

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

August 16, 2017

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 16, 2017, 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
Kim Green	-	Treasurer
Rachel Beaulieu	-	Assistant Secretary/Treasurer

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were Mary Bott with Bott & Douthitt, P.L.L.C.; David Malish with Murfee Engineering Co., Inc.; Marc Marroquin with Premier Recreation Management; Andrew Hunt with Crossroads Utility Services, L.L.C.; Sergeant Troy Brogden with the Williamson County Sheriff's Office; James and Diana Sagnes with Sage Management Services; Smitty McKenzie with SDI Management; Richard Fadal with TexaScapes, Inc.; Kevin Flahive with Armbrust & Brown, PLLC; and Dallas Hall, a resident of the District and representative of the Rattan Creek Neighborhood Association. Jeff Hobbs with Armbrust & Brown, PLLC participated by telephone conference.

Director McNeil called the meeting to order at 6:11 p.m., stated that the Board would first receive citizens communications and addressed Ms. Hall. She discussed with the Board the Deer Park Middle School 5k Run on September 23 at 9:00 a.m. and requested that the District donate security services, as it had done in years past. Director McNeil stated that the District would do so and directed Ms. Hall to coordinate with Mr. Hunt and Sergeant Brogden. Ms. Hall then stated that the Rattan Creek Neighborhood Association ("RCNA") would also hold RattanFest in Rattan Creek Park on September 23 and discussed logistics with the Board, Mr. Hunt and Mr. Fadal. Ms. Hall then thanked the Board for allowing the RCNA to include its quarterly newsletter in the District's utility invoice mailings. The Board discussed including the RCNA publication with the District's invoice, the potential confusion this might present to residents of the District and alternatives for addressing the concern. The Board considered appointing a committee to investigate preparing a District publication, similar to some other municipal utility districts in the area.

At 6:42 p.m., Director McNeil stated that the Board would convene in executive session pursuant to Section 551.071 of the Texas Government Code to receive legal advice from Mr. Flahive and Mr. Hobbs relating to pending litigation with NW Austin Office Partners LLC. The

Board reconvened in the open meeting at 7:03 p.m. and Director McNeil stated that no actions were taken during executive session.

Director McNeil stated that the Board would next consider approval of the July 17 and July 19 minutes. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the July 17 minutes, as presented, with Director Conklin and Director Green abstaining. Upon motion by Director Jones and second by Director Beaulieu, the Board voted unanimously to approve the July 19 minutes, as presented, with Director Conklin and Director Green abstaining.

The Board next considered a revised District Registration Form to update the name of the Williamson County Tax Assessor/Collector and the address of the District's financial advisor. Director Beaulieu provided Mr. Flahive with a corrected phone number and Director Jones asked Mr. Flahive to remove her home phone number. Upon motion by Director Jones and second by Director Beaulieu, the Board approved the updated District Registration Form, attached as **Exhibit "B"**.

Director McNeil stated that the next items on the agenda related to the District's 2017-2018 budget and tax rate. He stated that the District's financial advisor had presented the certified appraised values and conducted a work session with the Board regarding the 2017-2018 budget at the Board's work session on August 14. Director McNeil stated that the District's financial advisor had recommended that the Board establish a proposed tax rate of \$0.2880, a decrease from the current tax rate of \$0.2890. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved a proposed tax rate of \$0.2880. Director McNeil stated that the Board would next schedule a public hearing at which adoption of the tax rate would be considered. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to schedule the public hearing on September 18 at 6:00 p.m. at the Rattan Creek Community Center. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously to authorize Mr. Flahive to publish notice of the public hearing on the tax rate.

Director McNeil then recognized Sergeant Brogden to provide the security report. Sergeant Brogden referred the Board to his report, attached as **Exhibit "C"**, and reviewed the report with the Board. He stated that the two sexual assaults referenced in the report were reported in the District, but did not occur in the District. In response to a question from Director Green regarding a recent incident of two individuals breaking windows of a car parked in the District, Sergeant Brogden stated that the incident was captured on a resident's security camera footage and provided to the Williamson County Sheriff's Office. Director Jones then updated the Board regarding her recent meeting with Williamson County Sheriff Chody. The Board then discussed with Sergeant Brogden the utility of purchasing a bicycle for use by off-duty deputies providing security services to the District. Sergeant Brogden stated that he thought the deputies would use the bicycle to patrol the greenbelts. The Board asked Sergeant Brogden to inform Mr. Hunt of the type of bicycle that would be of most utility to the deputies.

The Board next received the park and landscape report. Mr. Fadal referred the Board to his report, attached as **Exhibit "D"**, and reviewed it with the Board. He stated that the District's parks and greenbelts were in good shape for the time of year. Mr. Fadal stated that the greenbelt dead tree and brush clean-up and trimming project (proposal 9113) would begin the following week. He then presented proposal 9186, for annual mulching of parks, entrances and mitigation tree rings, in the amount of \$7,420.00, attached as **Exhibit "E"**. Upon motion by

Director Conklin and second by Director Green, the Board voted unanimously to approve the proposal, as presented.

Director McNeil then addressed Mr. McKenzie to provide the cleaning services report. Mr. McKenzie referred the Board to his report, attached as **Exhibit "E"**, and reviewed it with the Board. He discussed with the Board provision of cleaning services to the new Robinson Park Restroom project upon completion, as contemplated in his agreement with the District.

