

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

October 23, 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 October 23, 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, except Director Kowis, thus constituting a quorum. Also present at the meeting were Richard Fadal of TexaScapes, Inc.; Don Williams of Wells Branch Municipal Utility District; Ryan Beard of Texas Disposal Systems; David Armistead of the Wildflower Homeowners' Association; Mike Morin of ECO Resources, Inc.; Deputy Keith Kinnard of the Travis County Sheriff's Department; Sam Jones of Sam Jones Consulting and Sue Brooks Littlefield of Armbrust & Brown, L.L.P.

Director Campbell called the meeting to order at 5:45 p.m., and stated that the Board would first consider approving the minutes of the September 25, 2007 Board meeting. Upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to approve the minutes.

Director Campbell then inquired whether there were any citizens present wishing to address the Board. There being none, Director Campbell called for any announcements by Board members. Director Zeniecki stated that there was a hole in the road at the intersection of Wilshire and Merseyside Drive, and requested that Mr. Morin look into it. Mr. Morin agreed to do so. Director Zeniecki also stated that there was no light on the bridge by the park, and that underage individuals were going under the bridge and loitering and possibly committing vandalism and other illegal activities. He stated that he felt that a more secure light was needed. Director Richter suggested that the Park Subcommittee look into this, and the Board concurred. Mr. Morin stated that he was looking into having the light at the lift station repaired. The Board agreed that the Park Subcommittee should also look at the lift station light for alternatives which would be more vandal-proof.

Director Campbell then announced that there would be no action taken with regard to the District's 6,005,000 Unlimited Tax and Revenue Bonds, Series 2007 at this meeting, but that there would be a special Board meeting at noon on Thursday, October 25, 2007, to accept a bid

for the sale of the bonds. He stated that the disbursements would not be approved at the special meeting, and that the report on reimbursable costs and disbursements would be considered at the Board's next regular meeting.

Director Campbell then recognized Mr. Beard, who presented the report from the District's solid waste contractor attached as **Exhibit "B"**. He advised the Board that he had signed the contract amendment previously approved by the Board and returned it to Ms. Littlefield.

Director Campbell then recognized Mr. Williams, for purposes of receiving a report under the Interlocal Agreement with Wells Branch Municipal Utility District. Mr. Williams reported that the Park Subcommittee had approved the purchase of goals for Wildflower Park, and stated that these should be installed within a few weeks. He explained that, in order to utilize graffiti paint as the Park Subcommittee wished, it would be necessary to first apply a base coat of paint to the areas which were being targeted for graffiti. He indicated that the cost for the initial painting would be \$800. Director Richter stated that the Park Subcommittee recommended this, and moved approval of the expenditure. Upon second by Director Zeniecki, the motion was unanimously adopted. Mr. Williams then stated that Ms. Oliver had looked into the shed which had been reported on Lampting, and that the size was acceptable, but that she would continue to monitor it. Director Zeniecki stated that another day care was operating in the District, and the owner had hung flyers on the residents' doors. He agreed to forward the flyer to Ms. Littlefield so that the matter could be addressed.

Director Campbell then recognized Mr. Armistead, for purposes of receiving a report regarding Wildflower Homeowners' Association restrictive covenant matters. Mr. Armistead stated that fence maintenance was an issue which needed to be considered by the District's attorney. Ms. Littlefield explained that whether or not to pursue the condition of the fence as a covenant violation would be a Board decision, and advised Mr. Armistead that he would need to submit photos and other information for the Board's meeting packet, so that it could consider any matters which he wished to refer at a regular Board meeting. Mr. Armistead agreed to do so. He also commended Mr. Williams on the placement of the rock barriers around the park.

Director Campbell then recognized Deputy Kinnard, for the purpose of receiving a security report. Deputy Kinnard reported that it had been a slow month, and that he had asked another deputy to check the street lights within the District and had referred a list of the nonfunctioning lights to Mr. Morin.

Director Campbell then stated that the Board would consider taking action regarding park development matters, and inquired whether Director Richter had a subcommittee report. Director Richter advised the Board that the Park Subcommittee was working with Lisa Martinez of the City of Austin to set up a tour of the park, as previously requested by a City Parks Department employee. She noted that this tour would be in conjunction with Mr. Williams and Mr. Fadal. Director Richter also reported that Wells Branch Municipal Utility District had agreed to work on a park management proposal, and advised the Board that Director Kowis had signed off on a conflict waiver which would allow the District's attorney to work on the matter, a copy of which is attached as **Exhibit "C"**. She explained that Armbrust & Brown, L.L.P. also represented Wells Branch Municipal Utility District, and could not represent the District if a dispute arose regarding the project. She stated that the Park Subcommittee was moving forward

on the negotiation of an agreement with Wells Branch Municipal Utility District, and anticipated that an agreement would be presented at the November Board meeting. She stated that, initially, Wells Branch Municipal Utility District would hire a manager and a maintenance person who would be dedicated to the District, and noted that the compensation to Wells Branch Municipal Utility District under the Interlocal Agreement would increase to cover these two employees. She explained that this would also allow the District to proceed with its grant administration.

Director Campbell then recognized Mr. Fadal, for purposes of receiving a landscape maintenance report. Mr. Fadal stated that the park areas looked great, and that his company had completed the staircase to provide access into the Parkway Pond 2. He stated that seven of the eleven new District signs had been installed. Director Morin inquired whether information on upcoming Board meetings would be posted on all signs, and Director Richter asked that the Board authorize this, noting that additional sets of letters would need to be purchased in order to allow this to occur. After discussion, the Board agreed that Mr. Morin should purchase nine more sets of lettering, to allow information on upcoming Board meetings to be posted. Director Richter inquired as to the color of the signs, and Mr. Fadal indicated that the signs would be repainted now that they were installed.

