

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

August 15, 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 August 15, 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, with Director Conklin arriving late, 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.; Linda Hubble with Public Finance Group, LLC; Sergeant Troy Brogden with the Williamson County Sheriff's Office; Tom Letizia with T Bar M Land Services, LLC; April Bliss with Rattan Creek Neighborhood Association; and Kevin Flahive with Armbrust & Brown, PLLC.

Director McNeil called the meeting to order at 6:04 p.m., and stated that the Board would consider approval of the June 20, 2018, July 23, 2018, July 25, 2018 and July 30, 2018 minutes. Director McNeil pointed out to Mr. Flahive a correction on lines 92 of the June 20, 2018 minutes. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the June 20, 2018 minutes, as corrected. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the July 23, 2018 minutes, as presented. Director Conklin arrived at 6:06 p.m. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the July 25, 2018 minutes, as presented, with Director Conklin abstaining. And, upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the July 30, 2018 minutes, as presented.

There being no citizens desiring to address the Board, Director McNeil addressed Ms. Bliss to deliver the report from the Rattan Creek Neighborhood Association (the "RCNA"). Ms. Bliss stated that Rattan Fest would be held in Rattan Park on September 29. She stated that the RCNA would have a live performance by Polynesian dancers from 1:00 p.m. to 2:00 p.m. and encouraged the Board to attend. Ms. Bliss stated that she had been coordinating security services for the event with Sergeant Brogden. She then stated that she would coordinate with Mr. Hunt regarding the District-wide garage sale, to be followed by bulk pickup, in the fall.

Director McNeil stated that the Board would next receive the security report and recognized Sergeant Brogden. Sergeant Brogden reviewed his report with the Board, stating that burglaries had increased in frequency within the District and surrounding area. Director Jones asked Ms. Bliss to add a notice regarding the burglaries to the RCNA's website. Ms. Bliss agreed to do so. Sergeant Brogden then discussed an incident involving underage drinking at a recent teen night at the pool. The Board directed Mr. Marroquin to coordinate with Sergeant Brogden for security at future teen nights at the pool. Mr. Marroquin stated that a deputy was in attendance at the most recent teen night at the pool and that there were no incidents. Director Green then asked Sergeant Brogden to be aware of a suspicious young man posing as a meter reader within the District. Director Beaulieu asked Sergeant Brogden to extend her thanks to Sergeant Zion for his assistance with addressing derelict cars parked on streets within the District.

The Board then addressed the 2018/2019 budget and 2018 tax items. Ms. Hubble stated that she had presented the Certified Appraised Value of \$1,290,353,464 and conducted a work session with the Board regarding the 2018-2019 budget at the Board's work session on July 30. She recommended that the Board establish a proposed tax rate of \$0.2830, a decrease from the current tax rate of \$0.2880, of which \$0.0403 would be allocated to debt service and the remaining \$0.2427 would be allocated to operation and maintenance. Ms. Hubble then reviewed the notice of public hearing on tax rate, stating that the hearing would occur at the Board's September 12 regular meeting. After discussion, upon motion by Director Conklin and second by Director Green, the Board voted unanimously to approve a proposed tax rate of \$0.2830, to schedule the public hearing on the tax rate for September 12 at 6:00 p.m. at the community center, and to authorize Mr. Flahive to publish notice of the public hearing on the tax rate.

The Board next received the restrictive covenants report. Mr. Flahive stated that Mr. and Mrs. Sagnes had a scheduling conflict and could not attend. He then reviewed the report with the Board and discussed the pending matters, none of which required the Board's action at the time pursuant to the District's enforcement policy. After discussion, the Board directed Mr. Flahive to advise Sage Management to deliver initial letters to the owners of 13104 and 13122 Amarillo Avenue relating to the fences extending beyond the front elevation of the residences.

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 three added checks for payment of the July water and wastewater invoice, pest control services, the director and crime bond renewal and the additional transfer, all as set forth on the updated cash activity report. Upon motion by Director McNeil and second by Director Jones, the Board voted unanimously to approve the three payments and one transfer, as presented.

