

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

July 20, 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 July 20, 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, 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; Jim and Linda Sagnes with Sage Management Services; Joshua Baran with JAB Engineering, LLC; Kevin Flahive with Armbrust & Brown, PLLC; Kevin Hunter with CSW Development; Vincent Spencer with Trinsic Residential Group; and Meredith Holmes, a resident of the District and representative of Deerpark Middle School.

Director McNeil called the meeting to order at 6:14 p.m. and stated that the Board would first receive citizen communications and recognized Ms. Holmes. She stated that she was a teacher at Deerpark Elementary School and, once again, she requested the District's assistance with providing Williamson County Sheriff's Department coverage for their annual Ranger Run 5K in the District in connection with RattanFest on September 24. Director Conklin asked Ms. Holmes when they needed the coverage. She replied that the off-duty deputies were needed from 8:40 a.m. until 10:10 a.m. The Board directed Mr. Spoons to coordinate with Capt. Gleason.

There being no report from the Rattan Creek Neighborhood Association, the Board next considered approval of the June 13, June 15 and July 5 meeting minutes. Director McNeil pointed out a correction to be made on first page of the June 13 minutes. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously, with Director Collins abstaining, to approve the June 13 minutes, as corrected. Upon motion by Director Collins and second by Director Green, the Board voted unanimously to approve the June 15 minutes, as presented. Upon motion by Director Collins and second by Director Conklin, the Board voted unanimously to approve the July 6 minutes, as presented.

Director McNeil stated the Board would next receive the consultant reports and recognized Mr. Fadal to provide 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 he had delivered his report on Monday, but had updates. Mr. Fadal said there were several stress spots in the turf in the parks that would be more heavily irrigated. He stated that he would cultivate the mulch in the flower beds in advance of submitting a proposal in August for the annual mulch work. Mr. Fadal stated that the soccer fields looked good and he was spot-treating for fire ants. He stated that he was still working on the dead tree removal in the greenbelt near Dallas Drive and Tamayo Drive. Lastly, Mr. Fadal stated that he was working with members of the Parks & Greenbelt Committee to schedule a meeting.

Director McNeil then recognized Mr. Burke to provide the pool and community center report. Mr. Burke referred the Board to his report, a copy of which is attached as **Exhibit "C"**. He reviewed his report with the Board, stating that the pool was no longer being used by the McNeil High School swim team, as it was now using a pool located on Hwy 620. Mr. Burke discussed with the Board his recent discussions with the coach of the St. Dominic Savio High School swim team, who desired to start a club team within the District utilizing the pool. The Board discussed interest expressed by many groups over the past year and the appropriate process for determining which group or groups would be able to use the pool in absence of the McNeil High School swim team. Director McNeil stated that he and Director Green, as members of the Pool Committee, would meet with Mr. Burke to discuss further. Director Conklin stated that he would be interested in learning how many residents purchase winter swim tags and the anticipated financial impact to the District due to the departure of the McNeil High School swim team.

Director McNeil then addressed Mr. Spoons to provide the general manager's report. Mr. Spoons stated that he had reviewed his report with the Board at the meeting on Monday. He stated that he did have a proposal from Chris Mahany in the approximate amount of \$17,000 to repair the wastewater line near the intersection of Pine Bluffs Street and Greybull Trail. The Board asked Mr. Spoons if the services would be rendered directly to the District or as a subcontractor to Crossroads Utility Services. Mr. Spoons stated that he was not sure. Director Conklin asked Mr. Malish about the urgency of the repair. Mr. Malish stated that the repair needed to be made within the next month or two. The Board directed Mr. Spoons to determine how the services would be rendered and to bring a written proposal for such services to the August Board meetings for action.

The Board next received the bookkeeper's report from Ms. Bott. She reported to Board on multiple items from the Monday meeting. She stated that she'd requested the assessed values and estimated taxes within the District from the financial advisor. Mr. Bott then discussed with the Board the amounts escheated to the state in recent years. Director McNeil stated he would like to see reports in the future prior to escheating funds to the state to confirm that such action is appropriate. Director Collins discussed the engineering line items in the budget with Ms. Bott. She then discussed with the Board releasing the check for payment of the District's share of June fees owed to 3 Point Partners. The Board discussed the hourly accounting provided by 3 Point Partners, suspension of the consultant's services at the end of June, and the option of retaining the consultant moving forward on an hourly billing basis. After discussion, the Board determined that June was the last month of services, future service was suspended, and directed Mr. Spoons to contact 3 Point Partners to confirm that this understanding was shared by the consultant and, if not, to direct the consultant to contact Director Conklin.

