

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

NOVEMBER 19, 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 November 19, 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, 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; Cheryl Allen with Public Finance Group, LLC; Kevin Flahive with Armbrust & Brown, PLLC; various residents and non-residents of the District, including Renee Mullens, Tim Lawlor, and Ernest Ofori-Atta.

Director McNeil called the meeting to order at 6:06 p.m. and stated that the Board would first consider adopting an Order Canvassing Returns and Declaring Results of the November 4, 2014 Director's Election. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the order as proposed, as copy of which is attached as **Exhibit "B"**. Mr. Flahive then administered the oath of office to Director McNeil and Director Conklin. Director McNeil stated that the Board would then consider approval of the Oath of Office/Statement of Elected Officer from Director McNeil and Director Conklin. Upon motion by Director Collins and second by Director Green, the Board unanimously approved the oaths and statements, copies of which are attached as **Exhibit "C"**, respectively. Director McNeil stated that the Board would then consider electing officers of the Board. Upon motion by Director Collins and second by Director Green, the Board unanimously elected Director McNeil as President of the Board, Director Conklin as Vice President of the Board, Director Jones as Secretary of the Board, Director Collins as Treasurer of the Board, and Director Green as Assistant Secretary/Treasurer. The Board then considered approval and filing of a revised District Registration Form with the TCEQ. Director Collins stated that his address needed to be updated. Upon motion by Director McNeil and second by Director Green, the Board unanimously approved the revised District Registration Form, a copy of which is attached as **Exhibit "D"**.

Director McNeil stated that the Board would receive citizen communications and addressed Mr. Ofori-Atta. Mr. Ofori-Atta stated that he was the pastor of Lighthouse Chapel International and he would like to rent some portion of the Community Center for the purpose of conducting church meetings on Sundays from 10:00 a.m. until 12:00 noon. He stated that the church presently had about 10 members. Director McNeil asked if Mr. Ofori-Atta was a resident of the District. Mr. Ofori-Atta stated that he was not and that he lived near Lakeline Mall. Director McNeil asked if this request had been submitted to the Community Center subcommittee. Director Jones stated that it had not. Director Conklin asked if any groups were using the Community Center during that time on Sundays. Director Jones stated that there were none. Director McNeil asked Mr. Ofori-Atta if he was requesting free use of the Community Center or if he proposed paying the rental rate. Mr. Ofori-Atta stated that his church would pay the rental rate. Director McNeil asked Mr. Ofori-Atta to contact the Community Center subcommittee with his request and stated that the subcommittee would bring the request to the Board with a recommendation, if further discussion was necessary. Director McNeil then addressed Mr. Lawlor. Mr. Lawlor stated that he was the manager at the Clairmont Retirement Community and he was interested in using the District's tennis courts. Director McNeil asked if Mr. Lawlor was a resident of the District. Mr. Lawlor stated that he was not. Director McNeil stated that the District allows out-of-District pool memberships, but had not allowed out-of-District tennis court memberships, and asked if the Board was interested in considering such out-of-District memberships. Director Conklin stated that whether the Board would allow it should depend on current usage of the tennis courts. Mr. Spoonts stated that a similar request had been submitted by a local tennis association in the past, but the Board declined to allow the out-of-District memberships because the group was too large. Director McNeil asked Mr. Flahive if it would be a problem to allow some individuals to purchase out-of-District tennis court memberships, but not others. Mr. Flahive stated that the Board could do so, but would need to do so in accordance with anti-discrimination laws. He recommended that the Board consider establishing a limited number of out-of-District tennis court memberships and allow individuals to purchase them on a first come, first served basis. After discussion, the Board determined that it would make a determination at a later date, at which point Mr. Spoonts would contact Mr. Lawlor regarding the request.

The next item to come before the Board was approval of the September 17, October 13 and October 15 minutes. Upon motion by Director Collins and second by Director Green, the Board unanimously approved the Sept 17 minutes as presented, with Director Conklin abstaining. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the October 13 minutes as presented, with Director Collins abstaining. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the October 15 minutes as presented.

