

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

October 28, 2014

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on October 28, 2014, 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"**.

All of the members of the Board were present, as follows:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Alex Martinez	-	Secretary
Kathy Haught	-	Assistant Secretary
Felix Amaro, Jr.	-	Assistant Secretary

Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; Robert Anderson and Brian Paul 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.; Scott Foster of 360 Professional Services, Inc.; Ray Bryant of Texas Disposal Systems, Inc.; Chris Capers, Director-elect; Allen Rivaldo, Mercy Chima and Lee Hill, residents of the District; John Grasshoff of Travis County ESD No. 2; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Campbell called the meeting to order at 5:45 p.m. and asked if there were any residents present who wished to address the Board. Mr. Hill encouraged everyone to vote and advised that there were positions available to serve as election clerks.

Director Campbell stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the September 23, 2014 Board meeting; the Release and Termination of Temporary Construction Easement attached as **Exhibits "B"** and **"C"** and the Addendum to Exhibit "A" to the Rebate Services Agreement with BLX Group attached as **Exhibit "D"**. Upon motion by Director Richter and second by Director Haught, the Board voted unanimously to approve the consent items.

Director Campbell then stated that the Board would receive the District's security report and recognized Deputy Kinnard. Deputy Kinnard distributed the report attached as **Exhibit "E"**. He stated that he had been directed to meet with the Security

Subcommittee and had been asked to get some statistics together, and so he had gone downtown and worked with the clerical staff and found the reports which he stated had been placed in the wrong file. Deputy Kinnard stated that he was also asked to determine what influence the deputies had as far as deterring crime compared to other areas around the District. He noted that the area across the fence, the mobile home park, had a lot of criminal activity that was not present in the District. Deputy Kinnard also stated that the Subcommittee had asked about a tracking system and he had obtained a GPS system and had it installed on his vehicle that he could email a report to the District. Director Campbell asked if this was presented to the Subcommittee and if the Subcommittee was prepared to make a recommendation on it. Deputy Kinnard stated that he had found the system that he wanted and installed it and it wouldn't cost the District a penny. Director Campbell stated that he felt this should have first gone to the Subcommittee for a recommendation to keep the meetings efficient. Directors Amaro and Haught concurred that the Subcommittee would like to review the information and then bring a recommendation back to the Board. Deputy Kinnard reported that he had also been in contact with the Brookfield Homeowner's Association regarding delinquent vehicles and had gotten several of these towed away. He stated that there had been no increase in criminal activity in the District during the month of October. Director Campbell suggested deferring the review of Deputy Kinnard until the next meeting. Director Haught stated that the Security Subcommittee had asked Deputy Kinnard to stay for the entire meeting. After discussion, Director Haught moved approval of the payments to the Sheriff's Deputies as shown on the bookkeeping report attached as **Exhibit "F"**. Upon second by Director Martinez, the motion was unanimously adopted.

Director Campbell then recognized Mr. Fadal for purposes of receiving the landscape maintenance report. Mr. Fadal presented the plant of the month, Purple Coneflower. He stated that it was a native and also had medicinal properties. Mr. Fadal then reviewed the landscape maintenance report attached as **Exhibit "G"** and stated that all work was on target and the fire ant treatment was helping to control the ants. He stated there was a problem with the KR Bluestem and that this had required a second mowing, noting this grass was a native of Afghanistan and had been developed as an experimental grazing grass. He stated that it was extremely drought resistant, but very difficult to control and very invasive.

Director Campbell stated that the Board would next receive the on-site manager's report and recognized Ms. Oliver. Ms. Oliver distributed her monthly report, attached as **Exhibit "H"**, and reviewed it with the Board. She stated that she had received the final agreement on the landscaping around the front yard fence. Ms. Oliver also stated that parking lot area restriping and overlay was complete and looked very good. She thanked Mr. Foster for having this done.

