

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

JUNE 17, 2015

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 June 17, 2015, 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 Conklin, with Director McNeil arriving late, 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; Bill Burke with Clearwater Management; Kevin Flahive with Armbrust & Brown, PLLC; Bobby McCormick, a resident of the District; Chris Kjeldsen, a coach of the St. Dominic Savio swim team; and Stacy Dalton, a resident of the District.

Director Jones presided over the meeting prior to Director McNeil's arrival. She called the meeting to order at 6:06 p.m. and stated the Board would first receive citizen communications. Mr. McCormick distributed to the Board pictures of areas within the District's greenbelts that had been mowed while the ground was wet from recent rains, leaving ruts in the ground. He discussed with the Board his desire for flexibility in the scheduling of mowing within the District's greenbelts to reduce erosion and ruts from mowing when wet and also to leave areas of wildflowers for longer periods of time for color and to allow time for seeds to drop. Director Green thanked Mr. McCormick for addressing the matter with the Board. Director Jones then addressed Mr. Kjeldsen. He stated that US Swim has developed a game called splash ball, which is a junior version of water polo. Mr. Kjeldsen stated he would like use of the District's pool to hold some clinics to teach children how to play splash ball. He stated that St. Dominic Savio was interested in starting a water polo team and this would be an opportunity to introduce their students and other interested children to the sport. Mr. Kjeldsen stated that, as with St. Dominic Savio's current use of the pool for swim team practices, they would work around the schedule of other users of the pool and respect use by District residents. He stated early mornings, prior to regular pool hours, would be a suitable time to use the pool. The Board

requested that Mr. Kjeldsen deliver his request to the Pool Committee, comprised of Director McNeil and Director Conklin. Director Jones then addressed Ms. Dalton. She stated that she teaches Pao, a combination of Pilates and Yoga, and would like to use the Community Center to teach free classes to residents of the District. Ms. Dalton stated the fee she has paid in the past for use of the Community Center was \$60 and requested that the Board waive the fee so that she could offer free classes. She stated she was open to any dates/times that were available. Ms. Dalton stated that if she were to begin charging a fee for the classes, she would then begin paying for use of the Community Center. Director Green recommended that Ms. Dalton coordinate her classes with the Hurricane Swim Team practices at the pool. The Board requested that Ms. Dalton deliver her request to the Community Center Committee, comprised of Director Jones and Director Green. Ms. Dalton then stated that she would also like to use the Community Center for free circle time activities with preschoolers, which would include story time and an activity, once or twice per week. Director McNeil then arrived at the meeting. The Board requested that Ms. Dalton deliver her additional request to the Community Center Committee as well.

Director McNeil stated there would be no report from the Rattan Creek Neighborhood Association. He then stated the Board would consider approval of the May 18 and May 20 minutes. Director Collins stated the sum of the proposal for painting the fire hydrants on page two of the May 18 minutes needed to be changed from "\$9.250" to "9,250." Upon motion by Director Collins and second by Director Jones, the Board voted unanimously to approve the May 18 minutes, as corrected, with Director McNeil abstaining. Upon motion by Director Collins and second by Director Green, the Board voted unanimously to approve the May 20 minutes, as presented, with Director McNeil abstaining.

Director McNeil stated the Board would then receive the park and landscape report, including proposals, a copy of which is attached as Exhibit "B". Mr. Fadal discussed with the Board the reasoning for mowing the greenbelts at the time the work was performed and confirmed that the mowing performed while the ground was wet should not have been performed and the ruts would be repaired. He asked if the Board desired to be more flexible on timing of mowing wildflowers during the spring/summer months. Director McNeil stated the Board would rely on Mr. Fadal's expertise. Mr. Fadal responded that each year is unique and he would advise the Board on timing moving forward. Mr. Fadal then handed out illustrations of the locations of dead and dying trees to be removed. The Board confirmed to Mr. Flahive that Mr. Fadal's proposal for tree removal had been approved at the work session on June 15. The Board took no action.

The Board next received the pool and community center report. Mr. Burke referred the Board to his report and pool schedule, copies of which are attached as Exhibit "C". He discussed with the Board the content of the pool schedule, clarifying that the pool was presently booked during the summer months, but there was some flex time available during the winter months. Mr. Burke stated there were some maintenance issues relating to the pool that he was presently addressing, including replacement of the aerator and a step on the guard stand, which were common for the beginning of summer. Director Green asked which tennis court lights were on a timer and which were on a switch. Mr. Burke described the lighting on each tennis court. The Board took no action.

