

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

December 15, 2015

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 15, 2015, 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
Kathy Haught	-	Secretary
Chris Capers	-	Assistant Secretary
Felix Amaro	-	Treasurer

Also present at the meeting were Mona Oliver, the District's on-site manager and covenant administrator; District employee Earnest Robles; Dennis Hendrix of Crossroads Utility Services, LLC ("Crossroads"); Mary Bott of Bott & Douthitt, PLLC; Richard Fadal of TexaScapes, Inc. ("TexaScapes"); Deputy Oscar Gonzales of the Travis County Sheriff's Department; Lee Hill, resident of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B").

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. Director Campbell thanked the Board for its indulgence during his recent absences due to health issues. He then stated that the Board would next consider approving the minutes of the November 24, 2015 Board meeting. Upon motion by Director Richter and second by Director Capers, the Board voted unanimously to approve the minutes.

Director Campbell stated that the Board would next receive the landscape maintenance report and recognized Mr. Fadal. Mr. Fadal presented the plant of the month, Cheyenne Spirit Coneflower, noting that it was a larger and hardier variety of the more common coneflower. He then reviewed the landscape maintenance report, attached as **Exhibit "B"**, and reported that the landscaping was stable and his crews were prepared for winter maintenance activities.

Director Campbell then recognized Mr. Hendrix for purposes of receiving the general manager's report. Mr. Hendrix noted that the District currently had 2,953 occupied single-family connections, a total of 3,839 accounts, and an estimated population of 10,104. He added that the District had had satisfactory lab results for its water samples and had experienced a 1.29% water loss for the prior reporting period. Mr. Hendrix then called the Board's attention to the proposed write-offs listed on

Exhibit “C” and recommended approval. Upon motion by Director Amaro and second by Director Richter, the Board voted unanimously to approve the write-offs.

Director Campbell then stated that the Board would receive the District’s security report. Deputy Gonzales reported that November had been a fairly normal month, noting that there had been some burglaries and also a burglary of a vehicle, and that the complaining party and the perpetrator had been residents of the same home. He noted that several of the burglaries of homes had occurred through unlocked back gates and entries through the back door. Deputy Gonzales noted that there had been some reported criminal mischief, including one instance in which the occupants of two cars had been paintballing everything in sight.

Director Campbell then stated that the Board would receive the on-site manager’s report and recognized Ms. Oliver. Ms. Oliver called the Board’s attention to her monthly report, attached as **Exhibit “D”**. She stated that the staff had asked her to thank the Board for the staff appreciation luncheon, which was held at The Oasis. She reported that a judgement had been awarded in connection with a covenant violation suit against a resident on Camborne. Ms. Oliver added that the Restrictive Covenant Subcommittee had authorized two additional referrals to Mr. York to file suit. She then requested authorization to purchase mulch for the trail in the dog park from Austin Landscape Supplies at a cost of \$1,020. After discussion, upon motion by Director Richter and second by Director Capers, the Board voted unanimously to authorize the purchase of additional mulch for the dog park. Director Campbell expressed the Board’s appreciation for the upgrade to the Board meeting place.

Director Richter advised the Board that everything in the parks was going smoothly and the Subcommittee had nothing to report.

Director Campbell then recognized Mr. Foster, who presented his report, attached as **Exhibit “E”**. Mr. Foster stated that some of the developers whose projects had been fairly dormant had resubmitted their plans and he expected a flurry of activity in the upcoming months. He reported that the SWP3 report had been filed and he had conducted the pond inspections. Mr. Foster added that a meeting would be coordinated with the Parks Subcommittee to discuss items relating to some repairs due to the recent rains. He then presented the proposal for the Merseyside pond ramp replacement attached as **Exhibit “F”** and recommended approval. He explained that this would provide better access for TexaScapes’ crews to access the area for maintenance, which currently had to be done by hand. Upon motion by Director Richter and second by Director Capers, the Board voted unanimously to approve the proposal. Mr. Foster then explained that the rains had delayed construction on the trail project. He presented Pay Estimate No. 3 in the amount of \$52,576.65 for the trail improvements and maintenance project, attached as **Exhibit “G”**, and recommended approval. After discussion, upon motion by Director Richter and second by Director Haught, the Board voted unanimously to approve the Pay Estimate. Mr. Foster then presented the Change Order for the trail project attached as **Exhibit “H”**, and explained that there was an allowance included in the contract documents for some additional work that had been identified, and that an additional 60 days needed to be added to the contract time. He stated that he felt this was reasonable and recommended approval. Upon motion by

Director Richter and second by Director Capers, the Board voted unanimously to approve the Change Orders as presented.

Director Campbell then recognized Ms. Bott, who presented the updated cash activity report attached as **Exhibit “I”**. She reviewed the Director and vendor payments and fund transfers that were being presented for approval. Ms. Bott called the Board’s attention to the additional payments that had been added to the report since the packet date. She also called the Board’s attention to the payments that had been made out of the manager’s account since the last Board meeting, noting that these included deposit refunds and petty cash reimbursements. Ms. Bott recommended approval of a transfer in the amount of \$3,900 from the District’s operating account to the manager’s account and a transfer from the District’s Logic park account to the Chase park checking account. Ms. Bott pointed out that the District had received two months’ utility bills from the City of Austin. She called the Board’s attention to the District’s tax collection report, noting that only about 1% of the total had been paid through the end of November. Upon motion by Director Amaro and second by Director Richter, the Board voted unanimously to approve the payment of the bills and invoices and the transfers as recommended.

Director Campbell then recognized Mr. Wilburn for purposes of receiving a report on the City of Austin wholesale rate case. He stated that the prior settlement offer that had been previously withdrawn by Ms. Webb had been reinstated on December 1. He added that he had discussed the offer with the Ad Hoc Committee, especially in light of the districts’ desire to address the City Council at its next meeting. He reviewed the information attached as **Exhibit “J”** and reported that the City’s motion for rehearing would be considered on December 17.

Director Campbell noted that there were no developers and landowners present wishing to address the Board.

At 6:19 p.m., Director Campbell stated that the Board would convene in executive session to discuss personnel matters, including a review of the District’s on-site manager, as permitted by Section 551.074, Texas Government Code, and to receive legal advice regarding covenant violation matters, as permitted by Section 551.072, Texas Government Code. At 6:45 p.m., the Board reconvened in open session and Director Campbell announced that the Board had received legal advice and conducted a personnel review of the on-site manager, but that no action had been taken in executive session. He then inquired if any action was proposed by the Board. Director Haught moved that the Compensation Subcommittee meet to develop a recommendation for a salary adjustment for Ms. Oliver at the next Board meeting. Upon second by Director Capers, the motion was unanimously adopted.

There being no further business to come before the Board, upon motion by Director Richter and second by Director Haught, the Board voted unanimously to adjourn the meeting.

Date: January 26, 2016

(SEAL)

Kathy Haught, Secretary
Board of Directors