

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

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
AND WILLIAMSON §

October 17, 2016

A regular meeting of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on October 17, 2016, 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 them 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, Inc; David Malish with Murfee Engineering Co. Inc.; Marc Marroquin with Clearwater Management; Katie Froelich with CBRE, Inc.; Jeff Schindler with Texas Design Interests, LLC; Randy Wilburn, attorney with Gilbert Wilburn, PLLC; and Carol Martin with Clearwater Management to record the minutes.

Director McNeil called the meeting to order at 6:08 p.m. and stated that the Board would first receive the bookkeeper's report and consider bills, invoices, transfers and investments. Ms. Bott reviewed the cash activity report and stated that the items for approval included director and vendor payments, a transfer in the amount of \$150,000.00 from First Citizens Operating Account to First State Bank Manager's Account; a transfer in the amount of \$280,000.00 from Compass Lockbox Account to First State Bank Operating Account; and a transfer in the amount of \$21,131.10 from TexPool Tax Account to TexPool Operating Account. Ms. Bott then recommended renewal of the Pioneer Bank General Fund Certificate of Deposit in the amount of \$245,000.00, which matures on October 25, 2016, for a term of one year. The Board reviewed the Collateral Report and the Quarterly Investment Report. Director Conklin confirmed that invoices for CSW Development's Land Use Plan project were being billed back to the developers in order to be reimbursed and that Jay Joyce was still reviewing utility bills for the District. Upon motion by Director Jones and second by Director Green, the Board voted 5-0 to approve the bills, invoices, transfers, and certificate of deposits as presented.

Director McNeil stated that the Board would next receive the park and landscape maintenance report. Mr. Fadal informed the Board that the annual mowing of Robinson Park and the pruning/removal of overgrowth at the Robinson Park "S" Curve had been completed and that these would be monthly maintenance activities going forward as approved in the recent contract amendment.

Director McNeil stated that the Board would next receive the pool and community center report. Mr. Marroquin informed the Board that it was the beginning of the winter season resulting in slower business. He stated that Hines Pool & Spa had evaluated four underwater pool lights that were out and provided a quote for replacement lights, as well as a quote for white LED lights to be used instead. He stated that the lights out at that time were not causing a safety issue. The Board requested that he compare the visual quality of LED lights by visiting other swimming pools that were currently using them and present his recommendation at the next month's Board meeting.

Director McNeil asked if there was anything further to discuss from the bookkeeper's report. Mrs. Bott stated that there was none.

Director McNeil stated that the Board would next receive the engineer's report. Mr. Malish referred the Board to section 7 of his report attached as **Exhibit "B"**. He stated that he believed the Amber Oaks lots 4, 5, and 6 applicants were willing to agree to the District's "no liability" stipulation for the water and wastewater line easements but that he was still waiting for a response from their representatives. Mr. Malish informed the Board that construction had begun on the Continental Properties project without the required pre-construction conference with District representatives. Upon Mr. Malish's request, the project's contractor and engineer met with him and the General Manager on site. Mr. Malish then stated that Standard Pacific Properties had been informed that the District would agree to allow individual water meters installed at each house, requiring an additional "no liability" agreement for the District's operation and maintenance of these facilities; however, the City of Austin is requiring that the wastewater lines would also need to be maintained by the District. The design engineer for the project has been notified that the District has no intention of accepting these wastewater facilities for operation maintenance. There was discussion regarding the bidding process for the Booster Station Buildings and Robinson Park Restrooms projects. Mr. Malish reported to the Board that he intends to advertise for construction bids November 8, 2016 for an estimated 180 days of construction. Director Collins recommended providing information that states bids may be awarded for each project separately. Mr. Malish stated that he would be addressing several information requests from electricians regarding the Park Pavilion project. Mr. Malish reported that the application for the Land Use Plan amendment had been completed and submitted to CSW Development. He stated that it should be processed by the City of Austin and a response should be received within 14 days of submittal. Mr. Malish stated that structural design modifications were required to allow uninterrupted traffic flow during construction of the Tamayo Bridge project and those plans would be submitted within the week. Mr. Malish stated that he had received revised plans on the Advanced Smiles Dental project and would begin reviewing them within the next few days. He then discussed a request from Menlo Equities to place a recreation facility over an existing District waterline easement. Mr. Malish reviewed concerns of not metering the waterlines, such as maintenance and liability. Mr. Schindler and Mrs. Froelich discussed the recreation facility plans with the Board and stated that the existing agreement released the District of liability of structures placed over the easement but did not cite the current owners' name as required by City of Austin. The Board reviewed the plans and the representatives stated that the easement had been discovered after designs were done. They acknowledged that if any access to the easement was needed by the District that the structures would not be protected. Mrs. Froelich stated that they would like to request approval of the current designs but that if approval was not given a redesign would be looked at. Director Conklin noted concerns about

the added costs of getting through the structures if access was needed to the easement. Director Collins confirmed that Menlo Equities was ready to begin construction and recommended that the Board consult the District engineer, lawyer, and operator. He also recommended that the developer consider installing a sleeve so that the line would be exposed in an effort to avoid structural damage in the future. There was discussion about legal concerns with wording and liability.

Director McNeil stated that the Board would next discuss and consider taking any necessary action regarding the City of Austin wholesale rate case. Randy Wilburn reviewed the current status of the wholesale rate case. Director Conklin requested that Mr. Joyce review back charges for the past three years. Mr. Wilburn stated that the appeal would continue through District Court and that a three hour trial had been schedule for April 2017. The Board requested that a summary be provided for public dissemination.

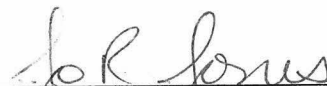
Director McNeil then asked if there were any future annexation, limited district conversion, and City of Austin related issues to discuss. There were none.

Director McNeil asked if there was anything to discuss regarding the agenda for Wednesday, October 19, 2016. There was none.

Director McNeil stated the Board would then receive the General Manager's report, attached as **Exhibit "C"**. Mr. Spoons stated that he had walked the trails and reported they were in good condition. He provided an update on the District Sign project and fire hydrants that had been replaced on Luckenbach Lane and New Boston Bend. He stated that repairs to a tire swing were to be made and that an MS4 inspection was done last week but there were no results to present yet. There was discussion of cancelled checks and invoices to write-off. Director Collins made a motion, Director Jones seconded, and the Board voted 5-0 to approve the write-offs as presented.

Director McNeil inquired as to whether there were any further items to come before the Board. Director Conklin stated that he intended to attend any City of Austin wholesale rate meetings when possible and welcomed other Board members to join him. He reviewed the slides he had prepared for the Town Hall Meeting and stated that Officer Gleason and Jollyville Fire Chief Kiracofe were scheduled to attend. With no further issues to come before the Board, Director McNeil made a motion to adjourn, Director Green seconded, and the meeting was adjourned at 7:34 p.m.





Jo Jones, Secretary
Board of Directors

Date October 16, 2016