

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

**JULY 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 July 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.; Richard Fadal with TexaScapes; Bill Burke with Clearwater Management; David Malish with Murfee Engineering Company, Inc.; Kevin Flahive with Armbrust & Brown, PLLC; Stuart McNeil, a resident residing at 13248 Darwin Lane; James Sadek, a resident residing at 6609 Luckenbach Lane; and Julie Wilson, a resident residing at 8113 Hendricks Drive.

Director McNeil called the meeting to order at 6:03 p.m. and stated that the Board would first receive citizen communications. Stuart McNeil, a resident requesting the District's assistance with his Eagle Scout project, presented a proposed tree planting project called "Replant Robinson", a copy of which is attached as Exhibit "B", that would involve the planting of 15 10-15 gallon Monterrey Oaks and Texas Cedar Elms along the sidewalks and adjacent to the soccer fields in Robinson Park at a cost of \$1,800 to the District for materials. The Board discussed the project with Stuart McNeil and Mr. Fadal, who would install irrigation to serve the trees at an estimated cost of \$1,500 to cover Mr. Fadal's expenses. Mr. Fadal stated that the trees would need to be irrigated for at least 3 years. Julie Wilson addressed the Board to state her support for the Replant Robinson project. Director Conklin stated that RNCA may be able to assist as well by fundraising for the Replant Robinson project at the upcoming RattanFest. After further discussion, Director McNeil stated that a subcommittee would be formed and would contact Stuart McNeil regarding the proposed project prior to the August Board meeting. The next resident to address the Board was James Sadek. Mr. Sadek described for the Board the events leading up to his water utility service being disconnected by the District due to nonpayment and subsequent interactions with Mr. Spoons. Following this explanation,

Mr. Sadek thanked Mr. Spoons for his handling of the matter and thanked the Board for their time.

The next item to come before the Board was to approve the June 18 Board meeting minutes. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the June 18 minutes as presented.

Director McNeil stated the next item to come before the Board was to consider approval of the audit engagement letter with West, Davis & Company for the fiscal year ending September 30, 2014. Mr. Flahive asked whether the Board took action on this item during its July 14 work session. Director McNeil stated that Bob West attended the July 14 work session at which the Board approved the agreement.

The next item to come before the Board was consideration of approval of the proposed schedule for adopting the 2014-2015 budget and tax rate, a copy of which is attached as Exhibit "C". Director McNeil stated that during the July 14 work session the Board discussed adding to the proposed schedule a budget work session on August 4. After discussion, upon motion by Director McNeil and second by Director Green, the Board unanimously approved the scheduled as proposed with the addition of an August 4 work session.

Director McNeil stated that the next item to come before the Board would be to receive the park and landscape maintenance report. Mr. Fadal referenced and reviewed his report, a copy of which is attached as Exhibit "D", and stated that tree growth has been very fast due to the rain this summer, resulting in more pruning. Mr. Fadal asked for direction from the Board if there are particular areas in need of pruning. Mr. Fadal stated that the settings of the irrigation systems have been modified to address the heat. Mr. Fadal stated that he would bring a mulching proposal to the Board at the August Board meeting and that he had provided a draft budget to the Parks and Greenbelt Committee, comprised of Directors Collins and Conklin. After discussion Mr. Fadal and Directors Collins and Conklin agreed to meet at the Community Center at 11:30 a.m. on July 23 to review the draft budget and make any necessary site visits. Mr. Fadal and the Board also discussed the large oak tree root in the storm sewer line at the intersection of Dallas Drive and Adak Cove and whether the root alone could be removed or the entire tree should be removed. Mr. Fadal stated that he would inspect the subject oak tree and provide his opinion to Mr. Spoons.

The next item to come before the Board was to receive the pool and community center report. Mr. Burke referenced his report, a copy of which is attached as Exhibit "E", and stated that teen night events have drawn 80 to 100 participants, whereas these events drew 40 to 60 participants in the past. Mr. Burke stated that there have been no major injuries or mechanical failures. He stated that he will meet with the McNeil High School Athletic Director the first week in August and present an invoice in the amount of \$10,000, the same amount as last year, for use of the pool. After discussion, the Board determined that the \$10,000 amount was appropriate.