The Board then received the park and landscape report. Mr. Fadal reviewed his report, attached as **Exhibit "C"**. He stated that his crews had mowed the wildflower area, adjustments in irrigation had been made to address areas drying out due to the heat, and he would ensure that Rattan Park would be prepared for the Rattan Fest event. Mr. Fadal stated that he had contacted the resident contact with whom he was coordinating the selective pruning project in the greenbelt, which would commence in the near term. He then presented proposal 9378 for Rattan Park trail lip/bump and other repairs, in the amount of \$20,968.25, attached as **Exhibit "D"**. The Board discussed options for ramp construction and ultimate replacement of portions of the trail subject to frequent washouts, identified as areas 5 through 9 on the proposal, with concrete sidewalk. After discussion, upon motion by Director Green and second by Director Beaulieu, the Board voted unanimously to approve the proposal, as presented. Mr. Fadal then

presented proposal 9379 for Grand Pavilion Landscape Improvements, in the amount of \$22,088.94, attached as **Exhibit “E”**, and proposal 9381 for Grand Pavilion Hardscape, in the amount of \$16,890.20, attached as **Exhibit “F”**. He recommended installation of the hardscape in the near term, followed by the landscape in the Fall. Mr. Fadal then discussed grass options with the Board. After discussion, upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve both proposals 9379 and 9381, as presented.

The Board next considered contract no. 001-0818-001 with T Bar M Land Services, LLC for installation of a sidewalk to the pavilion within Rattan Park, in the amount of \$5,500, attached as **Exhibit “G”**. Mr. Letizia discussed timing of installation with the Board, which would be following all other work relating to the pavilion. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the contract, as presented.

Director McNeil then addressed Mr. Marroquin to provide the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit “H”**, with the Board. He stated that pool memberships and community center rentals continued to increase. Mr. Marroquin then presented the Rattan Creek Kitchen Remodel Proposal, in the not-to-exceed amount of \$5,000, attached as **Exhibit “I”**, and the Rattan Creek Floor Remodel Proposal, in the not-to-exceed amount of \$19,500, attached as **Exhibit “J”**. The Board discussed the need to add additional countertop expense to the kitchen remodel project. Director Conklin stated that he was concerned about the large amount of the contingency line item in the proposal and would like to receive an explanation if it is utilized, but supported the proposal. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the Rattan Creek Kitchen Remodel Proposal, modified to a not-to-exceed amount of \$6,000 to account for the additional countertop expense. The Board then discussed the floor remodel proposal. Director Conklin asked about the necessity of the project and the flooring material to be used. Mr. Marroquin explained that the project was largely aesthetic and provided samples of the flooring material. After discussion, upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the Rattan Creek Floor Remodel Proposal, as presented. Mr. Marroquin then presented the Pool Use Agreement with CK Swimming LLC for the Sailfish Swim Team, attached as **Exhibit “K”**, explaining that the agreement contained the same terms as the existing agreement that would soon terminate. He stated that the Lease of Pool with St. Dominic Savio Catholic High School, also in the meeting packet, auto-renewed annually unless action was taken by the Board, and requested confirmation that the Board was satisfied with auto-renewal under the same terms. Director Green recommended that the effective date of the Pool Use Agreement be changed from September 1, 2018 to September 15, 2018 and that the term “exclusive” in the first sentence of Section 1.a. of the agreement be changed to “non-exclusive”. The Board then discussed the scope of CK Swimming LLC’s use of the pool over the prior year, as compared to the permitted scope of use under the agreement. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to postpone action on the Pool Use Agreement to the September 12 regular Board meeting and to direct Mr. Marroquin to request that Chris Kjeldsen attend the September 12 meeting. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to allow the Lease of Pool to auto-renew under the same terms. Mr. Marroquin then reported to the Board that the side railing on one of the diving boards had broken earlier in the day and that he would contact Hines to repair or replace the railing. The Board directed Mr. Marroquin to close both diving boards until such time as they could be inspected and repaired or replaced by Hines.