Director McNeil then addressed Mr. Malish to provide the engineer's report. Mr. Malish stated that he had provided his report at the meeting on Monday. He then discussed with the Board the illustration resulting from the recent annual TVing of 1/5 of the wastewater lines

within the District, the indication of necessary repairs, and his office's retention of the illustration for a period of five years. Mr. Malish then stated that there were two individuals at the meeting to discuss with the Board requested Land Use Plan amendments and summarized the processes for processing Land Use Plan amendments with the City of Austin, based on the changes requested. The first request Mr. Malish discussed with the Board related to the 5-acre tract of land located at the corner of Parmer Lane and Anderson Mill. He introduced Mr. Hunter, a representative of the developer that had the tract under contract, and Mr. Baran, the project engineer. They discussed with the Board the desired use of the tract for retail, likely a service station, on the hard corner, with a five-story, approximately 55' tall, climate-controlled self-storage building on the remainder of the tract. Mr. Malish stated that the Land Use Plan would need to be amended to allow for the self-storage use on the tract. Mr. Baran showed the Board illustrations of the type of project that Mr. Hunter's group desired to construct on the site. Mr. Hunter stated that the self-storage use would result in a higher value project, and greater tax revenue to the District, than present retail uses allowed under the current Land Use Plan designation. The Board then discussed with Mr. Malish the utility and estimated property value due diligence to be performed prior to the August meetings. Director Conklin asked Mr. Hunter to return to the August regular meeting at which the Board may take action to move forward with the Land Use Plan amendment. Mr. Malish then discussed with the Board the second Land Use Plan amendment request, from Mr. Spencer's group, for the development of an apartment project on a 6.8-acre tract fronting on SH 45. He stated that the Land Use Plan designation for the tract was presently retail and would need to be changed to multifamily to allow for the project. Mr. Spencer discussed with the Board that his group was in negotiations to purchase the tract from the present property owner. He stated that the project would be a four-story complex with high-end finishes and a swimming pool. Mr. Spencer estimated the cost of the project at \$40MM to \$50MM. The Board discussed the utility due diligence to be performed by Mr. Malish. Mr. Malish stated he would work with Mr. Spencer's engineer to obtain the information that he needed to report to the Board at the August meetings. The Board then discussed with Mr. Spencer the process and timing for pursuing a Land Use Plan amendment.

Director McNeil stated the Board would next review the bond projects and consider taking any necessary action. Mr. Spoons stated that he had spoken with Duke Garwald, who reported that he would provide cost estimates for the Robinson Park restroom project and the Dallas Drive booster station enclosure project to Mr. Spoons and then solicit bids from contractors.

There being no restrictive covenants report, the Board next considered a proposal from Sage Management Services for provision of assistance to the Rattan Creek Neighborhood Association Architectural Control Committee. Mr. Sagnes discussed with the Board the scope of services in the proposal, based on services he provided to homeowners associations in the area. The Board then discussed with Mr. Flahive whether it could appropriate funds for that purpose. Mr. Flahive stated that architectural approvals and restrictive covenant matters were not purposes of the District. He then discussed with the Board the scope of the District's authority to enforce restrictive covenants pursuant to Texas Water Code 54.237. After discussion, the Board elected not to take action on the proposal.

Director McNeil stated that he Board would next discuss any future annexation, limited district conversion, or other City of Austin related issues. Director Conklin discussed with the other Board members the course of events resulting from a request for water usage data from a Water Conservation Specialist in the Conservation Division of Austin Water Utility, advice received from counsel, and Mr. Spoons' actions to provide the requested data. Mr. Flahive recounted the course of events and his advice relating to provision of public information

pursuant to the Open Records Act. After discussion, the Board directed Mr. Spoons and Mr. Flahive to elevate all atypical requests from the City of Austin for information from the District to the Board for consideration and direction.


There being no attorney's report, Director McNeil state the Board would next consider the proposed schedule for adopting the District's 2016-2017 budget and tax rate, a copy of which is attached as **Exhibit "D"**. Mr. Flahive reviewed the proposed schedule with the Board. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the schedule as presented.

The next item to come before the Board was to conduct a wok session on the draft budget for the 2016-2017 fiscal year. Director McNeil stated that the Board had insufficient information to do so, but may call a special meeting prior to the August regular meetings.

The Board then considered the election items. Mr. Flahive first discussed with the Board Order Calling Director Election to call the November 8, 2016 Director Election for the District. After discussion, upon motion by Director Conklin and second by Director Green, the Board moved to approve the Order Calling Director Election, attached hereto as **Exhibit "E"**. Mr. Flahive then reviewed the Election Services Agreement and Joint Election Agreement with Travis and Williamson Counties and the Board's approval of Resolutions Approving the Election Agreement and Joint Election Agreement, subject to his review and approval. After discussion and upon motion by Director Collins and second by Director Conklin, the Board voted unanimously to approve the Resolution Approving Election Services Agreement and Joint Election Agreement with Williamson County, a copy of which is attached as **Exhibit "F"**, and the Resolution Approving Joint Election Agreement, a copy of which is attached as **Exhibit "G"**, both subject to review and approval by Mr. Flahive. Mr. Flahive then discussed with the Board the Notice of Deadline to File Applications for a Place on the Ballot, a copy of which is attached as **Exhibit "H"**, and requested that the Board authorize his office to give Notice of Director Election for November 8, 2016, the form of which is attached as **Exhibit "I"**. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the Notice of Deadline to File Applications for a Place on the Ballot and directed Mr. Flahive's firm to give Notice of Director Election for November 8, 2016 pursuant to the Texas Election Code.

There being no other matters to come before the Board, upon motion by Director Green and second by Director Jones, the Board voted unanimously to adjourn at 8:05 p.m.



  
Jo Jones, Secretary  
Board of Directors

Date: August 17, 2016