

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

October 17, 2018

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 October 17, 2018, 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/Assistant Secretary
Rachel Beaulieu	-	Assistant Secretary/Assistant Treasurer

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were David Malish with Murfee Engineering Co., Inc.; Mary Bott with Bott & Douthitt, P.L.L.C.; Marc Marroquin with Premier Recreation Management; Richard Fadal with TexaScapes, Inc.; Andrew Hunt with Crossroads Utility Services, L.L.C.; Sergeant Troy Brogden with the Williamson County Sheriff's Office; Jimmy and Diana Sagnes with Sage Management Services; Tom Letizia with T Bar M Land Services, LLC; Ben Bracher with Central Texas Refuse, Inc./Round Rock Refuse, Inc.; Jessie Haug with the Girl Scouts Springwoods Service Unit; John Laverriere, Vice President of The Bluffs at Milwood Homeowners Association; Kevin Flahive with Armbrust & Brown, PLLC; and the following residents of the District: Don Ayers, Diana Christiano, and Harrison and Jenny He.

Director McNeil called the meeting to order at 6:04 p.m., and stated that the Board would consider approval of the September 10, 2018 and September 12, 2018 minutes. Upon motion by Director Jones and second by Director Conklin, the Board voted unanimously to approve the September 10, 2018 minutes, as presented. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the September 12, 2018 minutes, as presented.

The Board then received citizens communications. Director McNeil addressed Ms. Haug. She stated that she had received a refund of the initial \$500 deposit made by the Girl Scouts approximately 10 years ago, but was awaiting receipt of the \$125 deposit from May 2017. Mr. Marroquin confirmed that the refund of the deposit was in process. Mr. Laverriere then addressed the Board and inquired about the District's annual expenditure on additional security services, as his association was concerned about recent thefts within the District. Director McNeil stated that the Board budgets \$75,000 per year for additional security services and recommended that Mr. Laverriere and his neighbors communicate with Sergeant Brogden so he and the other deputies can address any issues the association is facing. Director McNeil then addressed Harrison He. Mr. He discussed with the Board a letter received from Sage

Management Services regarding the fence on or adjacent to his property at 13106 Amarillo Avenue that extends beyond the front elevation of his home. He stated that the prior owner had installed the fence and that he and his wife were unaware that it was in violation of the restrictive covenants when they purchased their home. The Board and Mr. Flahive discussed with Mr. and Mrs. He the restrictive covenant enforcement process and recommended that they speak with Mr. Sagnes to discuss options for resolution of the matter.

There being no report from the Rattan Creek Neighborhood Association (the "RCNA"), Director McNeil stated that the Board would next receive the restrictive covenants report. Ms. Sagnes discussed the open enforcement matters with the Board, stating that no Board action was required. She also stated that Sage Management Services was awaiting direction from the Board as to whether it desired that any actions be taken with respect to the dilapidated fence along the rear lot line of 12601 Marimba Trail adjacent to the greenbelt.

Director McNeil stated that the Board would next receive the bookkeeper's report. Ms. Bott reviewed the updated cash activity report, attached as **Exhibit "B"**. She discussed the two added checks for payment of invoices for legislative services and Storm Water Management Program implementation, both as set forth on the updated cash activity report. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the two payments, as presented.

The Board next discussed solid waste services with Mr. Bracher. The Board and Mr. Bracher discussed ways to improve communication on missed pick-ups and other matters. Mr. Hunt stated that he would contact April Bliss with the Rattan Creek Neighborhood Association so that she might facilitate communication between Central Texas Refuse, Inc./Round Rock Refuse, Inc. and the residents of the District. Mr. Bracher then confirmed that the neighborhood clean-up event would be held on November 17.

Director McNeil stated that the Board would next receive the security report. Sergeant Brogden reviewed his report, attached as **Exhibit "C"**. He stated that the Williamson County Sheriff's Office had received 172 calls from within the District during the month of September. Sergeant Brogden stated that the biggest problem was mailbox thefts. He stated that patrols had been increased at the direction of the Security Committee. Sergeant Brogden then discussed the flashing yellow light at the pedestrian crossing on Tamayo Drive. He recommended that the Board request Williamson County to change the yellow light at the crossing to a red light so it is clear to drivers that they need to slow down or stop for pedestrians. The Board agreed that the request should be submitted to Williamson County.

