

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

AUGUST 20, 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 August 20, 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; Tommy Harper with T.F. Harper & Associates LP; Bill Burke with Clearwater Management; David Malish with Murfee Engineering Company, Inc.; Kevin Flahive with Armbrust & Brown, PLLC; and Paige Balias, a resident residing at 6415 Crowley Trail.

Director McNeil called the meeting to order at 6:11 p.m. and stated that the Board would first receive citizen communications. Paige Balias addressed the Board and stated that she wanted to speak on two items. The first item Ms. Balias addressed was the Deer Park PTA Ranger Run on September 20, 2014. She stated that she expected 350 runners this year and that HEB would be a sponsor. Ms. Balias requested that the District pay for the off-duty deputies to man the event. Director Collins asked how long the event would last. Ms. Balias stated approximately one hour. After discussion that one and one-half hours would be the appropriate time period for the off-duty deputies to man the race, Director Conklin advised Ms. Balias to coordinate with Mike Gleason and Mr. Spoons. Ms. Balias stated the second item she wanted to address was her fitness class that she had conducted in the Rattan Creek Park for the past five years. She stated that she has requested and received the Board's consent to conduct the classes in the park each year and she again requested such consent. She stated that she charges \$50/month or a 10-class pass for \$100. Director Green asked whether there was a District policy regarding residents' use of District facilities for for-profit activities. Director Collins distinguished Ms. Balias' activity from those within the Community Center because her activity did not require District resources other than the use of lawn

area. After discussion, Director Conklin stated that Ms. Balius' use of the park would be fine unless any problems arise, at which time the Board would revisit the matter.

The next item to come before the Board was to approve the July 14, July 16 and August 4 Board meeting minutes. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the July 14 minutes as presented. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the July 16 minutes as presented. The Board advised Mr. Flahive that the proposed tax rate in the August 4 minutes should be modified to "0.34" and the amount of Wheeler's charge for repairing the storm sewer should be "\$15,000" per 20 feet. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the August 4 minutes as modified.

Director McNeil stated the next item to come before the Board was to consider approval of proposals from T.F. Harper & Associates LP. Mr. Harper addressed the Board regarding the artificial grass to be installed in the playscape in Robinson Park (a/k/a Amasia Park). Mr. Harper stated that the proposed turf was the same turf used on football fields and a 4th generation product. He directed the Board's attention to the 1st generation product installed in Rattan Creek Park, which remained in good condition. After discussion regarding thickness of pads to be used based on fall height and surface on which it would be installed, revisions to the proposals since the Board's meeting on August 18, and ADA compliance requirements, and upon motion by Director Collins and second by Director McNeil, the Board unanimously approved the three proposals for Robinson Park, as corrected, in the amounts of \$10,460.00, \$15,050.00 and \$3,096.90, copies of which are attached hereto as Exhibit "B". Upon motion by Director McNeil and second by Director Green, the Board unanimously approved the proposal for Rattan Creek Park in the amount of \$11,488.95, a copy of which is attached hereto as Exhibit "C". Mr. Harper and the Board then discussed conducting his annual inspections earlier in the year, around late spring. Mr. Harper also stated that he would prepare a proposal for ADA compliant ramps for park playscapes for presentation to the Board.

The next item to come before the Board was to consider authorizing the District's consultants to proceed with preparation of the bond sale. Director McNeil stated that the options available to the Board were discussed during the August 18 meeting. Mr. Malish discussed with the Board the circumstances pursuant to which and the process for defeasing a portion of the debt if the District were to come in under budget. After discussion and upon motion by Director Conklin and second by Director Green, the Board unanimously approved authorizing the District's consultants to proceed with preparation of the bond sale for three projects, the Rattan Creek Drainage Study and Modifications, the Booster Pump Station Building and Appurtenances, and the Fire Hydrant Repair and Replacement, in the total amount of \$6,200,000.00.

Director McNeil stated that the next items to come before the Board were the budget and tax items. Director McNeil stated that most of the items were addressed and acted upon during the August 18 meeting. He stated that the public hearing at which adoption of the tax rate would be considered had been scheduled for September 10, 2014 at 6:00 p.m. in the Rattan Creek Community Center. Upon motion by Director

Jones and second by Director McNeil, the Board unanimously authorized publication of the Notice of Public Hearing on Tax Rate in the total amount of \$0.3399.