Director McNeil stated that the Board would then receive the general manager's report. Mr. Spoons stated that he had one write off in the amount of \$52.47 as described on page 9 of his report. Upon motion by Director Collins and second by Director Jones,

the Board unanimously approved the write off as presented. Mr. Spoons then referenced the status of negotiations between the District, Williamson County and the coalition of districts with respect to the proposed terms of agreements for security services. Director Conklin described the dialogue between interested parties at the July 15 Williamson County Commissioners Court hearing on the matter. Director Conklin stated that the hearing included very good, in-depth discussion that was informative to the interested parties. He stated that the District's position that all Williamson County subsidies, except for the vehicle, be removed from the agreement for provision of security services was clearly stated to the Commissioners Court. Director Conklin stated that that the Commissioners Court went into executive session to discuss the matter, but did not take action upon returning to the public hearing. He stated that the Commissioners Court intends to establish the new structure for these agreements by August 1. Mr. Spoons stated that he expected the item to come before the Commissioners Court at their next regular meeting.

The next item to come before the Board was to receive the bookkeeper's report. Ms. Bott referenced her report and stated that there were three checks to be signed and corrected bond letters to be signed. After discussion, upon motion by Director Jones and second by Director Conklin, the Board unanimously approve the payments and signature of the corrected bond letters.

Director McNeil stated that the Board would next receive a report from the District's attorney. Mr. Flahive stated that agenda item 8.a. should not have been included in the agenda, as the referenced Securities and Exchange Commission self-reporting program only applied to issuers of bonds since 2009 and the District had not issued bonds during that time period. Director Conklin asked Mr. Flahive to determine the likelihood that the District's pending bond application could be extended for an additional one year term under the circumstances. Mr. Malish stated that the justification for such extension would be the on-going delay in publishing the 2012 floodplain study, the findings of which would guide any improvements to be constructed for which bonds would be issued. Mr. Flahive agreed to determine the likelihood that the TCEQ would grant an additional extension request and provide the determination to the Board prior to the August 4 work session. Mr. Flahive then addressed the acceptance of nominations to the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool.

The next item to come before the Board was to receive a report from the District's engineer. Mr. Malish referenced his report and stated that the Broadstone at Parmer Lane project was underway and that he had submitted a request to the developer for payment of additional fees due to the lengthy plan review process. He stated that he and Mr. Spoons met on-site with the developer regarding installation of the water meter to serve the project and he did not anticipate any interruption in water service at the time of installation on July 22. Mr. Malish stated that the Rattan Creek Bridge Project had been inspected and approved. Mr. Malish stated that he met with Chris Mahany, the contractor that conducted the TV wastewater line inspection, and based on that conversation he would amend his report to state that no repairs would be necessary. Mr. Malish stated that the Tamayo Pump Station check valve repair may require that a vault be installed at a cost of approximately \$4,000. Mr. Malish requested that the Board approve a \$4,000 contingency in the event that he determines that installation of a vault is necessary once

the existing meter has been removed. Mr. Spoonts then discussed the oak tree root in the storm sewer line at the intersection of Dallas Drive and Adak Cove and the necessary sewer line remove and replacement. Mr. Malish stated he had received an estimate of \$14,000 for the removal and replacement of 20 feet of sewer line, but wanted to get additional estimates before making a recommendation to the Board at the August meeting. Mr. Spoonts then stated that Austin White Lime will want to purchase and install a 5/8 inch water meter to serve its tract. The Board then discussed traffic congestion resulting from construction activities relating to the Broadstone at Parmer project and Mr. Spoonts stated that he would contact the developer to request that a flag man be utilized when trucks are pulling out onto Parmer Lane. Director Jones then stated that residents have requested installation of a restroom near the parking lot serving Robinson Park. The Board discussed the proposition and Director McNeil stated that the appropriate location may be adjacent to the berm at the end of the parking lot. Mr. Malish stated that he would determine the location of wastewater infrastructure in the area that would serve the restroom. Director Green then asked about the delay in publishing the 2012 flood plain study. The Board discussed the status of the study.

Director McNeil stated that the next item to come before the Board was to receive the restrictive covenant report. Mr. Flahive referenced the report prepared by Milajo Consulting and stated that one matter had been referred to his office and he would follow the established procedure for initiating an enforcement action relating to that matter.

The Board then discussed the terms of the JPI Tract settlement with the City of Austin and timing/method of payment to the District.

There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Conklin, the Board adjourned the meeting at 7:41 p.m.

(SEAL)



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Jo Jones, Secretary  
Board of Directors

Date Signed: August 20, 2014