

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

August 15, 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 August 15, 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.; Linda Loup with Public Finance Group, LLC ; Bob West with West, Davis & Company, LLP; Bill Burke with Clearwater Management; and Carol Martin with Clearwater Management to record the minutes.

Director McNeil called the meeting to order at 6:04 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 \$200,000.00 from Compass Lockbox Account to First State Bank Operating Account, and a transfer in the amount of \$3,350.00 from the TexPool SR2014 Capital Projects Account to TexPool Operating Account. Ms. Bott then recommended renewal of the Allegiance Bank General Fund Certificate of Deposit in the amount of \$240,000.00, which matures on August 24, 2016, for a term of one year. There was discussion about some specific invoices and certificate of deposit interest rates. Upon motion by Director Collins and seconded by Director Jones, the Board voted 5-0 to approve the bills, invoices, transfers, and certificate of deposits, including the City of Austin bill contingent upon Jay Joyce's review.

Director McNeil then stated that the Board would discuss the 2016-2017 budget and 2016 tax rate. Mrs. Loup informed the Board that the Travis County Tax Office increased the 2016 per-parcel collection fee by 10 cents and that there was an 11 percent increase from 2015 of the grand total certified values. There was discussion about the maximum rate having been lower than the previous year based on appraisal values. Linda reviewed and discussed the effects of several different reduction rates, especially on the general fund in the current drafted 2016-2017 budget. She agreed to make the requested changes for the Wednesday August 17, 2016 meeting.

Director McNeil then stated that the Board would next act on an audit engagement letter with West, Davis & Company for the year ending September 30, 2016. The proposed engagement letter stated a \$10,500.00 fee, which was similar to the previous year. Ms. Bott recommended continuing with the same firm. Director McNeil made a motion, Director Collins seconded, and the Board voted 5-0 to approve the proposed audit engagement letter with West, Davis & Company for the year ending September 30, 2016.

Director McNeil then stated that the Board would next receive the park and landscape maintenance report, a copy of which is attached as **Exhibit "B"**. Mr. Fadal informed the Board that recent rain had been improving the grass in the parks and greenbelt areas. He stated that the dead tree removal on Dallas had been completed. Mr. Fadal then presented two proposals to the Board for approval, the first being for annual mulching and the second being for annual mowing in Robinson Park. He reminded the Board that starting in October the mowing would be moved to a monthly basis. Director Collins made a motion, Director McNeil seconded, and Board voted 5-0 to approve proposal numbers 8987 and 8988, attached hereto as **Exhibits "C" and "D"**. Mr. Fadal also recommended a proposal from Davey Tree for additional tree pruning. Director Collins made a motion, Director McNeil seconded, and Board voted 5-0 to approve the Davey Tree proposal in the amount of \$1,350 attached hereto as **Exhibit "E"**.

Director McNeil asked if there was anything for the pool and community center report. Mr. Burke reviewed the proposed contract for Marc Marroquin and how it would affect the 2016-2017 budget. Director Conklin requested to see a 12 month contract as well as a 10 month contract with 2 additional months. There was discussion about Mr. Marroquin's contract with consideration to his level of expertise as well as monthly rates that needed to be corrected. There was discussion about air conditioning issues in the conference room and Mr. Burke stated that repairs were underway. Director McNeil requested to see quotes for installation costs on a ceiling fan in the conference room with separate wiring from the lights. Director Burke asked the Board if there were any questions regarding the new winter swim team contract. Directors Conklin and McNeil recommended having the renewal evaluated annually and thus Director McNeil stated that item number 2 in the proposed contract be stricken. The Board stated that they would review and discuss with Mr. Flahive before the following meeting so that it could be ready for a vote then. Director Green confirmed the number of hours and months that would be used by the winter swim team. There was discussion about how any changes to the established schedule would need to be approved by the Board. Director McNeil requested that Ms. Bott note that both pool use contracts be included in the correct budget line item. Director Conklin requested that the language in the proposed contract be changed to reflect that the swim team would pay for the approved rental hours whether or not the hours were actually used.

Director McNeil stated the Board would next receive the General Manager's report, attached hereto as **Exhibit "F"**. Mr. Spoons requested that the Board confirm Mr. Marroquin's contracted rate, review, and make changes to the proposed budget within the week. There was discussion about concerns from a resident in regards to utility payments that were not received by the District.

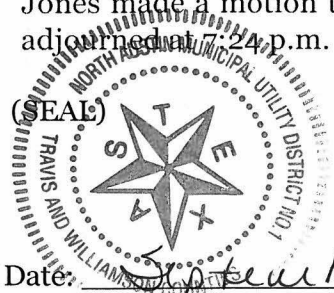
Director McNeil asked if there was anything further to discuss from the bookkeeper's report. Ms. Bott stated that there was none.

Director McNeil asked if there was anything to discuss for the engineer's report. Mr. Malish reviewed the report provided in the Board packet. He stated that the Amber Oaks, Lots 4, 5, and 6 fees had been paid. There was discussion about changes to the recommended easement contract to reflect the grantee does not incur any risk or that they be metered. Mr. Malish stated that he would review the easements with Mr. Flahive. Mr. Malish informed the Board that park fees, water inspection fees, and meter fees for Continental Properties were still owed and would need to be paid before water utility service is connected at the location. Director Conklin asked for confirmation about when park fees were supposed to be paid. Mr. Malish then reviewed the proposed contract from the District's architect consultant, Mr. Duke Garwood, for the booster station buildings, Robinson Park restrooms, and park pavilion projects. He stated that the park pavilion site plan had been approved. He informed the Board that the land plan amendment request for the area along SH-45 had been rescinded. He then reviewed the land use amendment request for the storage building planned at the intersection of Parmer Lane and Anderson Mill Road. He noted that a preliminary valuation assessment showed that the storage facility would have a significantly higher valuation and that the applicant would provide valuation information in support of the land use amendment. Director Green stated that she would be opposed to having a gas station located there. Director Conklin informed the Board that it is already zoned for use as a gas station and that Board approval and a land use amendment would not be needed for such a plan. Mr. Malish stated that he would have a letter for the Board at the following meeting regarding negligible utilities and higher valuation.

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

Director McNeil asked if there was anything to discuss regarding the agenda for Wednesday, August 17, 2016. There was none.

Director McNeil inquired as to whether there were any further items to come before the Board. There was discussion about the MS4 subcommittee having an annual review on August 24, 2016 at the Wells Branch Community Center. The Board determined that Mr. Maxwell would be asked to post an announcement on the website. Directors McNeil and Collins stated that they planned to be at the meeting. Director McNeil noted that the Round Rock Refuse contract was provided in the Board packet and asked the Board to review the 13 percent rate increase over the current rate. Director Collins stated that there was a requested adjustment each year. Director Conklin asked for clarification between the two business names associated with Round Rock Refuse on the contract. There being no further items to discuss, Director Jones made a motion to adjourn the meeting, Director Green seconded, and the meeting was adjourned at 7:24 p.m.



Jo R Jones
Jo Jones, Secretary
Board of Directors

Date: September 21, 2016