The Board then received the engineer's report from Mr. Malish. He referred the Board to his report, attached as **Exhibit "D"**, and reviewed it with the Board. Mr. Malish discussed recent communications with Texas Gas Service representative Jonathan Cuero and Mr. Flahive regarding the proposed gas line relocation design prepared by Texas Gas Service's engineer and issues regarding same. He stated that he and Mr. Flahive would prepare and deliver a letter outlining the District's position on the matter. Director McNeil then asked if the project should be modified to address the anticipated impact of Atlas 14 on the FEMA 100-year floodplain maps. Mr. Malish presented preliminary illustrations indicating the anticipated location of the FEMA 100-year floodplain along Rattan Creek within the District and discussed potential remediation actions that could be considered by the Board. The Board directed Mr. Malish to conduct additional due diligence on the matter and return to the Board with recommendations. Mr. Malish then presented the proposal from Capital Surveying Company, Inc. in the amount of \$38,700, attached as **Exhibit "E"**, to survey 52 single-family lots within the District that Mr.

Malish anticipates will be impacted by the new FEMA 100-year floodplain. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the proposal, as presented. Mr. Malish then continued to review his report. He stated that the Amber Oaks 4, 5 & 6 project was under way and he anticipated completion by spring 2019. Mr. Malish stated that construction of the 7-Eleven and self-storage projects was ongoing. He then stated that one of the two wastewater lines in need of repair, as identified in the wastewater line TVing report presented to the Board in August, had been completed and that the other would be completed once the weather allows. Mr. Malish then discussed with the Board and Mr. Letizia his efforts to obtain a Certificate of Compliance from the City of Austin for the Grand Pavilion project, which would then allow for the City of Austin's release of the \$7,195 deposit for erosion controls and revegetation and the District's release of the \$33,305 in retainage being withheld from T Bar M Land Services, LLC. Mr. Letizia requested that the Board release the retainage to him, as he had no control over the City of Austin's issuance of the Certificate of Compliance. After discussion, upon motion by Director Jones and second by Director Conklin, the Board voted unanimously to release \$26,110 to T Bar M Land Services, LLC, and retain the remaining \$7,195 until the Certificate of Compliance is issued and the deposit released by the City of Austin. Mr. Malish then stated that Oldcastle Materials, Inc. d/b/a Wheeler would repair the 12 manholes and resurface, restripe and add 17 wheel stops to the Rattan Creek Park parking lot once the weather allows, and the project would take two days. He then stated that he would soon complete the design of the waterline relocation project on the NW Austin Office Partners LLC tract, and submit the permit application to the City of Austin.

Director McNeil stated that the Board would next receive the attorney's report. Mr. Flahive stated that NW Austin Office Partners LLC had delivered payment of the settlement amount and Jeff Hobbs was in communication with opposing counsel to obtain dismissal of the lawsuit. Mr. Flahive then discussed with the Board the District's 2018-2019 insurance policies with Texas Municipal League Intergovernmental Risk Pool ("TML"), stating that TML had recently added Public Employee Dishonesty coverage ("PED") to its policies and would no longer insure against Theft, Disappearance & Destruction/Forgery & Alteration coverage ("TDDFA") unless the District elects to have PED. Mr. Flahive stated that the liability limit for PED must match the liability limit for TDDFA and that the District currently had a TDDFA liability limit in the amount of \$1,000,000. He stated that, subject to the Board's approval, he had advised TML that the District would purchase a \$1,000,000 liability limit for PED, at an annual cost of \$408, so that it could keep its TDDFA coverage. Mr. Flahive then stated that his office was working with Mr. Hunt's office to update the property schedule and values to ensure appropriate policy amounts. Upon motion by Director McNeil and second by Director Jones, the Board voted unanimously to purchase a \$1,000,000 liability limit for PED, at an annual cost of \$408. Mr. Flahive then stated that his office had timely published the Notice of Election in the *Austin Chronicle*, at a cost of \$9,415, which was a significant increase from the publication of the Notice of Election in connection with the 2016 election because Williamson and Travis Counties added mobile voting locations to their lists of 2018 voting locations, and that these new lists needed to be included in this year's Notice of Election. Mr. Flahive then discussed moving the November and December meetings to facilitate canvassing the November 6 election results and the Board's annual holiday dinner. Upon motion by Director McNeil and second by Director Jones, the Board voted unanimously to approve the following meeting schedule: November 19 work session, November 20 regular meeting, and December 17 work session and regular meeting. Director McNeil then left the meeting early at 7:28 p.m.

