

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

September 19, 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 September 19, 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, with Director Conklin arriving after the start of meeting, 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 and Marc Marroquin with Clearwater Management; Linda Hubble with Public Finance Group, LLC; Kevin Hunter with CSW Pam, L.L.C.; and Carol Martin with Clearwater Management to record the minutes.

Director McNeil called the meeting to order at 6:18 p.m. and stated that the Board would first review the Land Use Plan Amendment request from CSW Development and a restrictive covenant for the subject tract. Mr. Hunter informed the Board that the proposed Land Use Plan Amendment for the property in question on Anderson Mill Road would be a mostly administrative process and that it would require a restrictive covenant to be filed of record. The restrictive covenant would site the specific permitted and prohibited uses of the property. Mr. Malish suggested noting that the restrictive covenant was filed somewhere directly on the Land Use Plan. There was discussion about how the current allowed uses would not be changed, but rather the additional use requested would be permitted. Mr. Hunter noted that should the Land Use Plan Amendment not be approved, any future owners would likely need to follow the same administrative process to have similar uses added. He also stated that the storage facility would be the main focus of the project and requested that updated information regarding LUE changes be provided so that CSW Pam, L.L.C. could finalize their application with City of Austin. He stated that the city requested a “clean” copy of the Land Use Plan. There was discussion about the District providing a commitment letter to provide adequate water and wastewater service.

Director McNeil then stated that the Board would receive the bookkeeper's report and consider bills, invoices, transfers and investments. Ms. Bott reviewed the cash activity report, attached as **Exhibit "B"**, and stated that the items for approval included director and vendor payments, a transfer in the amount of \$225,000.00 from First Citizens Operating Account to First State Bank Manager's Account; and a transfer in the amount of \$280,000 from Compass Lockbox Account to First State Bank Operating Account. Ms. Bott then recommended renewal of the Sovereign Bank General Fund Certificate of Deposit in the amount of \$245,000.00, which matures on September 24, 2016, for a term of one year. There was discussion about some accidental tax charges on supplies and food expenses. Upon motion by Director Jones and seconded by Director Collins, the Board voted 4-0 to approve the bills, invoices, transfers, and certificate of deposits as presented.

Director McNeil then stated that the Board would conduct a public hearing on the District's 2016 tax rate, including a recommendation from the District's financial advisor. Mrs. Hubble informed the Board that the Notice of Public Hearing was published with a \$0.312 per \$100 valuation tax rate and that the Board had completed all legal responsibilities to the public and could now hold their public hearing and vote on the 2016 tax rate. The Board decided to first evaluate the budget and consider the effect that different tax rate options would have on it.

The Board reviewed the updated 2016-2017 draft budget based on changes that had been discussed in previous work sessions. The budget was created with a \$0.2890 per \$100 valuation tax rate in mind. Director Collins made a motion to approve, Director McNeil seconded, and the board voted 4-0 to approve the Resolution Adopting Budget, attached as **Exhibit "C"**, with the budget as presented in the fourth draft dated September 21, 2016.

Director McNeil officially opened the public hearing on tax rate at 6:47 pm and asked those in attendance if anyone had anything to discuss regarding the 2016 tax rate. There was no commentary from the public. Upon motion by Director Collins and seconded by Director Jones, the Board voted 4-0 to close the public hearing at 6:48 pm.

Director McNeil stated that the Board would next take a record vote on the District's 2016 tax rate and the Order Levying Taxes. There was discussion about establishing a tax rate split between \$0.2416 for operations and maintenance and \$0.0474 for debt service. Upon motion by Director Jones and seconded by Director Green, the Board voted 4-0 to approve a tax rate of \$0.2890 per \$100 valuation and the Order Levying Taxes attached as **Exhibit "D"**.

The Board then discussed the Amended and Restated Information Form which would be necessary for any tax rate changes. Director Jones made a motion, Director Green seconded, and the Board voted 4-0 to approve the Amended and Restated Information Form, attached as **Exhibit "E"**, for the \$0.2890 per \$100 valuation amendment that was noted.

Director McNeil then stated that the Board would next receive the park and landscape maintenance report, attached hereto as **Exhibit "F"**. Mr. Fadal informed the Board that special treatments for fire ants had been scheduled and that Live Oak trees have

been cleared monthly as needed. He stated that the dead tree removal on the greenbelt parallel to Dallas had been completed. Mr. Fadal then presented two proposals to the Board for consideration, the first being for fall over seeding and light topdressing irrigated turf, and the second being for Robinson Park "S" curve overgrowth clearing. He stated that we would work with Mr. Spoons to coordinate closing these areas as needed with Mr. Spoons. Director Collins made a motion, Director Green seconded, and Board voted 4-0 to approve TexaScapes proposal numbers 9008 and 9016, attached hereto as **Exhibits "G" and "H"**.

