

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

OCTOBER 13, 2014

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 October 13, 2014, 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
Keith Collins	-	Treasurer
Kim Green	-	Assistant Secretary/Treasurer

and all of said Directors were present, except for Director Collins, thus constituting a quorum. Also in attendance at the meeting were Gary Spoons with Crossroads Utility Services; Mary Bott with Bott & Douthitt, P.L.L.C.; David Malish with Murfee Engineering Co., Inc.; Richard Fadal with TexaScapes; Captain Mike Gleason with the Williamson County Sheriff’s Office; Kevin Flahive with Armbrust & Brown, PLLC; Greg Bentsch with State Representative Tony Dale’s office; and Emily Hall, a resident at 13201 Kepler Cove.

Director McNeil called the meeting to order at 6:07 p.m. and stated that the Board would receive citizen communications and addressed Miss Hall. She stated that she was from Girl Scout Troop 159 and requested use of the Community Center parking lot on October 25th from 8:00 a.m. until 6:00 p.m. for a garage sale and use of the Community Center on either a Friday or Saturday evening in December for a parents’ night out, both to raise funds for a trip to Greece. Director Conklin stated that the Board has historically been supportive of the Boy Scouts and Girl Scouts and hosted similar uses of District facilities. Director Jones stated that the proposed garage sale would be during the same weekend as the Rattan Creek Neighborhood Association neighborhood-wide garage sale, which should generate more revenue. Mr. Spoons recommended that if the Board agreed to the garage sale that the parking lot be blocked off with cones the night before. Director Green stated her preference that the hours of use of the parking lot for the garage sale be reduced to 8:00 a.m. until 3:00 p.m. so that the parking lot would be available for evening use if a resident were to reserve all or a portion of the Community Center for an event that evening. After discussion Director McNeil stated that the requests would be delegated to the Community Center subcommittee, comprised of Directors Jones and Green.

County Deputies and the related Memorandum of Understanding. Mr. Spoons referred the Board to both agreements in the packet. Mr. Gleason discussed with the Board the basis of both documents and stated that Sheriff James Wilson had reviewed and approved the agreements and desired that they be user friendly. Mr. Spoons stated that the insurance that the District has in place exceeds the minimum insurance requirements required by the agreements. Mr. Spoons also stated that the proposed hourly rate of \$50.00, plus the hourly fee of \$8.00 for use of the vehicle and the increased insurance premiums were contemplated in the District's budget. Director Jones asked Mr. Gleason if he intended to attend the town hall meeting on October 15th. He responded that he did. Director Conklin invited Mr. Gleason to share his experiences with the District over the past 18 years with the residents at the town hall meeting. Upon motion by Director Conklin and second by Director McNeil, the Board unanimously approved both agreements as proposed, with the addition of a provision to the Memorandum of Understanding memorializing the hourly rate of \$50.00, copies of which are attached as **Exhibit "B"**.

Director McNeil stated that the Board would next receive the bookkeeper's report and consider the bills, invoices, transfers and investments. Ms. Bott reviewed with the Board her report and the cash activity report that she handed out to the Board, a copy of which is attached as **Exhibit "C"**. She stated that the items for approval were the Director and vendor payments, a transfer of \$300,000.00 from the First Citizens Operating Account to the First Citizens Manager's Account, a transfer of \$250,000.00 from the Compass Lockbox Account to the First Citizens Operating Account, and the renewal of a certificate of deposit in the amount of \$245,000.00 at Pioneer Bank for a term of 12 months. Ms. Bott stated that invoices 10680 and 10699 would be withheld. Director Conklin then discussed identifying and maintaining sinking funds for particular re-occurring District expenses. Director McNeil stated that the Board may elect to allocate surplus funds to such sinking funds in the near term. Mr. Spoons stated that pump and valve replacement in the amount of \$50,000.00 per year might be an appropriate item. He also stated that irrigation well repair in the amount of \$30,000.00 per year might be an appropriate item. Director Jones stated that playscape repair and replacement in the amount of \$50,000.00 per year might be appropriate. Mr. Spoons stated that swimming pool heaters and equipment repair and replacement in the amount of \$50,000.00 per year might be an appropriate item. He also stated that Community Center air conditioners, fire control, camera replacement and security in the amount of \$50,000.00 per year might be appropriate. Mr. Fadal stated that greenbelt repair, including recrowning soccer fields and replacement of controllers for irrigation systems and repair of trails after heavy rain events in the amount of \$50,000.00 per year might be an appropriate item. Mr. Malish and Mr. Spoons discussed a general water and wastewater infrastructure repair and replacement item in the amount of \$50,000.00 per year. Ms. Bott stated that she would draft a working document and circulate it to the Board for further discussion. Ms. Bott asked if legal fees relating to annexation issues might be an appropriate item. The Board discussed allocating \$100,000.00 per year for such item. Ms. Bott asked if limited purpose district funding might be an appropriate item. The Board discussed allocating \$500,000.00 per year to such item. Director Conklin stated that he would discuss the item with representatives of Anderson Mill MUD to learn more about its limited purpose district operating and maintenance expenses. The Board took no action relating to the proposed sinking funds. Ms. Bott then reviewed the invoices with the Board. Director Green addressed an error in the invoice from Armbrust & Brown, PLLC, and Mr. Flahive stated that he would have the

invoice revised and resubmitted to Ms. Bott. Upon motion by Director McNeil and second by Director Green, the Board unanimously approved payment of the bills and invoices, including the Armbrust & Brown, PLLC invoice as revised, and the two proposed transfers. Upon motion by Director McNeil and second by Director Green, the Board unanimously approved renewal of the certificate of deposit as proposed.