Director McNeil stated that the Board would then consider approval of the Closing Memorandum and authorize wire transfers in connection with issuance of the \$6,200,000 Unlimited Tax and Revenue Bond, Series 2014. Ms. Allen referred the Board to the Closing Memorandum, a copy of which is attached as **Exhibit "E"**. She stated that another district that she represented, of a similar size and value as the District, had sold bonds earlier in the day and the interest rate was 3.52%, significantly higher than the 2.841947% interest rate that the District would pay on these bonds. Ms. Allen then reviewed the Closing Memorandum with the Board. Director McNeil asked about the Reoffering

Premium of \$54,925.50. Ms. Allen stated that it was a premium on the short end of the life of the bonds that would be offset by a reduction on the long end of the life of the bonds, but that the reduction was seldom realized for municipal utility district bonds because they are generally paid off sooner than other bonds. She completed her review of the Closing Memorandum and stated that the closing would occur in the morning and a good faith check had been signed by Director McNeil, which she would deliver to the District's bond counsel in the morning. Upon motion by Director Conklin and second by Director Collins, the Board unanimously approved the Closing Memorandum as presented.

The next item to come before the Board was to receive the park and landscape report, a copy of which is attached hereto as **Exhibit "F"**. Mr. Fadal referred the Board to his report and stated that the overseeding and seasonal color change had been completed. He stated that there were no issues in the parks and that he had no action items for the Board.

Director McNeil stated that the Board would next receive the pool and community center report. Mr. Burke stated that the Williamson County webpage that lists voting locations within the county had incorrectly listed the Community Center as an early voting location. He stated that there were some disgruntled District residents that had come to the Community Center to vote. Mr. Burke stated that the runoff voting location in the area would be the Clairmont Retirement Community. He stated that he was soliciting proposals for replastering the pool with Super Blue quartz plaster. Mr. Burke stated that he had received some proposals, but they needed to be corrected. Director Conklin asked Mr. Burke to deliver the corrected proposals to him and Director McNeil upon receipt. He also stated that he would like to take action on the proposals at the December meeting.

The next item to come before the Board was to receive the general manager's report. Mr. Spoonts discussed the MS4 report for the North Austin Consortium and stated that the Board needed to authorize either Director McNeil or himself to sign it. Upon motion by Director Conklin and second by Director Collins, the Board unanimously authorized Mr. Spoonts to sign the MS4 report, with Director McNeil absent. Director Collins then referred the Board to page 6 of the general manager's report containing a proposal from T Bar M Land Services, LLC for sidewalk and trail improvements. Director Collins recommended that the Board approve Robinson Park Area Improvements item A in the amount of \$8,640.00; Park Area East of Tamayo Drive item C in the amount of \$4,500.00 and item E in the amount of \$4,800.00, but not items A, B, D or F; and Park Area West of Tamayo Drive item A in the amount of \$6,480.00 and item B in the amount of \$6,480.00. After discussion of the proposals, Director Collins referred the Board to page 13 of the general manager's report containing another proposal from T Bar M Land Services, LLC for sidewalk and trail improvements. Director Collins recommended that the Board approve Robinson Park Area Improvements item A in the amount of \$1,250.00 and item B in the amount of \$500.00; Park Area West of Tamayo Drive item B in the amount of \$1,800.00, item C in the amount of \$4,500.00 and item D in the amount of \$1,800.00, but not item A in the amount of \$1,250.00; and Park Area East of Tamayo Drive item A in the amount of \$3,150.00, item B in the amount of \$3,200.00, item C in the amount of 2,500.00, item D in the amount of 2,400.00, item E in the amount of \$3,000.00, item F in the amount of \$2,500.00, item G in the amount of \$4,500.00, item H in the amount of \$3,000.00, item J in the amount of \$2,500.00, item K in the amount of \$900.00, item L in