Director McNeil asked if there was anything for the pool and community center report. Mr. Burke stated that there was none; however, Mr. Marroquin would be at the following meeting Wednesday, September 21, 2016 with a report.

Director McNeil stated the Board would next receive the General Manager's report, attached as **Exhibit "I"**. Mr. Spoons stated that the Landscaping sub-committee had discussed amending the TexaScapes, Inc. contract to include Robinson Park "S" Curve overgrowth clearing as regularly scheduled maintenance. The amendment term would extend the contract for an additional three years. Director Collins made a motion, Director Jones seconded, and the Board voted 4-0 to approve the First Amendment to Landscape Maintenance Agreement with TexaScapes, Inc., attached hereto as **Exhibit "J"**. Mr. Spoons reviewed some electrical work and signage repairs that needed to be done after a vehicular incident damaged District property. He presented a quote in the amount of \$10,250.00 for the repairs that he had received from Landscape Specialties of Texas, attached hereto as **Exhibit "K"**, and there was discussion about forwarding repair costs as insurance claims. Director Jones made a motion to authorize fifty percent payment for mobilization, Director Green seconded, and the Board voted 4-0 to approve the authorization. Mr. Spoons then stated that Officer Gleason reported the dog leash signs had improved the number of unleashed dogs in the parks. At this time Director Conklin arrived at the Board meeting. Mr. Spoons then provided the Board with records of write-off requests. Director Collins made a motion, Director Green seconded, and the Board voted 5-0 to approve the presented write-offs. Mr. Spoons then discussed concerns from a resident regarding a utility disconnect. Mr. Spoons stated that he had given record of all emails regarding the issue to the attorney. The Board then discussed appropriate procedure for Board discussion of legal matters.

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

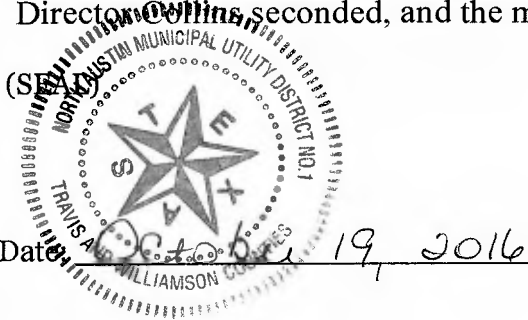
Director McNeil asked if there was anything to discuss for the engineer's report. Mr. Malish reviewed the engineer's report provided in the Board packet, attached as **Exhibit "L"**. He stated that the Amber Oaks, Lots 4, 5, and 6 easement documents were being processed. Mr. Malish informed the Board that it appeared that construction had begun at the Continental Properties site and that he would monitor the situation. Mr. Malish then stated that Standard Pacific Properties had not yet followed up on its water line requests. He informed the Board that he and Mr. Duke Garwood had finalized contract documents for the bidding and construction of the Booster Station Buildings and Robinson Park Restrooms, that they had been submitted, and that consultants estimate that the projects would advertise for the first week of October 2016. Mr. Malish stated that the park pavilion

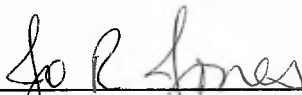
site plan had been approved by City of Austin and that he was currently waiting for additional review comments. He then informed the Board that the Tamayo Bridge Project site development plans were almost complete and that they should be submitted for review within a few weeks.

Director McNeil then asked if there were any future annexation, limited district conversion, and City of Austin related issues to discuss. Mr. Malish informed the Board that he had spoken to many lobbyists lately that had discussed possible legislation coming in the next few years regarding annexation.

Director McNeil asked if there was anything to discuss regarding the agenda for Wednesday, September 21, 2016. There was none.

Director McNeil inquired as to whether there were any further items to come before the Board. Director Conklin discussed Town Hall Meeting opportunities and Director Jones stated that she supported the possible community involvement. There was discussion about providing an opportunity for residents that would be running for Board positions to speak with neighborhood residents. The Board agreed that they would attempt to schedule a Town Hall Meeting at the following Board meeting. Director Green made a motion, Director Collins seconded, and the meeting was adjourned at 7:22 p.m.



  
\_\_\_\_\_  
Jo Jones, Secretary  
Board of Directors