Director Campbell stated that there was no park development report and no report on park signage. He noted that it would be necessary to make some changes on the committee composition as a result of the change in the Board's composition. Director Campbell then recognized Mr. Foster for purposes of receiving the engineer's report. Mr. Foster presented his report, attached as **Exhibit "I"**. He noted the force main project was complete and the contractor was working on punch list items. He

presented Pay Estimates 4 and 5, attached as **Exhibits “J”** and **“K”** for the project and recommended approval. He recommended holding approval of the final pay estimate, Pay Estimate No. 6, which was for retainage, until receipt of the City approval letter, noting that he did not anticipate receiving this until December. Director Richter moved approval of the two Pay Estimates as recommended. Upon second by Director Haught, the motion was unanimously adopted. Mr. Foster stated that he was working on the surplus funds application and that he hoped to bring it back to the Board in November for approval and file it in December. He noted that he had retained DeRusse and Byrne as subcontractors for that project.

Director Campbell then recognized Mr. Douthitt, who presented the updated bookkeeping report attached as **Exhibit “L”**. Mr. Douthitt reviewed the funds transfers he was recommending for approval as summarized on page one of his report and the renewal of the certificate of deposit in the amount of \$245,000 at Sovereign Bank for an additional six months. He reviewed the bills and invoices being presented for approval and confirmed that he had reviewed the payments with Director Amaro. Mr. Douthitt called the Board’s attention to the additional checks that had been added to the check register since the Board’s packet date and the payments that had been made out of the manager’s account since the last meeting, noting that these were largely utility payments and customer deposit refunds for the past month. He stated that he would hold the final payment to Austin Underground for the force main project pending Board approval as previously discussed. Mr. Douthitt noted that the report covered the period through the end of the fiscal year and that the District would end up about \$300,000 ahead of plan. Upon motion by Director Amaro and second by Director Haught, the Board voted to approve the payment of the bills and invoice, the transfers, and the certificate of deposit renewal, as recommended, with the exception of the payments to the Sheriff’s Deputies that had previously been approved.

Director Campbell then recognized Mr. Anderson for purposes of receiving the general manager’s report. Mr. Anderson presented his report, attached as **Exhibit “M”**, and reviewed it with the Board. He noted that the District currently had 2,939 occupied single-family connections and total of 3,007 accounts. He stated that the District had reported a 6.4% water loss for the prior reporting period, which was good. Mr. Anderson stated that all water test results were satisfactory. He then stated that he had no 90-day delinquent accounts to report. Mr. Anderson then requested approval of the write-offs set forth on the list attached as **Exhibit “N”**. Upon motion by Director Amaro and second by Director Martinez, the Board voted unanimously to approve the write-offs. Mr. Anderson stated that a contractor, CC Carlton, had broken the force main at Fish Lane and Howard, noting that this had required wastewater pump trucks to effect the repair. Mr. Foster stated that he had taken the opportunity to inspect the pipe and it was the heavy duty pipe. Mr. Anderson confirmed that Crossroads would backcharge the contractor for the District’s expenses related to the repair.

Director Campbell stated that there was nothing new to report on the City of Austin wholesale water and wastewater rate challenges.

Director Campbell then stated that the Board would conduct consultant reviews, discuss security matters, and receive legal advice regarding contract issues, and noted

that the Board would convene in executive session to do so as authorized by Sections 551.074, 551.076 and 551.071 of the Texas Government Code. He announced that the time was 6:20 p.m. After the executive session, including consultant reviews of Ray Bryant, Texas Disposal Services; Sue Littlefield, Armbrust & Brown, PLLC; and Richard Fadal, TexaScapes, Inc., the Board reconvened in open session at 7:09 p.m. and Director Campbell announced that no action had been taken in executive session. Director Richter directed Ms. Littlefield to draft a letter to Texas Disposal Systems expressing the Board's appreciation for Mr. Bryant's efforts during the contract negotiations and advising management of the difficulties that had been encountered during that process.

Director Campbell stated that the Board would next discuss its holiday meeting schedule. After discussion, the Board agreed to leave the November meeting date as it was and directed all of the Board members to let Ms. Littlefield know if they would have any difficulties attending. The Board agreed to move its December meeting to December 16<sup>th</sup>. Director Martinez expressed his appreciation for the education he had received while serving on the Board and the rest of the Board thanked him for his service.

There being no further business to come before the Board, the meeting was adjourned at 7:18 p.m.

Date: \_\_\_\_\_

(SEAL)

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\_\_\_\_\_, Secretary  
Board of Directors