficult this could be. Mr. Garrett stated that he would refer this question to Mr. Morin. He confirmed that ECO Resources would be waiving the December cutoff date, as previously authorized by the Board. The Board then reviewed the proposed write-offs, as set forth on **Exhibit "D"**. Director Zeniecki expressed concern at the write-off of \$769, and Director Kowis explained that the customer had a large water leak and had negotiated a payment plan for the balance, but had skipped out on the payment plan. Director Zeniecki stated that he believed that the Board should carefully consider whether the customers were renters or owners before authorizing a payment plan. The Board inquired whether late penalties were included in the write-off amount, and Mr. Garrett stated that they were not. The Board discussed alternative ways of handling large payment plans, including requiring a credit

card to guarantee payment. After further discussion, upon motion by Director Zeniecki and second by Director Henderson, the Board voted unanimously to approve the write-offs.

Mr. Garrett then continued with his report, and noted that the District's water loss was 5.1%, which was excellent. He requested approval of the transfer letter attached as Exhibit "E" and, upon motion by Director Henderson and second by Director Richter, the Board voted unanimously to approve the transfer. Mr. Garrett then presented the list of bills and invoices attached as Exhibit "F" and reviewed it with the Board. He noted that there were additional payments to be made, all of which were deposit refunds. Director Henderson stated that he had not reviewed the refunds, and did not have a list of the refunds which were proposed, but did not feel the District should withhold these payments to customers. After discussion, the Board agreed that, as the deposit refunds were all calculated after the final bill was paid, these should be authorized. Mr. Garrett indicated that Checks No. 8168 through 8183 were deposit refunds. Director Kowis directed Mr. Garrett to advise Mr. Morin that he needed to provide the deposit refund list to Ms. Littlefield's office immediately after he returned to his office. Mr. Garrett agreed to do so. After further discussion, Director Henderson moved that the Board approve the payment of the bills and invoices as presented, with the addition of the deposit refunds represented by Checks No. 8168 through 8183, and with the addition of a refund to the Brookfield Homeowner's Association in the amount of \$3,163.35, representing the refund of an overpayment made due to an error in calculating winter averaging. Upon second by Director Campbell, the motion was unanimously adopted. Director Campbell then inquired about a number of entries on the operations report included in the meeting packet. He stated that it appeared that there were several illegal connections, and that he was concerned that these were apparently not being referred to the Sheriff's Department, as the Board had previously directed. The Board discussed the situation at 14712 Bruno Circle, and asked for an explanation, noting that it appeared that the resident had placed his own lock on the meter box. Mr. Garrett indicated that he was unable to provide an explanation for these entries, and the Board agreed that these questions would be brought up with Mr. Morin at the January meeting. Director Kowis instructed Mr. Garrett to advise Mr. Morin that he needed to be prepared with a copy of the report and the answers to Director Campbell's questions.

Director Kowis then recognized Ms. Littlefield, for purposes of receiving a report from the District's attorney. Ms. Littlefield reviewed her directives from the previous Board meeting, noting that she had not yet received a response from the City of Austin on the proposed Interlocal Agreement for Solid Waste Services to the KB Homes Out-of-District Service Area, but would follow up with the City. She stated that the Interlocal Agreement with Travis County for the Wells Branch Parkway Improvements had been finalized, and that she had brought this document to the Board meeting for execution.

Mr. Jones stated that, in connection with the Wells Branch Parkway Improvements, Pate Engineering had submitted a proposal for an additional \$5,500 for plan preparation costs, as discussed at the previous Board meeting. A copy of the proposal is attached as Exhibit "G". Ms. Littlefield expressed concern that the plans for this project had not yet been approved by the City of Austin, and asked that Mr. Jones assure that Pate Engineering was expediting this work. Mr. Jones agreed to do so. Mr. Jones indicated that he also needed to obtain an escrow release for the funds which were currently escrowed for the construction of the waterline. After discussion, upon motion by Director Richter and second by Director Campbell, the Board voted unanimously to authorize Mr. Jones to prepare an application for the release of the escrowed

funds and to authorize Director Kowis to sign the application upon Mr. Jones' completion of it. Mr. Jones also stated that the plans for the wastewater line to connect Settler's Meadow to the City of Austin's facilities were complete, and that he would recommend proceeding with advertising the project for bid within the next 60 days. After discussion, Director Henderson moved that the Board authorize Mr. Jones and Pate Engineering to proceed with advertising for bid for the wastewater line extension after the first of the year. Director Richter seconded the motion, which was unanimously adopted.

Mr. Jones then reported that he was currently working on the Small Municipal Separate Storm Sewer System Permit Application, and that his staff had received the City of Austin's Wastewater Management Plan and was going through it to adapt it to the District's needs. He stated that, prior to the January meeting, he would have a draft of the plan for the Board's meeting packet, and requested that a subcommittee be appointed to work with him on this project. After discussion, Director Campbell and Director Kowis were appointed to serve as the Subcommittee to work on the storm water management plan and permit application.

After a discussion of the source of funding for the Settler's Meadow wastewater line project, Ms. Littlefield agreed to review the documentation relating to the District's 2006 bonds to determine if the surplus amount which was shown to be in the 2006 capital project fund was earmarked for the wastewater line's construction, as there was no readily apparent item in the District's capital project budget for this work.

Director Richter then inquired as to the 2008 bond application which had previously been mentioned by Ms. Allen, and Director Kowis advised the Board that she had instructed the consultants that this would not be considered until the January meeting.

There being no further business to come before the Board, the meeting was adjourned at 6:50 p.m.

Date: _____.

(SEAL)

Brenda Richter, Secretary
Board of Directors