

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

March 21, 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 March 21, 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, except for Director McNeil and Director Green, 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.; James and Diana Sagnes with Sage Management Services; Marc Marroquin with Premier Recreation Management; Richard Fadal with TexaScapes, Inc.; Andrew Hunt with Crossroads Utility Services, L.L.C.; Sergeant Brogden with the Williamson County Sheriff's Office; Ben Bracher with Central Texas Refuse, Inc.; April Bliss with the Rattan Creek Neighborhood Association; and Kevin Flahive with Armbrust & Brown, PLLC.

Director Conklin called the meeting to order at 6:06 p.m., and stated that the Board would first consider approval of the February 19, 2018, February 21, 2018, and February 22, 2018 minutes. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the February 19, 2018 minutes, as presented. Upon motion by Director Beaulieu and second by Director Jones, the Board voted unanimously to approve the February 21, 2018 minutes, as presented. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the February 22, 2018 minutes, as presented.

There being no citizens in attendance desiring to address the Board, Director Conklin addressed Mr. Bracher. Mr. Bracher discussed with the Board that Spring Clean-Up would occur on March 24 and all trash should be curbside by 8:00 a.m. He then discussed with the Board the contractor's policy that up to 7 yard waste bags will be picked up with the trash for each customer within the District. Mr. Bracher explained that the policy may not have been as stringently enforced during the years of drought, but with increased rainfall the increase in excessive bags of yard waste had prompted the contractor to enforce the limit. After discussion and upon request by Director Conklin, Mr. Bracher agreed to prepare and provide a proposal for a one-day District-wide pick up of unlimited yard waste bags for the Board's consideration. Mr. Bracher also stated that he would provide extra trash cans for the Crawfish Boil event in Rattan Creek Park on April 21.

Director Conklin then addressed Ms. Bliss to provide the Rattan Creek Neighborhood Association (the "RCNA") report. Ms. Bliss stated that the RCNA's next event would be the Easter Egg Hunt on March 31, followed by the Crawfish Boil on April 21. She requested, and Mr. Fadal agreed, to turn off the automatic sprinkler system in the park prior to the two events. Ms. Bliss then discussed with the Board the 2,000 door-hangers and 2,000 post cards that the RCNA had distributed to residents of the District, at a cost of \$1,000.

The Board next received the restrictive covenants report. Mr. Flahive stated that there were no enforcement items requiring the Board's action. He then discussed with the Board the possibility of directing Sage Management to conduct its tours and deliver its violation letters on the same days each month to avoid delays in the enforcement process.

Director Conklin then addressed Ms. Bott to provide the bookkeeper's report. Ms. Bott referred the Board to the cash activity report that she handed out, attached as Exhibit "B". She reviewed with the Board the director and vendor payments, two transfers and one certificate of deposit closure, stating that the TexPool and Logic accounts were paying higher interest rates than the certificate of deposit. Ms. Bott then reviewed the February financials with the Board. After discussion, upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the director and vendor payments, two transfers and one certificate of deposit closure, as presented.

The Board next received the security report. Sergeant Brogden stated that there were fewer calls than usual during the month of February, but more calls than usual during the month of March, primarily due to concern about package bombs. He stated that Detective Waldon had been very active patrolling the District's parks and greenbelts on the bicycle purchased by the District. Sergeant Brogden stated that he was working to ensure very little, if any, overlap of shifts. After discussion regarding recent mail kiosk thefts, Sergeant Brogden stated that he would schedule shifts during the times that those thefts had occurred. He then asked the Board if the off-duty deputies contracting with the District could use the pool. The Board stated that the deputies could use the pool, when open to the residents, at no charge.

The Board then revisited the restrictive covenants report with Mr. and Mrs. Sagnes. After discussion, Mr. Flahive stated that he would have his staff contact Mr. and Mrs. Sagnes to establish a more efficient and consistent tour and letter delivery schedule to ensure greater efficiency of the enforcement process.

Director Conklin stated that the Board would next receive the park and landscape report. Mr. Fadal reviewed his report, attached as Exhibit "C". He stated that he would conduct a Spring tour of the District's greenbelts and parks with the Parks & Greenbelt Committee in the near term. Mr. Fadal stated that all approved projects had been completed.

