

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

December 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 December 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; Andrew Hunt with Crossroads Utility Services, L.L.C.; Richard Fadal with TexaScapes, Inc.; Detective Jason Waldon with the Williamson County Sheriff's Office; Jimmy and Diana Sagnes with Sage Management Services; Kevin Flahive with Armbrust & Brown, PLLC; and Diana Christiano, a resident of the District.

Director McNeil called the meeting to order at 6:04 p.m., and stated that the Board would first consider approval and acceptance of Ms. Christiano's Sworn Statement, Oath of Office, and bond for Director elected on November 6, 2018. Ms. Christiano confirmed that she had retired from the Texas Commission on Environmental Quality (the "*TCEQ*") effective December 14, 2018. Mr. Flahive then administered the Oath of Office to Ms. Christiano, a copy of which is attached as **Exhibit "B"**. Upon motion by Director McNeil and second by Director Conklin, the Board voted unanimously to approve and accept Ms. Christiano's Sworn Statement, Oath of Office, and bond. The Board then welcomed Director Christiano and thanked Mr. McNeil for his 24 years of service on the District. Mr. McNeil then departed the meeting at 6:08 p.m.

Director Conklin stated that the Board would next elect officers. He stated that it was his expectation that multiple Board members may seek the same office and, as such, that a nomination process may better serve the Board than action by motion, second and vote. Mr. Flahive stated that the Board did not have an adopted nomination process. He stated that if the Board would like to pursue election of officers in that manner, he recommended that each office be taken up individually, nominations be made, nominees be given an opportunity to speak, and then nominations be voted on in the order presented. The Board agreed to the recommended nomination process. Director Conklin then stated that the Board would first elect the President and nominated himself for the office. Director Green then nominated Director Jones for the office of President. After each of Director Conklin and Director Jones addressed the Board, the

Board first voted on the nomination of Director Conklin to the office of President, with Directors Conklin and Beaulieu voting in favor. The Board next voted on the nomination of Director Jones for the office of President, with Directors Green, Jones and Christiano voting in favor. Director Jones, as the newly elected President, stated that the Board would next elect the Vice President. Director Green nominated Director Conklin for the office of Vice President. There being no other nominations, the Board voted on the nomination of Director Conklin for the office of Vice President, with Directors Jones, Conklin, Green, Beaulieu and Christiano voting in favor. Director Jones stated that the Board would next elect the Secretary. Director Green nominated Director Beaulieu for the office of Secretary. Director Conklin then nominated Director Christiano for the office of Secretary. After Director Beaulieu and Director Christiano addressed the Board, the Board first voted on the nomination of Director Beaulieu to the office of Secretary, with Directors Green and Beaulieu voting in favor. The Board next voted on the nomination of Director Christiano for the office of Secretary, with Directors Jones, Conklin and Christiano voting in favor. Director Jones stated that the Board would next elect the Treasurer/Assistant Secretary. Director Green nominated herself for the office of Treasurer/Assistant Secretary. Director Conklin then nominated Director Beaulieu for the office of Treasurer/Assistant Secretary. The Board first voted on the nomination of Director Green for the office of Treasurer/Assistant Secretary, with Directors Jones, Christiano and Green voting in favor. Director Jones stated that the Board would then elect the Assistant Secretary/Assistant Treasurer and nominated Director Beaulieu. There being no other nominations, the Board voted unanimously to elect Director Beaulieu to the office of Assistant Secretary/Assistant Treasurer. The composition of the Board was then as follows:

Jo Jones	-	President
Donald G. Conklin	-	Vice President
Diana Christiano	-	Secretary
Kim Green	-	Treasurer/Assistant Secretary
Rachel Beaulieu	-	Assistant Secretary/Assistant Treasurer

The Board then reviewed the revised District Registration Form, attached as **Exhibit “C”**. Upon motion by Director Green and second by Director Christiano, the Board voted unanimously to approve the revised District Registration Form and to direct Mr. Flahive to file it with the TCEQ.

