

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

December 27, 2011

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 27, 2011 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 roll was called of the members of the Board:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Scott M. Gray	-	Treasurer
Alex Martinez	-	Secretary
Felix T. Amaro, Jr.	-	Assistant Secretary

and all of the Directors were present, except Director Martinez, who arrived later, and Director Gray, thus constituting a quorum. Also present at the meeting were Deputy Keith Kinnard of the Travis County Sheriff's Department; 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; Scott Foster of Kimley-Horn & Associates, Inc.; Kathy Haught, Alan Rivaldo and Mr. and Mrs. Enoch Johnbull, 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. Mr. Rivaldo reported that the MeadowPointe monument sign was missing a letter. The Board directed Ms. Oliver to determine if the missing letter could be replaced. At this time, Director Martinez arrived at the meeting. Director Campbell noted that Mr. Rivaldo had requested that the Board consider changing the date of the Board meeting preceding Thanksgiving. He suggested that this be reviewed on an annual basis, since the date of the Board meeting in relation to the holiday would vary, and pointed out that the Board meeting in November 2012 would actually be after Thanksgiving. Ms. Haught thanked the Board for its work on behalf of the District in 2011, noting that what the Board did during the year often went unnoticed, but that, during the past year, she had seen the effort put forth by the Board members outside of the Board meetings including at special meetings, committee meetings and site visits, and stated this work was appreciated. She thanked Director Campbell for maintaining the District's website at no cost, and thanked Ms. Oliver and Mr. Robles for their work on behalf of the District, noting that they were very responsive to her requests. She also thanked all of the District's consultants for their efforts. Mr. Rivaldo echoed those sentiments. Mr.

Rivaldo then commented that he understood that the City of Austin was going to increase electric rates and that this could significantly affect the District's residential rates. Director Campbell stated that this matter was on the Board's agenda. After discussion, the Board agreed that it would make a petition opposing the rate increase available for signature at the District office. Director Campbell then recognized Mr. Johnbull, who stated that he lived at 13905 Randlestone Drive. He stated that, about two years previously, a contractor had come to replace shingles at his residence and brought a trailer to collect the debris and that, on that same day, he had received a letter to move the trailer. Mr. Johnbull stated that he had later received a letter because one of the pickets in his fence was broken. He stated that he had called and was told they would send a picture of the violation, and that it was just the top of one picket. Mr. Johnbull stated that he was really surprised by this, because there were worse situations than his in the neighborhood. He questioned what criteria were being used. Mr. Johnbull added that he had recently gotten a letter about cutting the grass and was now concerned that the letters showed a pattern. He added that the community fence was a total mess. Director Richter stated that she was glad that he had noticed the condition of the fence and stated that the District had been working on the MeadowPointe fence replacement project for a lengthy period of time. She added that the District had asked the residents next to the fence not to replace their deteriorated fences because the District was going to replace it. Director Richter stated that each subdivision had different covenants and the District monitored these across the entire community. She stated that the District's staff performed site visits throughout the entire District and that, if he had received a letter on the same day a trailer was brought out, it was most likely because that was the date the inspection was conducted. She stated that the District applied the same standards throughout the community. Mr. Johnbull stated that he had left several messages and never received a call back, and now he had received a letter from the District's attorney. He stated that he had ended up replacing the picket, but that he had seen a lot of other problems -- like people fixing their cars in their driveways -- as well as other maintenance issues. Director Richter stated that she and Director Amaro were on the Covenant Subcommittee and would look into the lack of responsiveness that he was complaining about. Director Campbell inquired when the letter on the picket had been sent and Mr. Johnbull stated that it had been about four or five months ago. Director Campbell stated that he expected a better response now that the District had its own staff. Ms. Oliver provided Mr. Johnbull with her card. The Board thanked Mr. Johnbull for letting them know of the problem. Director Martinez stated that enforcement was evenly applied, as he had received two violation letters himself. Director Campbell then thanked Director Richter for presiding over the November meeting and getting through the District's business in record time.

Director Campbell stated that the Board would next discuss the consent items on the Board's meeting agenda: the minutes of the November 22, 2011 Board meeting; the Resolution Adopting Amended District Code of Ethics and Financial Investment, Travel and Professional Services Policy, Amended Investment Strategies and List of Qualified Brokers, and Confirming Annual Review attached as **Exhibit "B"**; the Secondary Employment of Law Enforcement Application and Agreement with Regarding to Use of Vehicles in Connection with Off Duty Employment of County Peace Officers attached as **Exhibit "C"** and the Release of Judgment Lien, Abstract of Judgment recorded as Document No. 2002149944, Official Public Records of Travis County Texas (2002)

attached as **Exhibit “D”**. After discussion, upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the consent items.

Director Campbell then stated that the Board would receive the security report and recognized Deputy Kinnard. Deputy Kinnard reported that he had received positive feedback from the deputies and it seemed that burglary rates were down. He stated that he was still working with one resident who was moving a car back and forth between the street and his driveway and noted that the County Attorney’s office had advised him to get it on film. He stated that the lights had been out at the pavilion and, after checking into it, he had found that the lever had been pulled to turn them off, but that this had now been corrected. Deputy Kinnard stated that, starting in March, the canine crews would like to use the ATV for training purposes, and the Board agreed. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the payment to Travis County Sheriff’s Department deputies listed on the cash activity report incorporated into the bookkeeper’s report attached as **Exhibit “E”**. Director Campbell asked about the vehicular invasion of the pavilion. Deputy Kinnard stated that he had not been able to identify the culprits who had been caught on camera yet, as he could not see the license plate. He stated that the deputies would continue to look for them. Deputy Kinnard requested a schedule for the disconnects for January so he could have deputies on duty, and Mr. Anderson agreed to provide this.

