

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

April 24, 2012

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 April 24, 2012 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 Richter and Director Martinez, thus constituting a quorum. 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; Richard Fadal of TexaScapes, Inc.; Scott Foster of 360 Professional Services, Inc.; Trent Rush of TBG Partners, LP; Ray Bryant of Texas Disposal Services ("TDS"); Lee Hill and Alan Rivaldo, residents of the District and Sue Brooks Littlefield of Armbrust & Brown, PLLC. Deputy Keith Kinnard of the Travis County Sheriff's office arrived later.

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 no resident communications, Director Campbell advised those present that there had been some concerns raised about taxable values for 2012, noting that there had been some apparent devaluations in taxable property values, which was nice for the homeowners but could be problematic for the District. He stated that Ms. Allen had investigated the issue and determined that the largest reductions appeared to be in Settler's Meadow, with some in the range of 20%. Director Campbell added that some of this reduction had been offset because of the \$5,000,000 in new improvements added to the tax roll, resulting in a fairly stable total taxable value based on current projections. He stated that Ms. Allen anticipated that there would be no increase in the District's tax rate and there could even possibly be a slight reduction due to the increase in value. Director Campbell also pointed out that the District was also working on a bond refunding which would reduce the District's debt service payments.

Director Campbell stated that the Board would next consider approving the minutes of the March 27, 2012 Board meeting. After discussion, upon motion by

Director Gray and second by Director Amaro, the Board voted unanimously to approve the minutes.

Director Campbell then stated that Deputy Kinnard would be delayed in his arrival, and so the security report would be deferred until later in the meeting.

Director Campbell stated that the Board would next discuss solid waste services, including park solid waste collection. He advised Mr. Bryant that there had been some problems experienced with solid waste collections in the park, and that this was a concern as it was quite unusual and the Board had been very happy with the service from TDS. He asked if Mr. Bryant could explain the difficulties. Mr. Bryant stated that he was now the account manager for the District and requested that the District's representatives contact him with any concerns. He stated that he had now held numerous conversations with Ms. Oliver and that, as a contractor, he expected the service that TDS had agreed to provide to be provided. Mr. Bryant stated that there had been a driver who had been making some decisions basically on his own. He added that he had talked to the driver, his supervisor and TDS' director of operations about the issues, and confirmed that the problem had been addressed. He apologized for the issue and assured the Board that it would not happen again. Mr. Bryant stated that he had also determined that some bulky waste pick-ups had not occurred and some bags had not been picked up, and that TDS' supervisors were now confirming that all collectable items were in fact collected. He explained that anything that was not collectable would be tagged with an explanation to the customer of why the material was not picked up, as the District's contract was for unlimited pick-up. Director Campbell noted that he understood that Mr. Bryant was in communication with Ms. Oliver regarding the District's Clean-Up Day and expressed concerns that he possibly was not aware of the scope of the project. Mr. Bryant responded that he had done some homework on the project and would be having a meeting with his staff the following week and then would be meeting with the District's staff in preparation for the Clean-Up Day. Mr. Bryant confirmed that the District's was the biggest Clean-Up Day TDS had in Texas. Ms. Oliver confirmed that the Clean-Up Days were scheduled for June 2nd and June 9th and added that a flyer would go out in the next water bills. She stated that she would schedule a meeting between Mr. Bryant and the Boy Scout Troop Leader. Mr. Bryant advised the Board that TDS would also provide ten extra trash containers for the disc golf tournament. He also offered an opportunity for the Board to tour the TDS facility as an educational experience or to use the facility for Board meetings or retreats. The Board thanked him for the offer. At this time, Deputy Kinnard arrived at the meeting. Ms. Oliver then requested that the TDS dispatcher have a little more trust in the District's residents, as she knew one resident who had not had his bulky waste picked up had been written up for a current violation, and asked for an extension of time.

