

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

February 17, 2016

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 February 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 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 McNeil, 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.; Bill Burke with Clearwater Management; Kevin Flahive with Armbrust & Brown, PLLC; Will Washington, a resident of the District and representative of the Rattan Creek Neighborhood Association; and Nicholas Anderson, a resident of the District.

Director Conklin called the meeting to order at 6:15 p.m. and stated the Board would first receive citizen communications. Mr. Anderson stated that he was interested in annexation issues. Director Conklin stated that he would be happy to discuss with Mr. Anderson after the meeting if the item was not adequately addressed during the meeting.

Director Conklin then stated that the Board would receive a report from the Rattan Creek Neighborhood Association. Mr. Washington stated the RCNA would meet the following evening to elect new officers. Mr. Spoons stated the District was looking at March 12<sup>th</sup> as the date for the annual Spring clean-up. Director Conklin asked Mr. Spoons to confirm the date, once established, and have it posted on the District's website and have Mr. Burke put out signage.

The next item to come before the Board was to approve the minutes of the January 18 and January 20 meetings. Upon motion by Director Collins and second by Director Green, the Board voted unanimously to approve the January 18 minutes as presented. Upon motion by Director Jones and Second by Director Green, the Board voted unanimously to approve the January 20 minutes as presented.

Director Conklin stated the Board would next receive the park and landscape maintenance report. Mr. Fadal referred the board to his report, a copy of which is attached as **Exhibit "B"**. He stated that winter tasks were being completed and soon the Monterrey Oaks

and Live Oaks would drop their leaves, which his crews would remove weekly. Mr. Fadal stated that conditions remained dry and he anticipated increased watering in the near term. He then discussed with the Park Committee scheduling a date and time to tour the parks and greenbelt. Mr. Fadal then discussed with the Board the notice that another district had received from the City of Austin requiring an irrigation audit pursuant to Chapter 6-4 of the City of Austin Code and subsequent correspondence with Mr. Flahive regarding the applicability of the City of Austin Code provisions to the District. He then discussed with the Board a recent interaction between one of his crews and a City of Austin staff person relating to the city's regulation of trash hauling within its jurisdiction.

The Board next received the pool and community center report. Mr. Burke referred the Board to his report, a copy of which is attached hereto as **Exhibit "C"**. After reviewing his report with the Board, he stated that he had two changes to the First Amendment to Swimming Pool Operation and Maintenance Agreement, which were to include the deletion of the phrase "including the 24 hour bathrooms" from Section 4.g. of the Swimming Pool Operation and Maintenance Agreement and to add the term "supplies" to Section 6 of Exhibit "B" to the Swimming Pool Operation and Maintenance Agreement. Mr. Burke then discussed with the Board two proposals that Clearwater Management had received from its subcontractor, Dobbs Tennis Courts, Inc., regarding resurfacing of the basketball court, at an ultimate cost to the District of \$3,000.00 plus Clearwater's supervisory fee of 15%, and repairing the cracks on all four tennis courts, at an ultimate cost to the District of \$2,600.00 plus Clearwater's supervisory fee of 15%. Mr. Burke then advised the Board as to the routine repainting projects that he would oversee in the near term, including repainting the frog in the playscape, the greatroom and restrooms in the Community Center and the pool bathrooms and exterior Community Center restrooms, at a total cost of \$4,500.00 plus Clearwater's supervisory fee of 15%. After discussion and upon motion by Director Collins and second by Director Jones, the Board voted unanimously to approve and direct Mr. Flahive to modify the First Amendment to Swimming Pool Operation and Maintenance Agreement approved at the January 20 Board meeting to reflect Mr. Burke's changes and to approve the basketball court resurfacing, tennis court crack repair and repainting projects. Mr. Flahive then discussed with the Board compliance with HB 1295 and reminded the Board that it could approve or disapprove projects, but it could not select subcontractors providing services to the District's contractors without triggering the filing requirement of the legislation. He recommended that the contractors provide a proposal to the Board for projects to be approved, with the costs of those projects to the District, and include any subcontractor proposals to the contractor as support documentation should Board deem necessary.

Director Conklin stated the Board would next receive the District general manager's report. Mr. Spoons stated that he had reviewed his report with the Board at the February 15 meeting. He then stated that he had been made aware of a residence within the District that was being advertised as a short-term rental during the SXSW festival. Mr. Spoons asked if the Board desired to address the issue. After discussion and receipt of advice from Mr. Flahive, the Board took no action. Mr. Spoons then presented to the Board the proposal from LaCosta Environmental LLC for an annual water loss audit, ongoing maintenance of the District's Water Conservation and Drought Contingency Plan, and satisfaction of Texas reporting requirements, a copy of which is attached as **Exhibit "D"**. After discussion and upon motion by Director Collins and second by Director Jones, the Board voted unanimously to approve the proposal.

The Board next received a report from the District's bookkeeper. Ms. Bott reviewed with the Board the cash activity report, a copy of which is attached as **Exhibit "E"**, stating there were two additional expenditures to be approved: a \$1,260.00 payment to American Fire

Protection and a \$2,000.00 contribution to HURF. Ms. Bott then referred the Board to the proposed Public Funds Depositor Collateral Security Agreement with First State Bank Central Texas, a copy of which is attached as **Exhibit "F"**, stating that Mr. Flahive had reviewed and approved the agreement. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the expenditure and the agreement as proposed.

