

MINUTES OF MEETING OF BOARD OF DIRECTORS OF
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1

February 15, 2017

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

A regular meeting of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on February 15, 2017, at the Rattan Creek Community Center, 7617 Elkhorn Mountain Trail, Austin, Texas, pursuant to notice duly given in accordance with law. A copy of the Certificate of Posting of said Notice is attached hereto as **Exhibit "A"**.

The roll was called of the members of the Board, to-wit:

Alan McNeil	-	President
Donald G. Conklin	-	Vice President
Jo Jones	-	Secretary
Kim Green	-	Treasurer
Rachel Beaulieu	-	Assistant Secretary/Treasurer

and all of said Directors were present, with Director Conklin arriving after the meeting began, thus constituting a quorum. Also in attendance at the meeting were Mary Bott with Bott & Douthitt, P.L.L.C.; David Malish with Murfee Engineering Co., Inc.; Marc Marroquin with Premier Recreation Management; Andrew Hunt with Crossroads Utility Services, L.L.C.; Richard Fadal with TexaScapes, Inc.; Smitty McKenzie with SDI Management; Jim and Diana Sagnes with Sage Management Services; and Kevin Flahive with Armbrust & Brown, PLLC.

Director McNeil called the meeting to order at 6:00 p.m. and stated that the Board would first consider approval of the January 16 and January 18 minutes. Mr. Flahive stated that the January 16 minutes had not yet been received by his office and would be presented to the Board for approval at the March regular meeting. Upon motion by Director Green and second by Director Beaulieu, the Board voted unanimously to approve the January 18 minutes with the addition of Terri McKenzie as an attendee on line 24 and the correction of a typo on line 168.

There being no citizens communications or report from the Rattan Creek Neighborhood Association, the Board next received the park and landscape report. Mr. Fadal referred the Board to his report, attached as **Exhibit "B"**, and reviewed it with the Board. He then discussed with the Board the content of his discussions with the Parks & Greenbelt Committee during their meeting and site visits on February 9. Mr. Fadal stated that he had prepared three proposals for the Board's consideration at the direction of the committee. He first addressed Proposal #9080 for bamboo removal in the greenbelt adjacent to 12911 Marimba Trail. After discussion, the Board directed that the proposal be modified to also include bamboo removal in the greenbelt adjacent to 7401 Rankin Trail, at a total cost not to exceed \$6,850.00. Mr. Fadal then presented Proposal #9081 for removal of the split rail fence at Robinson Park at a cost of \$5,120.00, attached as **Exhibit "C"**. He then presented Proposal #9082 for planting of trees and shrubs and installation of irrigation serving same along the trails at the greenbelt adjacent to Marimba Trail at a cost of \$27,560.00, attached as **Exhibit "D"**. Director Conklin arrived at 6:13 p.m. Mr. Fadal discussed with the Board that the costs of the three proposals were

accounted for in the District's budget. He also recommended that he meet again with the Parks & Greenbelt Committee within the next 4 to 6 weeks to discuss additional projects. After discussion, upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve Proposal #9080, as modified, attached as **Exhibit "E"**, and Proposals #9081 and #9082, as presented.

The Board next received the pool and community center report. Mr. Marroquin referred the Board to his report, attached as **Exhibit "F"**, and reviewed it with the Board. He discussed recent swim team accomplishments, repairs performed to the pool and community center, a recent instance involving life guards arriving late and his actions to remedy same moving forward, increased usage of the community center and upcoming repair projects. Mr. Marroquin also clarified that the "\$90" figure in his report relating to the pool usage fee paid by the St. Dominic Savio High School swim team for use of the pool should have read "\$900".

The Board next received the cleaning services report. Mr. McKenzie referred the Board to his report, attached as **Exhibit "G"**, and reviewed it with the Board. Director McNeil stated that the Board would next consider approval of the Cleaning Services Agreement with Smitty McKenzie d/b/a SDI Management. Director Green discussed with Mr. McKenzie and the other Board members the changes she proposed to the agreement in the packet as a result of discussion during the work session on February 13. The Board also discussed with Mr. McKenzie purchasing cleaning supplies and light bulbs using the District's tax exempt account, or obtaining such an account with the assistance of Mr. Hunt. Lastly, the Board directed Mr. McKenzie to submit two monthly invoices, one for all work and supplies interior to the community center and a second for all work and supplies exterior to the community center. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the Cleaning Services Agreement with Director Green's proposed changes, attached as **Exhibit "H"**.

Director McNeil then recognized Mr. Hunt to provide the general manager's report. Mr. Hunt referred the Board to his report, attached as **Exhibit "I"**, and reviewed it with the Board. He discussed his recommended changes to the form and content of the security reports, which he would discuss with Sergeant Brogden, provision of water leak information to the City of Austin for consideration in connection with winter averaging for wholesale wastewater rate determination, the one write-off proposed for Board approval, and his phone call with a representative of the The Z Club day care relating to use of Rattan Creek Park. The Board then discussed prior instances of area for-profit day care business utilizing the District's parks, with the incorrect understanding that they were public parks. Director Jones proposed that the Board consider allowing such users to utilize the District's parks for a usage fee in the same manner that groups utilize the District's pool and community center. Mr. Hunt then reviewed with the Board the proposal from LaCosta Environmental, LLC for preparation of the annual water loss audit, ongoing maintenance of the District's Water Conservation and Drought Contingency Plan, Texas reporting requirements, and other duties, attached as **Exhibit "J"**. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the write-off and the proposal from LaCosta Environmental, LLC, as proposed.