The next item to come before the Board was to receive the landscape maintenance report and proposals. Mr. Fadal stated that the recent heat had led him to increase the irrigation rate within the District by ten percent. The Board discussed the operation status of the water well. Mr. Fadal stated that the large oak tree that had died due to the drought had been removed. He then referred the Board to his proposal #8602, a copy of which is attached as Exhibit "D", for annual mulching at a cost of \$7,000.00. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the proposal as presented.

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 discussed the upcoming adult night event at the pool with the Board. Director Conklin requested that a standard form be prepared and used for resident use of the Community Center that includes the name of the requestor, the submittal date, and the name of the approving person. Mr. Burke then described the recent incident involving a returned check in the amount of approximately \$580.00 for use of the Community Center. The Board discussed the content of its current rules regarding use of the Community Center for events, payment of rental amount and refundable deposit, and options for minimizing risk of returned checks in the future. Mr. Flahive advised the Board regarding the terms of Texas Water Code Section 49.464 relating to available options for ensuring payment for use of the District's recreational facilities. Director Conklin stated that an item for this matter should be placed on the agenda for the next regular Board meeting to review and approve an updated version of the Community Center and Pool rules prepared and approved by the Community Center committee, Mr. Spoons and Mr. Flahive. The Board also discussed investigating the option of purchasing a check scanner and related software for use by Clearwater Management. The Board determined that the Community Center Committee would look into the matter. Mr. Spoons stated that he would schedule a meeting with representatives of BBVA Compass Bank.

Director McNeil stated that the Board would then receive the general manager's report. Mr. Spoons stated many of the items on the agenda were addressed at the August 18 meeting. He presented write-offs in the total amount of \$900.00. He provided the Board with a write-off report in a new form, a copy of which is attached as Exhibit "F", due to his understanding that a recent Texas Attorney General Opinion had further limited the information that could be provided in such reports. Mr. Flahive stated that he would look into the matter and address it at the next regular Board meeting.

The next item to come before the Board was to receive the bookkeeper's report. Ms. Bott stated that the report had been provided and all necessary Board actions taken at the August 18 meeting.

The next time to come before the Board was to receive a report from the District's engineer. Mr. Malish stated that his report had been provided and action taken on the

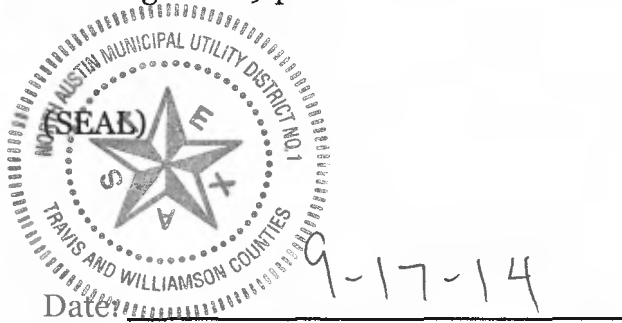
Wheeler proposal for sewer line repair at the August 18 meeting. Mr. Malish stated that he expected Wheeler to begin work on the project in about one week.


Director McNeil stated that the Board would next receive a report from the District's attorney. Mr. Flahive discussed with the Board the memorandum from B. Phoenix regarding the option of seeking a Texas Attorney General Opinion regarding Williamson County's election to discontinue maintaining sidewalks within its right-of-ways, with limited exceptions. The Board discussed this matter, including any ADA compliance implications of the County's election and outreach to the Williamson County Commissioner's Court. Director Jones stated that she and Joe Bennett planned to meet with legislators to address the matter. She also stated that she would look into the ADA compliance issue. Director Collins asked Mr. Flahive to determine whether the District could allocate funds for the purpose of seeking the proposed Texas Attorney General Opinion and advise the Board at the next regular meeting.

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 updated the Board regarding the status of the enforcement action relating to 13251 Kerrville Folkway.

At 7:47 p.m., Director McNeil stated that the Board would go into executive session pursuant to Texas Government Code Section 551.076 to meet with the District's attorney regarding security personnel. At 8:28 p.m., the Board reconvened in open session. Director McNeil stated that no action had been taken in executive session.

There being no other matters to come before the Board, the Board adjourned the meeting at 8:29 p.m.





Jo Jones, Secretary
Board of Directors