Director McNeil stated the Board would next receive the general manager's report. Mr. Spoonts referred the Board to his report, a copy of which is attached as **Exhibit "D"**. He stated he had reviewed his report with the Board at the work session on June 15. Mr. Spoonts then stated that the City of Austin had recently established a new requirement that wholesale customers provide periodic documentation of wastewater usage by commercial and industrial retail users. He stated there were about 35 such users within the District. Mr. Spoonts explained the circumstances surrounding his delivery of the periodic report to the City of Austin on June 16, after the May 31 deadline, and the resulting Notice of Violation issued by the City of Austin. Mr. Flahive discussed with the Board his correspondence with Mr. John McCulloch, Pretreatment Compliance Specialist Senior in the Industrial Waste Division of Austin Water Utility, regarding the periodic report and the Notice of Violation. He confirmed with the Board that no action was required of the District to address the Notice of Violation. Mr. Flahive then discussed with the Board his placement of an item on July agenda for consideration of approval and submittal of the City of Austin's designation form authorizing Mr. Spoonts to file the periodic reports with the Board's action and signature by the Board President. The Board directed Mr. Flahive to report on the frequency of these periodic reports at the July meeting. The Board took no action.

Director McNeil stated the Board would then receive the bookkeeper's report. Ms. Bott referred the Board to the cash activity report, a copy of which is attached as **Exhibit "E"**. She discussed with the Board five additional invoices received after the June 15 work session proposed for payment. After discussion and upon motion by Director Collins and second by Director Green, the Board voted to unanimously approve payment of the five additional invoices.

Director McNeil stated the Board would then review and consider action regarding the bond projects. Mr. Spoonts stated there were some expenses incurred to-date, for example expenses relating to the fire hydrant painting and repair, that should be paid with bond proceeds. He stated his office would code these expenditures to assist Ms. Bott with allocation. Mr. Malish stated that once the drainage study was published, which he understood would occur in August, the Board could better estimate the expense of drainage projects to be funded with bond proceeds and, if the estimated costs were lower than initially anticipated, the Board could consider alternative eligible projects to be funded with bond proceeds pursuant to a change of projects approval by the TCEQ. The Board directed Mr. Flahive to maintain the bond project item on the monthly regular meeting agenda. The Board took no action.

Director McNeil stated the Board would then receive the engineer's report. Mr. Malish discussed with the Board a call he had received from Mr. John Clark, an engineer, regarding the 12 acre site at the intersection of Briarwick and Amberglenn about processing a land plan amendment for the tract. Mr. Malish stated he explained the process and associated expenses and District policies to Mr. Clark. Mr. Malish then distributed to the Board pictures of Central Texas pavilions and amphitheaters. He stated he had three proposals from architect Duke Garwood, which he distributed to the Board. Mr. Malish discussed with the Board the first proposal, for services relating to the new restroom facility at Robinson Park, in the amount of \$11,800.00. He discussed with the Board the components of the project and provision of water and wastewater utility service to the

restroom facility. Mr. Malish discussed with the Board the second proposal, for services relating to the booster station enclosures on Tamayo Drive and Dallas Drive, in the amount of \$43,000.00 for both enclosures. He discussed with the Board the components and esthetic of the enclosures. Mr. Malish then discussed with the Board the third proposal, for initial services relating to the amphitheater project in Rattan Park, in the amount of \$10,200.00. After discussion and upon motion by Director Collins and second by Director Jones, the Board voted unanimously to approve the proposal for the new restroom facility at Robinson Park, a copy of which is attached as **Exhibit "F"**. After discussion and upon motion by Director Collins and second by Director Jones, the Board voted unanimously to approve the proposal for the booster station enclosures on Tamayo Drive and Dallas Drive, a copy of which is attached as **Exhibit "G"**. After discussion of the amphitheater project, the Board elected to postpone action on the item until the July meeting and to schedule a special meeting in the interim for the Board to meet in Rattan Park, possibly with Mr. Garwood, to discuss parameters of the amphitheater project before moving forward.

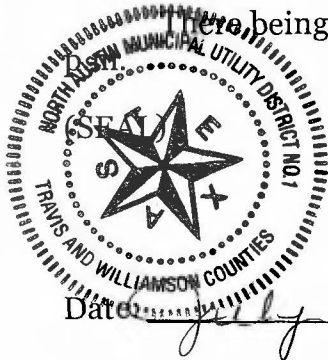
Director McNeil asked Mr. Flahive if he had anything to report to the Board. Mr. Flahive stated that he did not.

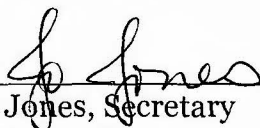
Director McNeil stated the next item on the agenda related to the notice from the City of Austin regarding a possible challenge to commercial property values in Travis County. Mr. Flahive stated the challenge had been filed and hearings for commercial properties located within the portion of the District in Travis County were scheduled for June 22. He stated the impact of the challenge on the timing of Travis Central Appraisal District's certification of property values was unknown, but he would continue to monitor the situation.

Director McNeil asked Mr. Flahive if there would be a restrictive covenant report. Mr. Flahive stated that he had nothing new to report to the Board.

The next item to come before the Board was future annexation, limited district conversion, and other City of Austin related issues, including the water and wastewater rate case and consideration of the proposal from 3 Point Partners. Mr. Flahive referred the Board to the 3 Point Partners proposal in the packet. After discussion, the Board elected to postpone action on the proposal until the July regular meeting.

There being no other matters to come before the Board, the Board adjourned at 7:24




Jo Jones, Secretary
Board of Directors