Mr. Spoons then discussed with the Board and the other consultants the appropriate method of delivery of meeting packets to the Board members and consultants to ensure receipt prior to the Monday work session meetings. After discussion and upon motion by Director Jones and second by Director Green, the Board voted unanimously to remove Cheryl Allen as a consultant that receives the meeting packet, continue delivering the packet to the Board members by hand delivery, begin delivering the packet to Mr. Spoons and Ms. Bott by hand delivery, continue delivering the packet to Mr. Malish by mail, and remove David Gray as a party that receives a copy of the agenda each month.

Director Conklin stated the Board would next receive a report from the District's engineer. Mr. Malish stated that he had reviewed his report with the Board at the February 15 meeting. He stated that he had received plans from StanPac Properties and would begin his review, after receipt of a deposit, in the near term. Mr. Malish then requested that the Board approve his submittal of site plan exemption requests to the City of Austin for the Robinson Park restroom project and the booster station enclosure project. He also requested that the Board approve a Water Pollution Abatement Plan exemption request to the TCEQ, which he understood from discussions with TCEQ would be available to the District, for the amphitheater project. Mr. Malish stated the WPAP exemption request of the TCEQ would cost \$500.00. He confirmed to the Board that WPAPs would not be required by the TCEQ for the Robinson Park restroom project or the booster station enclosure project. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously to authorize Mr. Malish to submit the site plan exemption requests to the City of Austin for the Robinson Park restroom project and the booster station enclosure project, submit a Water Pollution Abatement Plan exemption request to the TCEQ for the amphitheater project, and pay the associated fees. Mr. Malish then discussed with the Board his office's completion of the initial phase of the drainage study project and his proposal for the second phase of the drainage study project in an amount not to exceed \$50,000.00, a copy of which is attached as **Exhibit "G"**. He discussed with the Board that the proposal would be billed on a time and materials basis and would involve illustrating all data obtained from Brushy Creek WCID's study and the surveyor and proposing options available to the District for modifying the floodplain. Director Collins asked if issuance of the elevation certificates for affected lots was included in the proposal. Mr. Malish stated that the certificates were not included in the scope and would be issued by the surveyor, not his office. Director Collins then questioned the scope of the proposal, recommending that it be broken out into a series of proposals with more definable scope. Director Conklin stated the work would be performed on a time and materials basis and he desired to complete the work as soon as possible. After discussion and upon motion by Director Conklin and second by Director Green, the Board voted 3-1, with Director Collins voting against, to approve the proposal as presented.

There being no bond projects to discuss, the next item to come before the Board was the Pool Use Agreement with The Hurricane Swim Team. Director Green stated that she had contacted the swim team after the February 15 meeting and discussed desired dates for exclusive use of the pool for swim meets pursuant to Section 1.c. of the Pool Use Agreement. After discussion and upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the Pool Use Agreement contained in the packet, modified to provide that the dates for exclusive use of the pool pursuant to Section 1.c. would be May 13 for the inter-

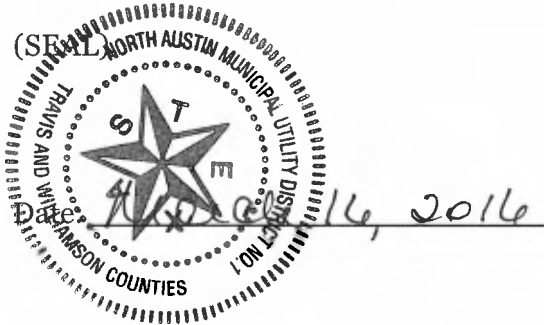
squad meet and May 21 and June 11 for the swim meets, a copy of which is attached as **Exhibit "H"**.

There being no restrictive covenant report, the next item to come before the Board was to receive a report from the District's attorney, including a legislative update. Mr. Flahive referred the Board to the memoranda contained in the packet, copies of which are attached as **Exhibit "I"**, and briefly reviewed the content of the memoranda with the Board. Director Green asked Mr. Flahive to provide copies of the bills relating to annexation of land within districts that failed during the past legislative session.

Director Conklin stated the Board would next discuss future annexation, limited district conversion, and other City of Austin related issues. He stated that the City of Austin had appealed the latest PUC ruling in the water rate case. Director Conklin stated that he would contact Randy Wilburn to learn the schedule for the case moving forward.

Director Conklin stated that since the Board addressed and took action regarding financial support for HURF (Homeowners United for Rate Fairness) at the meeting on February 15, the Board would next address any other matters to come before the Board. Mr. Malish stated that he would bring a proposal for TVing the next phase of wastewater lines within the District to the Board at the meetings in March. Director Conklin then asked if everyone was available for the regularly scheduled March meetings, given that they fall during spring break. The Board determined that the March meetings would be held as regularly scheduled.

There being no other matters to come before the Board, upon motion by Director Green and second by Director Conklin, the Board voted unanimously to adjourn at 8:14 p.m.



*Jo R Jones*  
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Jo Jones, Secretary  
Board of Directors