Director Campbell next recognized Deputy Kinnard, who stated that TDS had a very nice facility. Deputy Kinnard then reported that the security statistics in March were great, but in April they had been really hit hard. He stated that he was going to be back on schedule starting the next month. Deputy Kinnard indicated that the majority of the reported crimes were burglaries of residences and that there had been a report of a garage door opened in Settler's Meadow and a whole series of garage doors left open. He noted that there was a device that would do this, and the deputies were monitoring since there was a potential for someone doing a test of the device in anticipation of

committing a crime. Deputy Kinnard stated that the deputies had recovered a number of bicycles and suggested adding something to the District's website, so that a resident missing a bicycle could contact his office. Director Gray asked if a Neighborhood Watch sign would be helpful. Deputy Kinnard stated that the signs could not be the proprietary ones used by the official Neighborhood Watch. Director Amaro suggested engaging the neighborhood associations. After discussion, Director Gray moved approval of the payments to the deputies set forth on the updated cash activity report attached as **Exhibit "B"**. Upon second by Director Amaro, the motion was unanimously adopted.

Director Campbell then stated that the Board would receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver reported that all 12 grills had been reinstalled in park. She stated that she had contacted the sign company about the sign on MeadowPointe and that the sign had been repaired and the contractor had verified all of the others were secure. Ms. Oliver advised the Board that the Parks Subcommittee had proposed approving the installation of a volleyball net in the Wildflower Park, and explained that a resident had installed an unauthorized net that the District's crews had removed. She stated that the Subcommittee proposed authorizing the purchase of a net and proper installation. Director Campbell noted that the Board had previously discontinued providing volleyball facilities due to repeated vandalism. Director Gray suggested putting up the poles and allowing the residents to bring their own nets. Director Amaro noted that there were some industrial products installed at UT that might be more suitable for the area and discourage vandalism. Director Campbell stated that he had no objection if there were residents who actively wanted to play volleyball, but that he would not be in favor of continually replacing the net. Director Gray stated that he would like the Subcommittee to investigate the opportunity to install a legal volleyball court. Ms. Oliver stated that the area was not a regulation size. Director Gray then moved that the Board authorize the purchase of a net and volleyball poles at a cost not to exceed \$2,000. Director Amaro seconded the motion, which was unanimously adopted. Ms. Oliver stated that the lawn maintenance had largely been addressed, but there were many other covenant issues that had been referred to Ms. Littlefield's office.

Director Campbell then recognized Mr. Fadal for purposes of receiving the District's landscape maintenance report. Mr. Fadal stated that he had brought a common thistle as his "show and tell". He stated that, with the varying weather, the thistles were growing to about five feet tall, which was unusual for this time of year. He then reviewed his report, stating that all maintenance was being addressed. Mr. Fadal recommended some maintenance to the soccer fields, which he explained were experiencing some wear-and-tear. He also noted that there would be some browned areas resulting from the overseeded winter rye dying out. Mr. Fadal predicted rain in May and June. Ms. Oliver asked how long the vines on Lantern needed to continue to be hand-watered. Mr. Fadal recommended monitoring them and watering them before they became too stressed for at least another year.

Director Campbell then stated that the Board would consider taking action regarding engineering matters. Mr. Foster advised the Board that his directives had been completed. He stated that he expected that the developer of the Harris Ridge extension project would be present at the next meeting, trying to find out how to get their project accepted. Mr. Foster reported that the generator had been started at the

low flow lift station and the contractor expected to be complete by May. Mr. Foster also reported that a pay estimate for this project had been received, but had not been processed in time for the packet. Mr. Anderson stated that the contractor had experienced problems getting the generator started and that there appeared to be some compatibility problems. He added that he had advised the contractor that Crossroads would not come back out to the site until they had tested the generator and confirmed it was working. Mr. Foster then reported that the well project was proceeding and that it was anticipated that the tanks would be delivered and vertical construction started in May. Mr. Rush confirmed this and stated that the well pumps had been set earlier in the day. He stated that his firm had approved the shop drawings and plans for the tank and, the tank had been ordered and should be delivered in the next few weeks. Mr. Rush stated that he expected a fairly substantial pay application to be presented at the next Board meeting. Mr. Foster then presented Pay Estimates No. 2 and 3 and Change Order No. 2 for FenceCrete America attached as **Exhibits “C” through “E”** and reviewed them with the Board. He noted that he understood that payment for Pay Estimate No. 1 had still not been released. He requested approval of the Pay Estimates and a directive to get the payment issue resolved for Pay Estimate No. 1 with payment to be released upon approval by the Subcommittee. Ms. Oliver confirmed that all issues had been resolved, except verifying the amount of fence material to be stored on site. Upon motion by Director Gray and second by Director Amaro, the Board voted to approve the Pay Estimates, with authorization to the Subcommittee to approve the release of payment and a directive to Mr. Foster to shepherd the project through to completion.