Director Jones stated that the Board would next consider approval of an Amended and Restated Resolution Establishing Committees and Appointing Committee Members. After discussion, upon motion by Director Conklin and second by Director Christiano, the Board voted unanimously to approve the Amended and Restated Resolution Establishing Committees and Appointing Committee Members attached as **Exhibit “D”**.

Director Jones stated that the Board would next consider approval of the November 19, 2018 and November 20, 2018 minutes. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously to approve the November 19, 2018 minutes, as presented, with Director Jones abstaining. Upon motion by Director Green and second by Director Christiano, the Board voted unanimously to approve the November 20, 2018 minutes, as presented, with Director Jones abstaining.

There being no citizens in attendance and desiring to address the Board and no report from the Rattan Creek Neighborhood Association, the Board then received the restrictive covenants report. Ms. Sagnes discussed the open enforcement matters with the Board, stating that no Board action was required, with the exception of the enforcement action relating to

13122 Amarillo Avenue. Mr. Flahive discussed the matter with the Board. Following discussion, the Board elected to postpone action on the matter until the January 16, 2019 regular meeting.

Director Jones stated that the Board would next receive the security report. Detective Waldon reviewed the report, attached as **Exhibit "E"**. He stated that the Williamson County Sheriff's Office had received 112 calls from within the District during the month of November. Detective Waldon stated that he believed the increased patrols had been helpful. Director Beaulieu then requested that Mr. Hunt provide copies of the patrol log that was not included in the meeting packet.

The Board next received the bookkeeper's report. Ms. Bott reviewed the cash activity report, attached as **Exhibit "F"**, including the director and vendor payments and five transfers. After the Board's review of the cash activity report, Ms. Bott reviewed the November financials, stating that the District had a \$327,000 positive actual to budget variance two months into its fiscal year. Upon motion by Director Beaulieu and second by Director Christiano, the Board voted unanimously to approve all director and vendor payments and the five transfers, as presented in the cash activity report. Ms. Bott then presented the following to remove Mr. McNeil and add Director Christiano as a signatory on the District's BancorpSouth Bank accounts: (i) Secretary's Certificate and Resolution Regarding General Manager's Account, attached as **Exhibit "G"**; (ii) Resolution Approving Change in Bank Signatories; and Change Certificate (Manager's Account), attached as **Exhibit "H"**; (iii) Secretary's Certificate and Resolution Regarding Operating Account, attached as **Exhibit "I"**; and (iv) Resolution Approving Change in Bank Signatories and Change Certificate (Operating Account), attached as **Exhibit "J"**. Ms. Bott then presented the following to remove Mr. McNeil and add Director Christiano as a signatory on the District's First Citizen Bank accounts: (v) Secretary's Certificate and Resolution Regarding Operating Account, attached as **Exhibit "K"**; and (vi) Resolution Approving Change in Bank Signatories and Change Certificate (Operating Account), attached as **Exhibit "L"**. Upon motion by Director Beaulieu and second by Director Green, the Board voted unanimously to approve all certificates and resolutions, as presented.

The Board next received the solid waste services report. Mr. Hunt referred the Board to his report in the meeting packet.

Director Jones stated that the Board would next receive the landscape maintenance report. Mr. Fadal reviewed his report, attached as **Exhibit "M"**, with the Board. He stated that the parks and greenbelts were in good condition. Mr. Fadal reported that the hardscaping and landscaping project around the Great Pavilion had been completed. The Board complimented Mr. Fadal on the project. Mr. Fadal stated that he would contact the Parks & Greenbelt Committee in January to schedule a meeting to review proposals for presentation to the Board.

Director Jones then addressed Mr. Marroquin to provide the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "N"**. He stated that he was soliciting proposals from Hines for pool repair projects to be performed when the pool is drained in the coming months. Mr. Marroquin then proposed that the Board increase the community center hours of operation from the present schedule of 4:30 p.m. to 8:00 p.m. on Monday, Wednesday and Friday, to a schedule of 5:00 p.m. to 8:00 p.m. on every weekday. He stated that the increased hours of operation would still be within budget. Director Jones stated that the Community Center Committee supported the increase in hours of operation. The Board then directed Mr. Marroquin to increase the hours of operation, as proposed.