The Board then received the park and landscape report. Mr. Fadal reviewed his report, attached as **Exhibit "F"**, providing the Board with a status report on ongoing projects. He then presented proposal 9402 for fall/winter color installation, in the amount of \$1,112.32, attached

as **Exhibit "G"**. Mr. Fadal then continued with his report, stating that he would prepare Rattan Creek Park for Rattan Fest. He stated that he would begin installation of hardscape and landscaping around the Grand Pavilion when the Board elects. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve proposal 9402, as presented.

Director Conklin then addressed Mr. Marroquin to provide the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "H"**. He stated that the diving board rail repair project and community center flooring project had been completed. Mr. Marroquin stated that the community center kitchen project would begin in the near term. The Board then discussed with Mr. Marroquin and directed Mr. Marroquin to purchase 10 new, more comfortable folding chairs for the conference room.

Mr. Hunt then reviewed the cleaning services report with the Board.

The Board next received the general manager's report. Mr. Hunt referred the Board to his report, attached as **Exhibit "I"**, and reviewed it with the Board. He stated that water loss for the prior month was 2%. Mr. Hunt stated that two fire hydrants had been replaced and two additional fire hydrants would be replaced once the weather allows. He stated that six additional fire hydrants would be replaced in November. Mr. Hunt discussed with the Board the request that he conveyed to the Board at the August 12 meeting from a resident on Luckenbach Lane who had his plumber repair the District's wastewater infrastructure. He then presented one write-off for the Board's approval. Mr. Hunt then presented Environmental Consulting Services Proposal No. 18-03540 from LJA Engineering for continued implementation of the District's Storm Water Management Program for years 2020 through 2023 in the amount of \$10,500, attached as **Exhibit "J"**. He then discussed the recent vandalism at Rattan Creek Park and stated the his office had painted over the graffiti. Mr. Hunt then discussed with the Board replacing the tire swing in the playground at Rattan Creek Park, which he anticipated would cost no more than \$500. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to direct Mr. Hunt to replace the tire swing at a cost not to exceed \$500. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the one write-off and the proposal from LJA Engineering, both as presented. Mr. Hunt and Mr. Malish then discussed with the Board the initial findings of the surveyor with respect to the Robinson Park fence project. They stated that many utilities, easements and other obstacles were discovered and that they would continue to work on the project and then present their findings to the Board. Mr. Hunt stated that he would present Crossroads Utility Service, L.L.C.'s proposed Management Services Agreement to the Board at the November 20 meeting.

Director Conklin then asked if there were any bond projects to be reviewed. Mr. Hunt stated that the District's winter averaging for pricing wastewater utility service was December 1, 2018 through March 1, 2019.

Director Conklin then provided an update on the District's wholesale rate cases.

There being no future annexation, limited district conversion or other City of Austin matters to discuss, at 8:38 p.m., Director Conklin 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 relating to directors' duties. The Board reconvened in the open meeting at 8:52 p.m. and Director Conklin stated that no actions were taken during executive session.

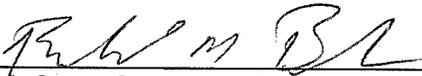
Director Conklin then asked if there were any other matters to come before the Board. Director Jones stated that she was contacted by the Girl Scouts about installing a ga-ga ball "pit" on District property in connection with pursuing a Silver Award. She stated that she would meet with the Girl Scouts and report to the Board at the November 20 meeting.

There being no other matters to come before the Board, upon motion by Director Conklin and second by Director Green, the Board voted unanimously to adjourn at 9:09 p.m.

(SEAL)



Date: November 20, 2018



Rachel Beaulieu, Asst. Sec./Asst. Treas.
Board of Directors