The Board then received a report from the bookkeeper. Ms. Bott referred the Board to the cash activity report that she handed out, attached as **Exhibit "K"**. She reviewed with the Board the director and vendor payments, the four transfers, the certificate of deposit renewal, and the two accounts to be closed, all for Board approval. Ms. Bott also discussed with the Board the release of the checks for payment to SDI Management and Sage Management that were being held. Ms. Bott then requested that Mr. Flahive add an item to the Board's regular

meeting in March for consideration of approval of opening Local Government Investment Cooperative (LOGIC) accounts. She then discussed the check for payment to 3 Point Partners for services rendered in August being held and correspondence received from a representative from Travis County WCID #10 regarding same. Mr. Flahive discussed with the Board its action at its July 20 regular meeting to discontinue use of 3 Point Partners, and payment for future services rendered by the contractor, beyond June 30 and its directive to Mr. Gary Spoons to inform the contractor of same. He then discussed with the Board the content of the Interlocal Cooperation Agreement Related to Coordinated Wholesale Rate Appeal regarding notice and termination. After discussion, the Board directed Mr. Flahive to prepare a letter to Travis County WCID #10, copying the other districts subject to the agreement, regarding the District's position on the matter, for signature by Director McNeil and delivery with the District's payment of its share of the 3 Point Partners invoice for services rendered in August. Ms. Bott then addressed the check for Murfee Engineering Co., Inc. being held in relation to insufficient funds on deposit from developers. Mr. Malish and the Board discussed past practices with respect to estimating consultant fees for projects initiated by developers, collection of the fees, and maintenance of funds on deposit in amounts sufficient to offset consulting fees to the District. The Board directed Mr. Flahive and Mr. Hunt to prepare an amended and restated rate order establishing a stated \$20,000 initial developer deposit requirement, which may be reduced in the Board's discretion, to be made prior to commencement of work by the District's consultants, and a minimum balance requirement of \$10,000. Mr. Flahive stated that he would add an item to the March regular meeting agenda for the Board to consider the proposed amended and restated rate order. The Board also directed Mr. Hunt to deliver letters to the developers that owed the District money for consulting fees incurred by the District for which insufficient funds were deposited by the developer with the District's bookkeeper. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the director and vendor payments, the four transfers, the certificate of deposit renewal, and the two accounts to be closed, and the release of the checks to SDI Management, Sage Management and Murfee Engineering Co., Inc.

The Board next received the engineer's report from Mr. Malish. He referred the Board to his report, attached as **Exhibit "L"**. Mr. Malish reviewed his report with the Board, stating that the Amber Oaks Lots 4, 5 & 6 project would be changed, requiring further review. He stated that the size of the water line for Standard Pacific would be increased in response to comments from the Jollyville Fire Department. Mr. Malish stated that the Booster Station Building and Robinson Park Restroom Projects would be substantially completed by July 22. He noted that he expected to receive the permit for the Rattan Creek Park Pavilion in the near term. Mr. Malish stated that the City of Austin comments on the permit application for the Tamayo Drive culvert project indicated that substantial tree and shrub planting and related irrigation would be required in connection with approval of the project. Director Green then discussed with Mr. Malish and the other Board members recent correspondence from the City of Austin to area residents located outside the District relating to revision of the FEMA floodplain maps and informational events to be held in the near term. The Board determined that the Bond Projects Committee should meet with Mr. Malish in the near term to discuss the status of the Rattan Creek Drainage Study and outreach to District residents relating to resulting revisions to the FEMA floodplain and District actions in response to same.

There being no bond projects to discuss, the Board next received the lobbyists' report. Director Conklin discussed with the other Board members the terms of an annexation bill introduced in the Texas Senate and language that he and Roger Borgelt prepared to be added to the bill by amendment. He stated that the District's efforts were going well.

The Board next received the restrictive covenants report. Ms. Sagnes discussed with the Board the new form and content of the activity and violation reports, which the Board confirmed were improved and appreciated. Mr. Flahive and Mr. Hunt discussed with the Board the diligence and outreach to the property owners, lenders, Williamson County Sheriff's Department and Williamson County Health Department regarding the state of disrepair of the residences at 13100 and 13102 New Boston Bend. Mr. Flahive then reviewed the memorandum regarding objective restrictive covenants most widely applicable to properties within the District, attached as **Exhibit "M"**.

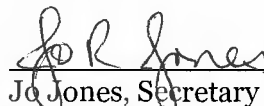
There being no future annexation, limited district conversion, or other City of Austin related issues, the Board next received the attorney's report. Mr. Flahive referred the Board to the Assignment and Amendment of Agreement for Engineering and Scientific Consulting Services and Consent with LJA Engineering, Inc. (f/k/a Carroll & Blackman, Inc.) for services relating to TPDES Phase II Small Municipal Separate Storm Sewer System (MS4) General Permit (TXR040000) compliance and administration, attached as **Exhibit "N"**. He reviewed the assignment and amendment with the Board, explaining that the assignment resulted from a merger of engineering firms and that the amendment to the rate schedule and year 4 annual budget contained nominal changes. After discussion, upon motion by Director Conklin and second by Director McNeil, the Board voted unanimously to approve the assignment and amendment, as presented.

There being no other matters to come before the Board, upon motion by Director Jones and second by Director Green, the Board voted unanimously to adjourn at 8:34 p.m.

(SEAL)



Date: March 15, 2017


Jo Jones, Secretary
Board of Directors