

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

APRIL 16, 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 April 16, 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.; Bill Burke with Clearwater Management; David Malish with Murfee Engineering Co., Inc.; Richard Fadal with TexaScapes; Captain Mike Gleason of the Williamson County Sheriff's Office; and Kevin Flahive with Armbrust & Brown, PLLC.

Director McNeil called the meeting to order at 6:10 p.m. and stated that the Board would first consider approval of the minutes of the March meetings. Upon motion by Director Conklin and second by Director Collins, the Board unanimously approved the March 12, 2014 minutes with the modification that the Board did not participate in a conference call with Pam Madere and Greg Mazaros with Austin Utility, but that the Board authorized Director McNeil to participate in a conference call with Ms. Madere and Mr. Mezaros. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the March 19 minutes as presented. The Board postponed approval of the March 17 minutes so that Director Conklin's attendance at the meeting could be confirmed prior to approval.

Director McNeil stated that the Board would next receive citizen communications. He recognized William Vandry who is a resident of the District and the owner of an area martial arts academy. Mr. Vandry stated that he had inquired with Community Center staff regarding use of the Community Center for teaching a self-defense class and was directed to take his request to the Board. Director Conklin asked whether the proposed class would be part of Mr. Vandry's business or a public event. Mr. Vandry responded that he desires to teach a few courses on the same day to inform the community about martial arts, fitness and diet. Director Conklin asked whether Mr. Vandry intends to charge a fee for the classes. Mr. Vandry responded that a fee would only be charged if he had to pay a fee for use of the Community Center. Director Jones stated there are various fees for use of portions of the Community Center and recommended that Mr. Vandry meet

with the Community Center Committee, comprised of Directors Jones and Green, to discuss his proposed use of the Community Center and associated fees. Mr. Vandry stated he proposed to use the Community Center for a one-time event, and that he would meet with the Community Center Committee to discuss further.

Director McNeil stated that the Board would next consider any necessary action regarding personnel matters and a potential security agreement with Captain Gleason and his officers. At 6:35 p.m. Director McNeil announced that the Board would convene in executive session pursuant to Section 551.076 of the Texas Government Code to discuss these matters with Captain Gleason. At 7:05 p.m. the Board reconvened in open session. Director McNeil stated that no action had been taken in executive session.

The next item to come before the Board was to receive a report from the park and landscape maintenance contractor. Mr. Fadal stated that there were no major issues to report. He discussed his meeting with Dave Madden regarding treatments for oak wilt during which Mr. Madden stated that this month's treatment may be the third and final treatment. Mr. Fadal also discussed the paver installation project, which he declined to perform, but did provide guidance on and did purchase one of the pavers being installed. Mr. Fadal then discussed his proposal to install replacement plantings to fill in open spots around the community. He stated that the cost of the proposal is \$3,500, while \$7,000 has been budgeted for replacement plantings, and he does not anticipate additional replacement plantings this year. Upon motion by Director Conklin and second by Director Green, the Board unanimously approved the proposal, a copy of which is attached hereto as Exhibit "B". Mr. Spoons stated that he had received an email from residents regarding trimming of trees hanging over their yards. He responded that the residents could trim such trees, but should do so without damaging the trees. Mr. Spoons also stated that some of the residents located on Dallas Drive have stated a desire to do some additional tree trimming this summer.

The next item to come before the Board was to receive the pool and Community Center report. Mr. Burke briefly reviewed his report, a copy of which is attached hereto as Exhibit "C". Mr. Burke stated that Mr. Vandry was directed to take his request to use the Community Center for his proposed event because he had requested such use without charge. Director Jones stated that requests for use of the Community Center that deviate from the standard fee policy should be directed to the Community Center Committee, not to the Board.

The next item to come before the Board was to receive the general manager's report. Mr. Spoons stated that in addition to the Easter egg hunt, a birthday party would be held at the Community Center on Saturday, April 19, 2014. He stated that the resident would have the party, with a bouncy house, in the triangle. He stated that the required paperwork and proof of insurance had been submitted and he wanted the Board to be aware that the two events would occur at the same time. Mr. Spoons then inquired about delivering final payment to the contractor for the Rattan Creek footbridge. Mr. Malish stated that the City of Austin's position regarding acceptance of the footbridge is that the footbridge is deemed accepted upon release of the fiscal surety posting. After discussion, it was noted that final payment to the contractor had already been approved by the Board and Ms. Bott was directed to make such payment at this time.