Mr. Foster then presented the proposal for park upgrades in MeadowPointe and Wildflower Park attached as **Exhibit “F”** and reviewed it with the Board. He reported that the Parks Subcommittee recommended approval. Upon motion by Director Gray and second by Director Amaro, the Board voted unanimously to approve the proposal.

Director Campbell then stated that the Board would discuss park development matters. Ms. Oliver called the Board’s attention to the expense report for repair of the vandalism of the clean-outs at the Gaston Sheldon pond, attached as **Exhibit “G”**. She stated that the repair had been completed by the District’s staff.

Director Campbell stated that the Board would next receive a report from the District’s Signage Subcommittee. Director Campbell stated that the Subcommittee had not yet had the meeting and asked that this agenda item be taken off until further notice.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper’s report. Mr. Douthitt reviewed his updated report attached as **Exhibit “B”** with the Board. He reviewed the proposed transfers summarized on page one of his updated report. He also requested approval to renew a \$245,000 CD at IBC Bank and to renew a \$245,000 CD at First State Bank Central Texas. Mr. Douthitt noted that the per diems to Directors Richter and Martinez would need to be voided due to their absence from the meeting. Mr. Douthitt also requested approval of Check No. 4635 to FenceCrete America for \$9,069.33 for Pay Estimates No. 2 and 3. He stated that he had not received any invoices from Kimley-Horn, which was why no payment was being presented for approval. He stated that the District was running ahead of plan on the budget, largely due to slippage in the timing of some projects. Upon motion by Director Gray and second by Director Amaro, the Board voted unanimously to approve the

transfers and the payment of the bills and invoices, as presented, except for the payments previously approved to the Sheriff's deputies.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager and utility operator's report. Mr. Anderson reported that the District had 2,804 occupied homes and 2,921 total connections. He stated that all test results were satisfactory and that the District had most recently recorded a 9.64% water loss. He reviewed the revised write-off list attached as **Exhibit "H"**. Upon motion by Director Amaro and second by Director Gray, the Board voted unanimously to approve the revised list of write-offs.

Director Campbell stated that the Board would next receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield confirmed that she had completed her directives, except for contacting the County Street and Bridge Department. She stated that she had received a request from Classic Messaging about an emergency messaging system, and recommended that the Board authorize Ms. Oliver to investigate alternatives for such system and bring a report back to the Board. After discussion, the Board directed Ms. Oliver to do so.

Director Campbell stated that the Board would next receive reports from developers' and landowners' representatives. He noted that no representatives were present, but advised the Board that he and Director Amaro had met with the developers of the next phase of the apartment project, who had requested similar revisions to the covenants to allow development of the next tract. He reminded the Board that this tract would have a reduced density as a result of the negotiation on the previous tract. Director Amaro stated that there was one item in contention, which was that there were two ends of the project that did not conform to the Board's desires on height and density. Director Campbell noted that there was an issue about stepping the building up to three stories rather than having a larger setback. He stated that the Subcommittee was still working with the developer on this issue. Mr. Hill inquired about the status of the landscaping that was lacking on the original apartment tract. Ms. Littlefield confirmed that suit had been filed, and added that a meeting with the defendant's representatives would be held soon. Mr. Foster reminded the Board that the drainage for the next phase of the apartment would go to a District facility and thus the plans needed to be reviewed by his office and the Board agreed.

At 6:55 p.m., Director Campbell announced that the Board would convene in executive session for purposes permitted by Section 551.071, Texas Government Code, in order to receive legal advice. At 7:08 p.m., upon motion by Director Gray and second by Director Amaro, the Board voted unanimously to reconvene in open meeting and Director Campbell announced that no action had been taken in executive session.

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

Date:_____.

(SEAL)

Alex Martinez, Secretary
Board of Directors