Director Conklin then addressed Mr. Marroquin to provide the pool and community center report. Mr. Marroquin reviewed his report, attached as Exhibit "D", with the Board. He and Mr. Hunt then referred the Board to the two proposals from Sundek for installation of epoxy floor covering in the pool entry area and restrooms, in the amount of \$3,882.40, and the exterior restrooms/dressing rooms, in the amount of \$6,762.60, both of which are attached as Exhibit "E". After discussion, upon motion by Director Jones and second by Director Conklin, the Board voted unanimously to approve both Sundek proposals, as presented, and to direct Mr. Marroquin and Mr. Hunt to secure portable toilets for use by residents while the flooring was being installed. Mr. Marroquin then discussed with the Board establishing a Spring pool pass, and options for same. After discussion, the Board elected to postpone action until the April

regular meeting, at which the Pool Committee members may be present. The Board then directed Mr. Marroquin to prepare and present an accounting of the number of Winter pool passes and Summer pool passes at the April regular meeting. The Board also directed Mr. Marroquin to have the front doors of the community center repaired.

Director Conklin then addressed Mr. Hunt to provide the general manager's report. Mr. Hunt referred the Board to his report, attached as Exhibit "F", and reviewed it with the Board. He stated that water loss was very low and there were no major repair items. Mr. Hunt stated that the District's new MS4 permit, due in late 2018, would be issued by the Texas Commission on Environmental Quality in 2019 due to staff delays. He stated that the park repair projects approved by the Board at the February 21 regular meeting were ongoing. Mr. Hunt then discussed with the Board the damage to the "Rattan Creek" sign located at the intersection of Amarillo Drive and McNeil Drive due an auto accident. He presented to the Board a proposal from T Bar M Land Services, LLC, attached as Exhibit "G", to repair the sign at a cost of \$4,825.00, which amount may increase if the lettering cannot be repaired. Mr. Hunt also presented one write-off for the Board's approval. Upon motion by Director Jones and second by Director Beaulieu, the Board voted unanimously to approve the proposal and the write-off, as presented. Director Beaulieu then directed Mr. Hunt to inspect the exercise equipment at station 12 on the hike and bike trail, as it appeared to her that the equipment had been spray painted.

The Board next received the engineer's report from Mr. Malish. He referred the Board to his report, attached as Exhibit "H", and reviewed it with the Board. Mr. Malish stated that he had issued a notice to proceed on March 5 to Joe Bland Construction, LP with respect to the Tamayo Drive bridge project. He stated that the culverts were being fabricated off-site and on-site work would begin in one to two weeks. Mr. Malish stated that the contractor had requested to work on Saturdays to expedite the project, which the Board could approve, in its discretion. The Board agreed, so long as no complaints were received. Mr. Malish stated that the plans for the Champion School of Real Estate project had been approved by the City of Austin. He stated that the City of Austin staff reviewing the plans for the Amber Oaks, Lots 4, 5 & 6 project incorrectly understood that the water and wastewater lines serving the project were City of Austin lines. Mr. Malish stated that he would correct them. He stated that the application for the Advanced Smiles Dental project would soon expire with the City of Austin and the applicant would have to resubmit the application. Mr. Malish then discussed the waterline easement disagreement with City of Austin staff, which he and Mr. Flahive had discussed with the Board at the February 21 meeting. The Board directed Mr. Malish to pursue resolution of the matter with City of Austin staff and directed Mr. Flahive to assist by contacting the City of Austin Law Department. Mr. Malish stated that he was awaiting receipt of the proposal from Utility Testing and Services for TVing the District's wastewater lines. He and Mr. Flahive then discussed with the Board the various water line easements to be granted and alternatively partially released in connection with settlement of the easement dispute with NW Austin Office Partners, LLC. The Board agreed with the approach presented by Mr. Malish and Mr. Flahive.

The Board next considered the Resolution Adopting Amended Code of Ethics and Financial Investment, Financial Management, Travel, and Professional Services Policies; Amended Investment Strategies; and Amended List of Qualified Brokers; Confirming Designation of Investment Officers; and Confirming Annual Reviews, attached as Exhibit "I". After discussion with Mr. Flahive, upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the resolution.

There being no bond projects, City of Austin wholesale rate case matters, future annexation, limited district conversion or other City of Austin items to address, the Board next received the attorney's report. Mr. Flahive presented the proposed Water Lines Easement on the Champion School of Real Estate tract, attached as **Exhibit "J"**, which Mr. Malish had requested the property owner grant to the District. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to accept the Water Lines Easement, if the property owner elects to grant the easement to the District.

There being no other matters to come before the Board, upon motion by Director Beaulieu and second by Director Jones, the Board voted unanimously to adjourn at 8:35 p.m.

(SEAL)

Jo Jones, Secretary
Board of Directors

Date: May 16, 2018

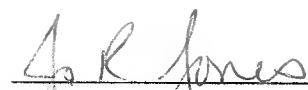
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