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 "L"**, and reviewed it with the Board. He stated that off-duty deputies would be in attendance providing security services for Rattan Fest. Mr. Hunt stated that water loss for the prior month was 1%. He stated that work on the fire hydrant repair project was ongoing. Mr. Hunt stated that the Rattan Park irrigation water well was functioning properly. He then presented two write-offs for Board approval. Mr. Hunt stated that Central Texas Refuse had missed more pickups the prior month and that he would send a letter notifying management. He then reported on the recent MS4 permit coalition meeting. Mr. Hunt stated that he had met with the tennis court resurfacing contractor regarding various options, for consideration in connection with the Board's adoption of the 2018-2019 budget. He then stated that Mr. Letizia had secured the driveway permits for the trailhead ramp project and that installation of driveways instead of narrower ramps would be at the same cost to the District. Mr. Hunt stated that he would contact the Jollyville Fire Department regarding the type of bollards that it would prefer be installed at the trailheads. He stated that he had been in touch with Commissioner Cook's staff regarding the request for tree trimming within Williamson County's right-of-way in the District. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the two write-offs, as presented.

The Board then received the engineer's report from Mr. Malish. He referred the Board to his report, attached as **Exhibit "M"**, and reviewed it with the Board. Mr. Malish stated that the Tamayo Drive bridge project remained delayed by the gas line relocation effort by Texas Gas Service. He stated that the Amber Oaks 4, 5 & 6 project and the Advanced Smiles project were being developed by the same contractor. Mr. Malish stated that a preconstruction conference for the 7-Eleven and self-storage projects would be held the following day and that he planned to attend. He then reviewed with the Board two wastewater lines in need of repair, as identified in the wastewater line TVing report. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to direct Crossroads Utility Services, L.L.C. to perform the wastewater line repairs on a costs and materials basis pursuant to its Management Services Agreement with the District. Mr. Malish then discussed the terms of the construction contract with T Bar M Land Services, LLC in relation to the irrigation facilities damaged during construction of the pavilion in Rattan Park and the content of his discussions with Mr. Fadal, who performed the repairs and installation of additional irrigation facilities unrelated to the damage, and Mr. Letizia. He stated that Mr. Fadal estimates that approximately \$700 of the \$4,900 cost incurred by the District was for repair of damaged irrigation facilities. Mr. Fadal stated that the amount was an estimate and that he would determine a more exact figure and provide it to Ms. Bott. Mr. Letizia stated that he would pay the cost of the repair either by discounting an invoice for the pavilion project or through reimbursement to the District. Mr. Malish then stated that he drove the manhole repair project with representatives of Wheeler Coatings and expected to present a proposal for the project that also includes a line item for resurfacing and restriping the community center parking lot at the September 12 regular Board meeting.

The Board next considered the proposal from West, Davis & Company, LLP for audit services for the fiscal year ending September 30, 2018, attached as **Exhibit "N"**. Mr. Flahive stated that Bob West had a scheduling conflict and was unable to attend. He stated that the terms of the proposal were the same as the previous year and that Mr. West appreciated the Board's consideration. Upon motion by Director Green and second by Director Beaulieu, the Board voted unanimously to approve the proposal, as presented.

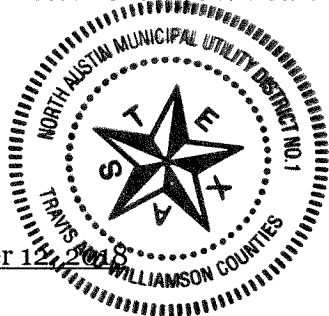
There being no bond projects to discuss, Director Conklin then discussed with the Board the content of discussion and actions taken by the City of Austin wholesale rate case coalition on

the recent conference call. He then stated that he would obtain the engagement letter with Borgelt Law, as approved by the Board at the July 25 regular Board meeting. Director Conklin stated that he and Director Jones planned to meet with Roger Borgelt and Marty DeLeon within the next week or two.


The Board next received the attorney's report. Mr. Flahive stated that NW Austin Office Partners LLC's counsel had again requested revisions to the Settlement Agreement and Release and presented those requested changes to the Board. After discussion, the Board elected to decline the requested changes and directed Mr. Flahive to add an item to the September 12 regular meeting agenda for the Board to consider rescinding its approval of the Settlement Agreement and Release at the Board's June 20 regular meeting.

There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Green, the Board voted unanimously to adjourn at 9:40 p.m.

(SEAL)



Date: September 12, 2018



Jo Jones, Secretary
Board of Directors