The Board next received the pool and community center report. Mr. Marroquin referred the Board to his report, attached as **Exhibit "F"**, and reviewed it with the Board. He stated that the movie at the pool event was very well attended. Mr. Marroquin then discussed the options of purchasing a portable chairlift or a fixed chairlift for the pool. The Board then discussed with Mr. Marroquin having his subcontractor relocate the light pole near the pool the next time that it changes bulbs in the lights at the tennis courts. After discussion, upon motion by Director Green and second by Director Jones, the Board voted unanimously to direct Premier Recreation Management to purchase the portable chairlift, to seal the pool deck, to resurface the slide at the pool and to relocate the light pole near the pool at a cost not to exceed \$27,000.00. Mr. Marroquin then discussed with the Board the project to remove the wall separating the small conference room from the hallway in the community center, leaving the drop-ceiling, and painting the room, at a cost not to exceed \$13,000.00. After discussion, upon motion by Director Jones and second by Director Green, the Board voted 4-1 to direct Premier Recreation Management to perform the project at a cost not to exceed \$13,000.00, with Director McNeil and Director Conklin voting in favor and Director Beaulieu voting against.

Director McNeil then addressed Mr. Hunt to provide the general manager's report. Mr. Hunt referred the Board to his report, attached as **Exhibit "G"**, and reviewed it with the Board. He stated that T Bar M Land Services, LLC was installing the new footbridges. Mr. Hunt stated that James Schiele with JBS Water Inc. was surveying the District for sources of water loss. He stated that his office was continuing to inspect and lock the bypass valves on the larger meters in the District. Mr. Hunt then discussed with the Board two write-offs proposed for approval. After discussion, the Board elected not to take action on the write-offs to allow Mr. Hunt to determine whether the residents had relocated within the District. Director Jones recommended that the District distribute information regarding the District's MS4 program at RattanFest. Mr. Hunt stated that he would do so. He then discussed with the Board an initial phase of the potential fence project, which would be located along Anderson Mill Road by Robinson Park. Mr. Hunt stated that he envisioned a three phase project, in total. After discussion, the Board took no action.

The Board then received a report from the bookkeeper. Ms. Bott referred the Board to the cash activity report that she handed out, attached as **Exhibit "H"**. She reviewed with the Board the two additional checks for engineering fees and wastewater rate appeal matters in the amounts of \$6,850.00 and \$1,649.79, respectively for approval. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the additional payments, as proposed.

The Board next received the engineer's report from Mr. Malish. He referred the Board to his report, attached as **Exhibit "I"**, and reviewed it with the Board. Mr. Malish discussed with the Board his position regarding the Standard Pacific Homes project, stating that he would not test and accept the waterlines within the project until after the wastewater lift station was energized and operational. He stated that the Booster Station Buildings and the Robinson Creek Restrooms were almost completed. The Board directed Mr. Malish to ensure that the trim on

the Booster Station Buildings be painted with the same color paint that was used for the trim on the Rattan Park Community Center. Mr. Malish then discussed the plans for the Rattan Creek Park Pavilion, stating that they were complete and that he would send them to the Board for one final review before soliciting bids for the project. He stated that he was still waiting on approval of the Tamayo Bridge project from the Williamson County Engineer. Mr. Malish then reviewed with the Board the minor repairs to the District's wastewater lines identified during the recent TV survey of the lines, which he said he would seek to completed before the end of the fiscal year on September 30. Mr. Malish and Mr. Fadal then discussed some options for the reflection pond project with the Board. Lastly, he discussed with the Board proposed changes to his firm's fee structure, which he would present to the Board with an amendment to his services contract at the September regular meeting.

Director McNeil stated that the Board would next consider the proposal from West, Davis & Company, LLP for audit services for the fiscal year ending September 30, 2017, attached as Exhibit "J". Mr. Flahive explained that Bob West was unavailable to attend, but asked that he tell the Board that the terms of the proposal were unchanged from the prior year. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the proposal, as presented.

The Board next considered the Pool Use Agreement with CK Swimming LLC for the Sailfish Swim Team, attached as Exhibit "K". Mr. Marroquin and Mr. Flahive discussed the content of the agreement with the Board. After discussion, upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the agreement, as presented.

There being no discussion or action regarding bond projects, the Board next received the lobbyists' report. Director Conklin discussed the passage of Senate Bill 6, the annexation reform bill. He stated that he had requested that the District's lobbyists prepare a summary of the legislation for presentation to the Board. Director Conklin also recommended that the District provide information regarding the legislation to the residents of the District at RattanFest.

The Board next received the restrictive covenants report. Ms. Sagnes reviewed her report with the Board and answered questions from the Board regarding same. Mr. Flahive then discussed with the Board the District's authority to enter properties within the District to inspect suspected illegal connections to the District's utility infrastructure. The Board directed Mr. Flahive and Mr. Hunt to coordinate and conduct an inspection of the property located at 6301 Crowley Trail.

Director Conklin then discussed with the other Board members the status of the City of Austin wholesale rate cases.

There being no future annexation, limited district conversion, other City of Austin related issues, or attorney's report, Director McNeil asked if there were any other matters to come before the Board. Director Jones discussed with the other Board members the potential for a taping of Good Morning America's block party program within the District on September 15. 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 10:13 p.m.

(SEAL)



Date: September 20, 2017

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