Director McNeil stated that the Board would next receive a report from the District's bookkeeper and consider payment of any invoices. Ms. Bott directed the Board's attention to the cash/investment activity report, a copy of which is attached hereto as Exhibit "D". Ms. Bott stated

that the only invoice to be paid was for the rental of units at the Seabreeze Beach Resort Condominiums for the upcoming Capital Area Suburban Exchange Annual Conference on South Padre Island. Upon motion by Director Jones and second by Director Green, the Board unanimously approved the payment of the invoice.

The next item to come before the Board was consideration of approval of a Resolution Confirming Annual Review of Drought Contingency Plan, a copy of which is attached hereto as Exhibit "E". Mr. Spoons stated that the resolution would approve the plan without change. Mr. Flahive stated that review of the plan every five years is required by state statute. After discussion and upon motion by Director McNeil and second by Director Collins, the Board unanimously adopted the resolution.

Director McNeil stated that the Board would next receive a report from the District's engineer. David Malish referred the Board to his report, a copy of which is attached hereto as Exhibit "F". Mr. Malish stated that the Rattan Creek footbridge had previously been discussed. Regarding the JPI settlement agreement, he stated that he had been informed that the City of Austin's proposed settlement agreement would need to be reviewed and approved by Austin Water Utility staff member Bart Jennings before being finalized. Mr. Malish then discussed the on-going inspection of the District's wastewater lines. Mr. Malish had determined that approximately 5,000 linear feet of wastewater line to be inspected pursuant to the agreement with ACT Pipe and Supply was owned by the City of Austin, not the District, and would be removed from the scope of the inspection. He stated that the cost of the inspection was based on linear footage of wastewater line being inspected and that he had confirmed with Steve Haas that the cost of the inspection would be reduced accordingly. The last item addressed by Mr. Malish was the Alliance at Parmer Lane (Broadstone) multifamily project. Mr. Malish and Mr. Flahive discussed their email correspondence and telephone conversations with the project engineer, Terry Reynolds, and lawyer, Michael Whellan, regarding the City of Austin's request for an interpretation of the Land Use Plan note providing for a 25-foot building and structure setback as applied to the proposed detention pond. After discussion, Director McNeil stated that no Board action would be taken, but that Mr. Malish and Mr. Flahive could provide such interpretation to the City of Austin upon request.

The next item to come before the Board was to receive the restrictive covenant report. Mr. Flahive referred the Board to the report provided by Milajo Consulting, a copy of which is attached hereto as Exhibit "G", and stated that there are no new issues. Mr. Flahive and Mr. Spoons then discussed with the Board email inquiries from Renee Mullins and Brian Kerman for interpretation of restrictive covenants. Mr. Flahive recommended to the Board that the District allow the Architectural Control Committee to formulate its own interpretation of the restrictive covenants, but offered to provide assistance if directed to do so by the Board.

The next item to come before the Board was discussion of the JPI settlement and the water and wastewater rate appeal. Director Conklin stated that he was continuing to work on the JPI settlement for a sum of \$91,000, which the Board had already authorized Director Conklin to sign once finalized. Director McNeil stated that the judge in the water and wastewater rate appeal case had agreed to set an interim rate for the districts while the matter is moved from the Texas Commission on Environmental Quality to the Public Utility Commission. He stated that all parties to the litigation were to submit information to the judge within the next 30 days, upon the review of which the judge would determine and issue an order setting the interim rate.

Director McNeil inquired as to whether there were any further items to come before the Board. Director Green inquired about and the Board discussed the names of various consultants to the District and the services each provides. Director Jones asked Mr. Malish about the status of the drainage study. Mr. Malish stated that he'd received no information regarding the status of the study from the engineers performing the study. Upon motion by Director Green and second by Director McNeil, the meeting was adjourned at 8:05 p.m.

(SEAL)



_____/S_____
Jo Jones, Secretary
Board of Directors

Date Signed: _____ May 21, 2014 _____