

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

**JULY 15, 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 July 15, 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, with Director McNeil and Director Collins 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.; Dennis Lozano with Murfee Engineering Co., Inc.; Richard Fadal with TexaScapes; Bill Burke with Clearwater Management; Bob West with West, Davis and Company; Kevin Flahive with Armbrust & Brown, PLLC; Gabriel Tract, a resident of the District and member of the Austin Trinity Aquatic Club; Stephanie and Abigail Hardy, representatives of the Austin Trinity Aquatic Club; and Renee Curfman, a resident of the District and President of the Rattan Creek Neighborhood Association.

Director Conklin called the meeting to order at 6:09 p.m. and stated the Board would first receive citizen communications. Ms. Stephanie Hardy stated that she was with the Austin Trinity Aquatic Club and was in attendance to reiterate past requests for pool rental for swim team practices. Miss Abigail Hardy stated that she was a member of the swim team and requested that the Board agree to rent the pool to her team. Director Conklin stated the Board had discussed the matter, briefly, with Mr. Burke at the July 13<sup>th</sup> work session and learned that the only available times would be Tuesday and Thursday evenings. He asked if the team would still be interested in using the pool only two times per week, as Ms. Hardy had requested use of the pool four to five times per week. Ms. Hardy stated the team would still like to rent the pool and would then seek to supplement with use of another pool for the additional practices. Director Conklin asked what times would be desired. Ms. Hardy responded 4:00 p.m. to 8:30 p.m. from September through March. Director Conklin responded that the Board had not yet made a determination on the request, but would do so and let her know. Director Conklin then addressed Mr. Tract, who stated that he was a member of the Austin Trinity Aquatic Club and the team may be

disbanded if they did not find a pool for practices by September. He stated the District's pool would be ideal for the team. Director Conklin thanked the attendees for addressing the Board.

Director McNeil and Director Collins arrived at 6:14 p.m. Director McNeil stated the Board would then receive a report from the Rattan Creek Neighborhood Association. Ms. Curfman stated the adult swim party was coming up and RattanFest had been scheduled for October 17. Ms. Curfman stated she was aware that the date conflicted with the Pond Springs Elementary Fall Fest; however, she could not rescheduled. She stated she would work with the school to include them in the event. Ms. Curfman then discussed with the Board use of the Community Center for an RCNA wine tasting conducted by a Texas Alcoholic Beverage Commission certified resident of the District at an estimated cost of \$8.00-\$10.00 per person. Director McNeil stated that use of the Community Center could be donated, but he would like the \$50.00 cleanup cost to be funded by the group. Director Conklin confirmed with Ms. Curfman that the event would not be a for-profit event, for which he would oppose donating the Community Center. The Board then discussed with Ms. Curfman holding the event on a Saturday evening in November, if there was an open date. Ms. Curfman then discussed RCNA's difficulty with publishing the newsletter. Ms. Jones mentioned the possibility of publishing the newsletter only two times per year. Ms. Curfman then discussed with the Board outreach to the residents relating to pressing items discussed on online forums. Director Collins and Director McNeil discussed with Ms. Curfman outreach to ensure that all residents are informed that the Board meets monthly at the Community Center in open meetings and invites all interested residents to attend. The Board then discussed conducting the next town hall meeting on September 24 at 7:00 p.m. Director Conklin stated he would be out of town that week, but in town the week after. He stated he had provided a blurb about the town hall meeting for inclusion in the newsletter. He stated he wanted Captain Gleason to attend.

Director McNeil stated the Board would consider approval of the June 15 and June 17 minutes. Director Collins stated the name "Letizia" was misspelled in the June 15 minutes. Upon motion by Director Collins and second by Director Jones, the Board voted unanimously, with Director Conklin abstaining, to approve the June 15 minutes with the correction pointed out by Director Collins. Upon motion by Director Jones and second by Director Green, the Board voted unanimously, with Director Conklin abstaining, to approve the June 17 minutes, as proposed.