Director Campbell stated that the Board would next receive the on-site manager’s report and recognized Ms. Oliver. Ms. Oliver stated that she continued to monitor Ms. Serna’s lot and that it looked fine. She stated that she had passed the compliments along to the staff and crew.

Director Campbell stated that there was no landscape report to present and noted that Mr. Fadal was not in attendance. He then recognized Mr. Foster for purposes of receiving the engineer’s report. Mr. Foster stated that he was working on the surplus funds application with Mr. Douthitt and reported that there was no new action on Section 5. He stated that the Harris Ridge extension pond was not yet full and that he was trying to find a way to allow them to fill it, but that an issue had been raised by Ms. Littlefield regarding the potential impact on winter-averaging. He stated that he was hopeful that continued rain would allow it to fill naturally. Mr. Foster stated that the school site was under construction and that the lift station work was still in progress. He stated that he had confirmed with the contractor that he would bill at the end of the job. Mr. Foster stated that he was looking for a change order to modify the hatch for the check valves, as requested by Mr. Anderson, but had not received pricing yet and he would bring the change order back to the Board in January. Mr. Foster reported that the construction on the MeadowPointe fence was going slower than anticipated because of rain, but that it looked very nice. Mr. Foster then presented Change Order No. 1 for the fence project, attached as **Exhibit “F”**, which he explained was to clean up alternate items in the pricing and remove the cost of the stone column. He stated that he recommended approval. Director Richter moved approval of the Change Order and, upon second by Director Martinez, the motion was unanimously adopted. Mr. Foster

stated that he would ask the contractor to get an open area secured. Mr. Johnbull asked that the Board also look at the repair of the MeadowPointe sign. Director Campbell responded that this had already been brought to the Board's attention, and noted that the lights on the sign had just been upgraded and that, if there were any problems, the residents should report them to Ms. Oliver. Mr. Foster stated that the well driller had tested the well at no charge. Director Richter asked that he convey the Board's appreciation to the contractor for doing so. Mr. Foster stated that the water levels in the well were fairly high, even with the drought. Director Richter asked that a meeting be scheduled to discuss the well project and Mr. Foster agreed to do so.

Director Campbell then stated that the Board would discuss park development matters and recognized Director Richter. Director Richter stated that the Parks Subcommittee had nothing to report. Director Amaro inquired if there was anything needing to be done to restrict vehicle access to the pavilion. Director Richter stated that the deputies would continue to monitor the situation.

Director Campbell stated that there was nothing to report on District signage.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt reviewed the updated report attached as **Exhibit "E"** with the Board. He reviewed the proposed transfers as summarized on page 1 of his updated report. Mr. Douthitt stated that he had met with Director Gray and Director Amaro to review the bills and invoices, in anticipation of Director Gray's absence from the Board meeting following the birth of his son. He confirmed that he would void the per diem to Director Gray due to his absence. Mr. Douthitt stated that he would be meeting with the Audit Subcommittee, which was made up of Directors Campbell and Gray, in anticipation of the presentation of the audit. The Board agreed that Director Amaro should serve as the alternate for the Audit Subcommittee. Upon motion by Director Amaro and second by Director Martinez, Board voted unanimously to approve the transfers and the payment of the bills and invoices, as presented, except for the void noted and the payments previously approved to the Sheriff's deputies.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager's and operator's report. Mr. Anderson reported that the District had 2,757 occupied residences and that all test results for the prior reporting period were satisfactory. He stated that there had been a slight water gain the previous month. Mr. Anderson stated that there were only three 90-day receivables and that he had three write-offs to present, attached as **Exhibit "G"**. Upon motion by Director Richter and second by Director Amaro, the Board voted unanimously to approve the write-offs.

Director Campbell then recognized Ms. Littlefield for purposes of receiving the attorney's report. Ms. Littlefield reviewed her directives from the prior Board meeting. Ms. Littlefield then reviewed the memorandum regarding the Texas State Library and Archives Commission's mandatory minimum retention periods for District records and

requirements under the District's records management program and requested permission to destroy any District records for which the minimum retention period had passed. After discussion, the Board authorized destruction of the outdated records in accordance with the District's records management program.

Director Campbell stated that the Board would next receive reports from developers' and landowners' representatives. Ms. Littlefield presented Amendment No. 4 to Restrictive Covenant for the Tech Ridge multi-family project and reviewed it with the Board. Director Richter moved approval of the amendment, upon final sign-off by the Subcommittee. Upon second by Director Amaro, the motion was unanimously adopted. Ms. Littlefield agreed to bring the covenant amendment, as finally approved, back to a future Board meeting. Ms. Littlefield reported that the Justice Department had requested some additional information related to the District's financial advisory contracts, which had been provided.

There being no further business to come before the Board, the meeting was adjourned at 6:38 p.m.

Date: _____.

(SEAL)

Alex Martinez, Secretary
Board of Directors