Director Campbell then recognized Mr. Morin for purpose of receiving a report from the District's general manager. Mr. Morin reported that the City had completed the tie-in for the bypass piping project the previous week and that it had gone well, although it had taken longer than anticipated. He presented the write-offs attached as **Exhibit "D"**, and recommended their approval. Upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to approve the write-offs. Mr. Morin then reported that he had met with Director Richter regarding the fence situation that had been discussed at the prior Board meeting. He stated that he had obtained an estimate from a fence contractor of the value of the repair which had been made, and recommended that this cost be deducted from the price of the original work. He stated that he recommended paying the contractor \$500, and paying Wells Branch Municipal Utility District \$200 for the repair. Ms. Littlefield noted that a settlement agreement would need to be approved in conjunction with this, and agreed to place this item on the Board's next meeting agenda for approval.

Mr. Morin then explained that the cost for the "Positive Pay" program had gone down, and he felt that this was in response to his company's complaints. He stated that he believed that the District would be able to get this service from Chase Bank at a cost of less than \$50 per month. The Board agreed that Director Henderson and Mr. Morin should meet to review the final information received from the District's depository, and authorized them to proceed to a final decision on the matter, including a contract, if required. Mr. Morin then presented the bills and invoices received by the District as set forth in the check register attached as **Exhibit "E"**. He explained that he had omitted the check to the Wildflower Homeowners Association, but had brought an additional check for the Association to the meeting for approval, since this was his error. He noted that there were two deposit refunds to DR Horton on the list of bills and invoices, and explained that Director Henderson had expressed concern about paying these deposit refunds when DR Horton had a large receivable payable to the District. Mr. Morin explained that DR Horton had reduced the outstanding sum due to the District from approximately \$30,000 to \$5,000. After discussion, the Board directed that this receivable must be paid in full, and DR Horton's escrow with the District reestablished, before the bond proceeds were disbursed at the November meeting. Ms. Littlefield agreed to relay this to DR Horton.

After further discussion, upon motion by Director Henderson and second by Director Zeniecki, the Board voted unanimously to approve the payment of the bills and invoices.

Mr. Morin then advised the Board that Eco Resources' contract with the District would expire soon, and stated that he had met with Director Kowis and Director Richter to discuss a revision to the contract. He stated that he had prepared a revised contract, but that this had not yet been reviewed by the subcommittee or Ms. Littlefield. He stated that there might also be additional, minor changes following review by Eco Resources' legal department. After discussion, Director Richter moved that the Board extend its existing contract with Eco Resources by 30 days in order to allow time for the Board and Ms. Littlefield to review the proposed contract amendment. Upon second by Director Zeniecki, the motion was unanimously adopted.

Director Campbell then recognized Ms. Littlefield, for purpose of receiving a report from the District's attorney. Ms. Littlefield reviewed her directives, and reported that she had confirmed that there was a day care operating at the residence located at 13721 Merseyside Drive. She indicated that her office had sent a letter to the proprietor. She also explained that the Interlocal Agreement for solid waste services to KB Homes' out-of-district service area was in process, but had not yet been approved by the City of Austin.

Director Campbell then recognized Mr. Jones, for purpose of receiving a report from the District's engineer. Mr. Jones reviewed his report, a copy of which is attached as **Exhibit "F"**. He explained that the tap for the by-pass piping project had gone well, but that no final pay estimate had yet been presented. He then presented Pay Estimates No. 6 and 7 for Lakes at Northtown, Section 1, and recommended approval and acceptance of the water, wastewater, and drainage facilities, with the exception of the detention pond, for operation and maintenance. He explained that the detention pond still needed to be inspected by the Park Subcommittee. After discussion, upon motion by Director Zeniecki and second by Director Henderson, the Board voted unanimously to approve the pay estimates, as presented, and to accept the water, wastewater, and drainage facilities, with the exception of the detention pond, as recommended by the District's engineer.

Mr. Jones then advised the Board that the cost for the construction of the improvements which were proposed under the Tri-Party Agreement with the City of Austin, Aus-Cal, L.L.C., Tex Aust Limited Partnership, and Dessau Fountains Estates, L.L.C. had come in higher than anticipated. He stated that Pate Engineering recommended award of the contract to the low bidder, Excel Construction Services, and pointed out that the bid price included \$12,000 for the replacement of existing landscaping. He stated that, as previously discussed with the Board, if the Board elected to award the contract, he requested authorization for a change order to exclude the landscaping replacement from the contract, in order to allow this work to be performed by the District's landscape maintenance contractor. Ms. Littlefield noted that the contract also needed to be awarded subject to receipt of funds under the Tri-Party Agreement. After further discussion, upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to approve the award of the contract for the improvements to Excel Construction Services, as recommended by Pate Engineering, subject to the approval of a change order deducting the landscape replacement in the amount of \$12,000 and subject to receipt of payment under the Tri-Party Agreement. The Board also agreed that Mr. Jones would be authorized to execute the change order on behalf of the District.

Ms. Littlefield then advised the Board that she had received a report on several garage conversions, which had been investigated following a complaint received from a District resident who had been cited for her own garage conversion. After discussion, the Board agreed that, if the conversions in question had been in place for more than five years, as Ms. Oliver indicated, then the Board could take no action with regard to these specific conversions; however, it would maintain its policy not to allow additional garage conversions. The Board requested that Ms. Littlefield send a response to the complaining party, and she agreed to do so.

The Board then discussed its holiday meeting schedule and agreed that the November meeting would be held on the Board's regular meeting date, but that, if the Wells Branch meeting space was available, the December meeting would be held on December 18, 2007. The Board requested that Ms. Littlefield determine the availability of the meeting space with Wells Branch Municipal Utility District, and she agreed to do so.

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