The next item to come before the Board was approval of the September 10 minutes. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the minutes as presented. The Board then considered approval of the September 17 minutes. Director Jones stated that Renee Mullens' last name is spelled with an "e" and not an "i" and Mr. Flahive stated that he would make the correction. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the minutes with the above-referenced correction.

Director McNeil stated that the Board would next receive the park and landscape maintenance report, a copy of which is attached as **Exhibit "D"**. Mr. Fadal referred the Board to his report. He stated that four or five large oak trees had fallen due to root damage from the drought over the past thirty to forty-five days. He stated that he had two proposals for the Board's consideration. The first proposal, number 8645, was for the fall/winter color installation in the amount of \$947.32. The second proposal, number 8659, was for fall overseeding and light topdressing of irrigated turf in the amount of \$15,720.00. Mr. Fadal stated that both proposals were at a lesser cost than the budgeted amounts. Upon motion by Director McNeil and second by Director Conklin, the Board unanimously approved both proposals as presented, copies of which are attached as **Exhibit "E"**.

Director McNeil stated that the Board would next receive the pool and community center report, a copy of which is attached as **Exhibit "F"**. Mr. Spoons stated that Bill Burke was unable to attend. Mr. Spoons stated that there were no major issues to be addressed by the Board. He stated that the RattanFest event went well. The Board took no action.

The next item to come before the Board was to receive the general manager's report. Mr. Spoons referenced his report and stated that the repairs to the booster station on Tamayo and the accompanying sidewalk repairs had been completed. He stated that he had discussed with Mr. Fadal reseeding the small area around the booster station and Mr. Fadal stated he would do so. Mr. Spoons reminded the Board that fall cleanup would occur on November 8. He then stated that his last item was Board consideration of approval of the wastewater discharge permit renewal. Upon motion by Director Jones and second by Director Green, the Board unanimously approved renewal of the wastewater discharge permit. Director Jones stated that she, Director Green, Mr. Spoons and Mr. Burke needed to meet to discuss proposed Community Center and pool rules.

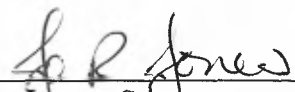
Director McNeil stated that the Board would receive a report from the District's engineer, a copy of which is attached as **Exhibit "G"**. Mr. Malish referred the Board to his report. He stated that while assisting with the preparation of the Official Statement for the bond issue he determined that the District was 91% built out. Mr. Malish then discussed with the Board his assistance of Randy Wilburn and John Carlton with the ongoing rate case and stated that he would provide a

copy of his testimony to the Board upon completion. Director Green asked Mr. Malish and Mr. Spoonts if they were aware of the construction ongoing within the drainage swale along Parmer Lane near the intersection with Anderson Mill. Mr. Malish and Mr. Spoonts stated that they did not, but Mr. Malish said he would drive by to take a look at the project. Mr. Malish then discussed the Rattan Creek floodplain modifications. He stated that he expected to receive accurate information regarding the Rattan Creek floodplain by December, though the Brushy Creek Watershed study would not be published until May. Mr. Malish stated that he'd discussed the proposed floodplain modifications with Karl McArthur with the City of Austin Watershed Protection Department and Mr. McArthur pointed out the terms of the City of Austin's floodplain modification ordinance. Mr. Malish stated that he was led to believe that permitting the proposed floodplain modification with the City of Austin could be difficult. After discussion of the permitting process, Director Conklin recommended that the project be addressed at the town hall meeting based on information that is known at the time and recommended against speculating about information that the District does not yet have regarding the floodplain study or resulting proposed modification. Director McNeil then asked Mr. Flahive about the status of the effort to build a coalition of districts within Williamson County that may seek a Texas Attorney General Opinion regarding Williamson County's sidewalk policy. Mr. Flahive stated that he understood that Wells Branch Municipal Utility District had signed on for the effort, but Vista Oaks Municipal Utility District had not. He stated that he was uncertain as to whether Block House Municipal Utility District had made a determination. Mr. Flahive stated that he and John Bartram recommended that the issue be briefed by an attorney with Armbrust & Brown, PLLC prior to requesting that a legislator request the opinion. He stated that he would gather more information and place an item on the November 19 regular meeting agenda.

Director McNeil then asked Mr. Flahive if he had anything to report with respect to restrictive covenants. Mr. Flahive stated that he did not. The Board took no action.

Director McNeil then asked if there were any other matters to come before the Board. Mr. Flahive stated that no less than two current members of the Board, other than the two that would be elected on November 4, would need to meet on November 18 to canvass the election. Mr. Flahive stated that Travis County would not have the results available until 8:00 a.m. on November 18 and November 18 is the last day of the statutory period for canvassing the election. He recommended that the Board members meet at 12:00 noon at his office. After discussion, Director Jones and Director Green stated that they would meet at 12:00 noon on November 18 at the Community Center to canvass the election. There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Conklin, the Board adjourned at 8:18 p.m.





Jo Jones, Secretary
Board of Directors