Director McNeil stated the Board would then consider approval of an audit engagement letter with West, Davis and Company for the year ending September 30, 2015. Mr. West stated the proposed engagement letter contained the same terms, conditions and fees as had the engagement letters the two prior years. He stated he had enjoyed working with the Board and Ms. Bott and requested that the Board again retain his firm to perform the audit. Upon motion by Director Collins and second by Director Conklin, the Board voted unanimously to approve the engagement letter, a copy of which is attached as **Exhibit "B"**.

Director McNeil stated the Board would next consider adoption of a schedule for adopting the 2015-2016 budget and tax rate. Mr. Flahive discussed with the Board the

content of the proposed schedule, a copy of which is attached as **Exhibit "C"**. Director Collins asked Ms. Bott if the Board would have the necessary financial reports and information in advance of the August 17 work session so that it could take a record vote on the proposed tax rate at the August 19 regular meeting as shown on the proposed schedule. Ms. Bott stated she would communicate with Cheryl Allen, the District's financial advisor, to ensure that the reports and information would be provided in advance of the August 17 meeting. Upon motion by Director Collins and second by Director Jones, the Board voted unanimously to adopt the schedule as proposed.

Director McNeil stated the Board would then receive the park and landscape report, including proposals, a copy of which is attached as **Exhibit "D"**. Mr. Fadal stated his staff had spent a lot of time in June pruning over the trails within the District. He stated the trees were recovering from the drought. Mr. Fadal stated his staff had treated for fire ants during June, explaining that the moisture had kept them more active. He stated the recent mowing in the greenbelts had avoided the remaining wildflowers, but the entirety of the greenbelts would be mowed next time. Mr. Fadal stated that watering in the parks would begin in the near term. He then reviewed with the Board the status of projects listed on the last page of his report. Mr. Fadal then referred the Board to Proposal No. 8769, a copy of which is attached as **Exhibit "E"**, for annual mulching in the amount of \$7,000.00. Director Collins stated the mulching was two line items in the District's budget and requested that they be combined into a single line item moving forward. Upon motion by Director Collins and second by Director Green, the Board voted unanimously to approve the proposal.

The Board next received the pool and community center report. Mr. Burke referred the Board to his report and Proposal Nos. 1, 2, 3 and 5, copies of which are attached as **Exhibit "F"**. He stated the proposals were discussed during the July 13 work session. Mr. Burke first discussed Proposal No. 1 to fund budget item no. 6008-04 in the amount of \$1,050.00 to purchase four chairs for the board room. After discussion and upon motion by Director Collins and Director Jones, the Board voted unanimously to approve Proposal No. 1. Mr. Burke then discussed Proposal No. 2 to fund budget item no. 6008-14 in the amount of \$4,050.00 to purchase and install an ice maker for the Community Center. After discussion and upon motion by Director Jones and second by Director Green, the Board voted unanimously, with Director Collins abstaining, to approve Proposal No. 2. Mr. Burke then discussed Proposal No. 3 to fund budget item no. 6010-05 in the amount of \$1,500.00 to purchase office equipment for an event coordinator for the Community Center and Rattan Park and Proposal No. 5 to fund budget item no. 6010-01 to employ or retain an event coordinator for the Community Center and Rattan Park. Director Green stated the Community Center subcommittee was formulating a job description for the event planner position. The Board discussed that the event planner would work with the subcommittee on day-to-day matters, while ultimately answering to the entire Board. The Board discussed scheduling a special meeting to discuss and determine the scope of the event coordinator position, given the departure of Ms. Rachel Yergas from Clearwater Management in August. The Board discussed the impact of Mr. Burke's planned retirement in November 2016 on the scope of the event coordinator position, determining that it might be appropriate to hire a pool maintenance company and expand the scope of the event coordinator position to a Community Center manager position. Director Conklin stated he would notify Mr. Flahive's office if a special meeting would be called to address

the matter. The Board took no action on Proposal Nos. 3 and 5. Mr. Burke then reviewed his report with the Board.