The Board next received the general manager's report. Mr. Hunt referred the Board to his report, attached as **Exhibit "O"**, and reviewed it with the Board. He stated that water loss for the prior month was 5%. Mr. Hunt stated that eight fire hydrants had been replaced and his office would continue with additional fire hydrants to meet the 15 hydrants per year goal. He then presented three write-offs for the Board's approval. Mr. Hunt then presented the draft Request for Proposals for Solid Waste Disposal Services, stating that he had worked with Mr. Flahive's office to prepare the document. He stated that the Solid Waste Disposal RFP Committee had provided comments to the document, which he would further revise with assistance from Mr. Flahive's office and provide to the Board via email prior to the January 16, 2019 regular meeting and include in the meeting packet. Mr. Hunt then stated that the Phase II (Small) MS4 Annual Report prepared by LJA Engineering had been filed with the TCEQ. He stated that he would schedule a meeting with the Parks & Greenbelt Committee in the Spring to discuss proposals to the Board. Mr. Hunt then reviewed his memorandum providing a timeline of actions taken by his office during the City of Austin boil water notice incident. Director Conklin stated that he thought Mr. Hunt's office did a great job addressing the matter. The other Board members agreed. Mr. Hunt stated that his office would close out the matter by delivery of a mandatory letter to the TCEQ, which he would deliver on behalf of the District with City of Austin's mandatory letter within the next one to two weeks. Upon motion by Director Beaulieu and second by Director Green, the Board then voted unanimously to approve the three write-offs, as presented. Mr. Hunt stated that he would continue to work with Ms. Bott's office to identify and present any proposed recommendations regarding the scope of uses of funds deposited by applicants pursuant to Section II.F. of the District's March 15, 2017 rate order and appropriate timing of return of any excess funds to the applicant. Lastly, he discussed the Management Services Agreement with the Board. After discussion, the Board elected to discuss the agreement at the January 14, 2019 work session and consider action on the agreement at the January 16, 2019 regular meeting.

The Board then received the engineer's report from Mr. Malish. He referred the Board to his report, attached as **Exhibit "P"**, and reviewed it with the Board. Mr. Malish updated the Board on the status of his office's work on modifying the design of the Tamayo bridge project to add two additional culverts, as discussed at the November 20 regular meeting. He stated that he planned to present the structural engineer's proposal for the project at the January 16 regular meeting. Mr. Malish stated that the Amber Oaks 4, 5 & 6 project and self-storage projects were ongoing and that he was awaiting applicant deliverables before he would bring the projects to the Board for consideration of acceptance. He 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 in January. He then stated that he would submit the permit application for the waterline relocation project on the NW Austin Office Partners LLC tract to the City of Austin within the week. Mr. Malish then stated that discussions with the Texas Department of Transportation regarding the Parmer Lane bridge project were ongoing. He reviewed with the Board a preliminary illustration of the estimated location of the new 100 year floodplain along Robinson Park based on the Atlas 14 methodology. Mr. Malish stated that he would present a surveying proposal for the area to the Board at the January 16 regular meeting. He then stated that he was awaiting applicant deliverables before he would bring the Champion School of Real Estate project to the Board for consideration of acceptance.

Director Green then provided the lobbyists' report.

There being no bond projects to be reviewed, Director Conklin and Mr. Hunt then provided an update on the District's wholesale rate cases.

There being no future annexation, limited district conversion, or other City of Austin related issues to come before the Board, the Board next received the attorney's report. Mr. Flahive confirmed that on November 6, 2018, Judge Donna King signed an Agreed Order of Dismissal with Prejudice dismissing the lawsuit relating to Water Line Easement (OPRWTC 2001060527). He then presented the Water Lines Easement for the Champions School of Real Estate project, attached as **Exhibit "Q"**. After discussion, upon motion by Director Beaulieu and second by Director Green, the Board voted unanimously to approve and execute the Water Line Easement and direct Mr. Flahive to record the easement with the Williamson County Clerk's Office.

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 8:12 p.m.

(SEAL)



Diana Christiano

Diana Christiano, Secretary
Board of Directors

Date: January 16, 2019