the amount of \$1,750.00 and item M in the amount of \$1,750.00, but not item I in the amount of \$600.00. The Board determined that the total expenditure recommended by Director Collins was \$70,150.00. Upon motion by Director Collins and second by Director Conklin, the Board unanimously approved Director Collins' recommendation. Mr. Spoons then discussed the proposal from T Bar M Land Services, LLC for split rail fence replacement on pages 10 and 11 of the general manager's report. The Board discussed the appropriate locations of installation of the split rail fences to allow for pedestrian traffic and select trail access areas within the District that may be appropriate for additional split rail fences. Director Collins recommended approval of all items on the proposal, except for item B in the amount of \$11,005.00, for a total recommended expenditure of \$11,892.50. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved Director Collins' recommendation. Mr. Spoons then stated that the proposed Community Center and Pool Rules had been reviewed and were still being refined. Director Jones stated that the present rules would be removed from the December edition of the newsletter. Director Conklin stated that he would like to get the RCNA's position on the proposed rules prior to taking action on them at the December meeting. Mr. Spoons stated that he would also ask Capt. Gleason to review the proposed rules and provide his comments prior to the December meeting. The Board determined that it would take no action on the proposed rules, but would do so at the December meeting. The Board discussed purchasing new signs to reflect the new rules and removing redundant signage.

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 "G"**. The Board discussed the Coats Rose invoice from June/July. Director Conklin requested that the invoice be paid once Ms. Bott confirmed that it had not previously been paid. Upon motion by Director Conklin and second by Director McNeil, the Board unanimously authorized Ms. Bott to pay the additional invoices, including the Coats Rose invoice upon confirmation that it had not already been paid. The Board then discussed billing errors in water invoices from the City of Austin and communication issues relating to resolution of the billing errors. Ms. Bott recommended that the Board wait to authorize payment of the water invoices from the City of Austin until after the errors had been resolved. The Board took no further action.

The next item to come before the Board was to receive the engineer's report. Mr. Malish stated that he had reviewed his report with the Board during the work session and had nothing further. A copy of the engineer's report is attached hereto as **Exhibit "H"**.

Director McNeil stated that the Board would next receive a report from the attorney. Mr. Flahive stated that the boards of Wells Branch MUD and Block House MUD had both agreed to share in the cost of seeking a Texas Attorney General's Opinion regarding Williamson County's Sidewalk Policy. Mr. Flahive stated that Wells Branch MUD had agreed to share in the cost, pro rata based on the number of districts, up to an amount not to exceed \$5,000.00. Mr. Flahive stated that he was not certain of Block House MUD's action. Mr. Spoons stated that it was the same as Wells Branch MUD's action. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved joining with Wells Branch MUD and Block House MUD to seek a Texas Attorney General's Opinion regarding Williamson County's Sidewalk Policy and to share in the cost

of briefing the issue and seeking the opinion on a pro rata basis, based on the number of districts, in an amount not to exceed \$5,000.00.

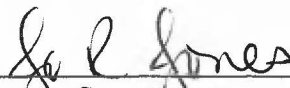
Director McNeil then asked Mr. Flahive if he had anything to report with respect to restrictive covenants. Mr. Flahive stated that he did not. The Board took no action. A copy of the monthly restrictive covenants report is attached hereto as **Exhibit "I"**.

Director McNeil then asked if there were any other matters to come before the Board. Ms. Mullens stated that caroling in the park would be the RCNA's next event in December. She stated that the RCNA board would focus on membership drive efforts in December and January. She stated that the board would brainstorm ideas at its meeting on November 20th. Ms. Mullens and the Board then discussed the town hall meeting. Mr. Flahive then stated that the Board's Christmas dinner would be at 6:00 p.m. on December 17 at Jasper's. Mr. Flahive stated that he would email an invitation to the attendees. The Board determined that it would only meet once in December, that being its regular meeting on Monday, December 15.

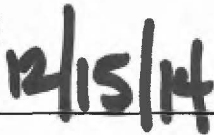
There being no other matters to come before the Board, upon motion by Director Jones and second by Director Green, the Board adjourned at 7:46 p.m.

(SEAL)





Jo Jones, Secretary
Board of Directors



Date: