

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

August 4, 2016

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

A special meeting of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on August 4, 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; Bill Burke with Clearwater Management; and Carol Martin with Clearwater Management to record the minutes.

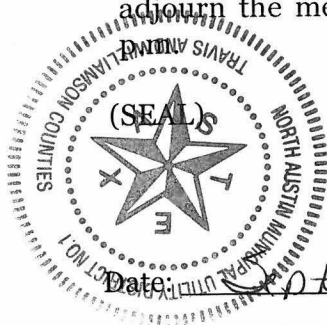
Director McNeil called the meeting to order at 6:00 p.m. and stated that the Board would first discuss and consider approving payment for TVing wastewater lines within the District as set forth on the invoice from Utility Testing Service of Texas in the amount of \$41,493.65, attached hereto as **Exhibit "B"**. He noted that the proposal had not been included in the June 13, 2016 meeting packet and therefore could not be approved. Director Collins moved to approve the proposal as presented. Director McNeil seconded the motion, the Board voted 4-0 to approve with one abstention from Director Conklin, and the motion carried.

Director McNeil then stated that the Board would next have a work session on the District's 2016-2017 budget. Mr. Spoons reviewed the 2016 Certified Appraised Value at \$1,100,171,348.00 and informed the Board that City of Austin water and wastewater wholesale rates had not been disclosed yet. He recommended that the Board not increase the retail water and wastewater rates. Mr. Burke discussed expected changes in the pool lease revenue and winter gas bills. Director McNeil recommended changes to reflect the pool rental income separately. Director Conklin discussed the Board's ongoing commitment to consider each line item individually and thoughtfully. The Board briefly discussed that the funds are still being set aside for the difference of water rates and the court rate while the lawsuit is ongoing. Director Conklin recommended removing the line for replacement of fire hydrants. Ms. Bott noted that bond funds are transferred into the general fund to reimburse projects without needing any further approval. There was discussion about meter replacements and whether the budget reflects necessary replacements or if it is used for contingency planning. Director McNeil stated that he would like the budget to reflect

necessary expenses rather than surplus or contingency funds. There was discussion about budget versus actual figures and about sinking funds versus surplus funds with regards to transparency for the residents. There was discussion about the Robinson Park irrigation well project budget. There was discussion about increases to the Insurance and Security Hours line items. Director Conklin requested to see the historical surpluses for the past few years to aid the Board in deciding what long term plans are for contingency funds. Director Jones stated that she would like to budget for newsletters and mailers to be sent to residents and said that she would investigate the potential costs. There was discussion about possible security improvements to the postal kiosks within the District. There was discussion about the effect of decreased tax rates for future years. There was discussion about considering hiring a lobbyist and Director Green recommended seeking legal advice about it. Director Conklin reviewed legal expenses in relation to water and wastewater. Director Green suggested adding a sinking fund or maintenance item for repairs or replacements to an Anderson Mill Road and Parmer Lane perimeter wall.

Director McNeil then stated that the Board would discuss and consider Board action relating to June 13, 2016 approval of proposal from Murfee Engineering for the Tamayo Drive Bridge Expansion, attached hereto as **Exhibit "C"**. Director Conklin made a motion to approve the proposal as presented, Director Green seconded, and the Board voted 3-0 to approve the proposal with two abstentions from Directors Collins and McNeil.

Director McNeil inquired as to whether there were any further items to come before the Board. There being no further items to discuss, Director Green made a motion to adjourn the meeting, Director McNeil seconded, and the meeting was adjourned at 8:39



Jo R Jones  
Jo Jones, Secretary  
Board of Directors

Date: September 21, 2016