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 "G"**. He stated that Davey Tree would begin the tree trimming within Rattan Park, approved by the Board in June, later in the week. Mr. Spoonts state the primary reason for the tree trimming was to provide the needed clearance for fire department trucks to enter the parking area within the park. He stated the wastewater line TVing would likely be completed by the end of July. Mr. Spoonts stated that Murfee Engineering intended to have the video reviewed and repair items expensed by the end of 2015. He stated the pump on Tamayo Drive was out, but the pump on Dallas Drive was functioning and no problems had resulted from the pump failure. Mr. Spoonts then presented the write-offs for approval. Upon motion by Director Conklin and Second by Director Collins, the Board voted unanimously to approve the write-offs as proposed. Mr. Spoonts then discussed with the Board ticketing individuals with dogs off-leash within the District and discussion of the topic at the upcoming town hall meeting. Mr. Spoonts then presented the proposal for plumbing inspection services from Daniel McDowell, d/b/a Able Restoration Services, a copy of which is attached as **Exhibit "H"**. After discussion and upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the proposal. Mr. Spoonts then discussed with the Board the City of Austin Wastewater Discharge Permit Signature Identification Form, a copy of which is attached as **Exhibit "I"**, pursuant to which the Board could appoint Mr. Spoonts to submit the annual reporting under the permit. Mr. Flahive addressed the Board's questions relating to the authorization form and annual reporting requirements. Director McNeil directed Mr. Flahive to add a reoccurring agenda item relating to the annual reporting on the April regular meeting agenda. Upon motion by Director Collins and second by Director Conklin, the Board voted unanimously to execute and submit the form authorizing Mr. Spoonts to submit the annual reporting. Mr. Spoonts then addressed the recent occurrence of theft of the District's water from a fire hydrant by employees of J.R. Schneider Construction. He stated that he discussed the theft with the proprietor of the construction company, who admitted to the theft. After discussion, the Board directed Mr. Spoonts to exercise his discretion to assess the maximum fine of \$250.00 under the District's rate order.

Director McNeil stated the Board would then receive the bookkeeper's report. Ms. Bott stated she had no updates or additional action items for the Board's consideration.

Director McNeil stated the Board would then review and consider action regarding the bond projects and solicited discussion items. There being no questions, the Board took no action.

Director McNeil stated the Board would then receive the engineer's report. Mr. Lozano referred the Board to his report, a copy of which is attached as **Exhibit "J"**. He stated he had discussed all items in the report with the Board at the July 13 work session and asked if there were any questions. There being no questions, the Board took no action.

Director Green then discussed with the other Board members the content of discussions at the July 8 special meeting regarding the amphitheater project.

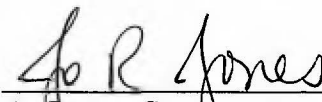


Director McNeil asked Mr. Flahive if there would be a restrictive covenant report. Mr. Flahive discussed with the Board recent email correspondence with Mr. Spoonts, Ms. Camila Joseph and a resident of the District relating to an enforcement action that the Board had declined to pursue and Mr. Flahive's responses to questions posed by the resident.

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. After discussion and upon motion by Director Collins and second by Director Green, the Board voted unanimously to authorize Director McNeil and Director Conklin, as the two members of the water and wastewater rate case subcommittee to attend the July 16 coalition meeting, to take such actions at the meeting regarding the proposal from 3 Point Partners as they deemed to be in the best interests of the District. The Board then discussed the message to be delivered by Director McNeil and Director Conklin at the July 16 coalition meeting and, upon motion by Director Collins and second by Director Green, the Board voted unanimously to authorize Director McNeil and Director Conklin to take such actions at the meeting regarding the water and/or wastewater rate cases as they deemed to be in the best interests of the District.

Director McNeil then asked if there were any other matters to come before the Board. Director Jones and Mr. Spoonts discussed with the other Board members recent communications with the City of Austin Real Estate Office regarding entry on District property and stated that Mr. Spoonts and Mr. Malish would meet with City of Austin representatives the following week to discuss the request. Director Conklin then asked Mr. Flahive if he could provide to Director Jones recommendations for an individual or service that could attend the monthly work sessions to take the minutes of those meetings. Director Green then asked Mr. Flahive to include an item on the August agenda for first responders to address the Board, or, in their absence, for Mr. Spoonts to provide a report to the Board, relating to signage or other enhancements to the District's trail system to assist first responders in navigating the trail system in emergency situations. There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Green, the Board voted unanimously to adjourn at 8:20 p.m.



  
Jo Jones, Secretary  
Board of Directors

Date: August 15, 2015