

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

September 12, 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 September 12, 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; Jessie Haug with the Girl Scouts Springwoods Service Unit; Basia Cohen and members of Girl Scout Troop 1432; Kevin Flahive with Armbrust & Brown, PLLC; and the following residents of the District: Patsy Shelton, Amy Kofron, Don Ayers and Diana Christiano.

Director McNeil called the meeting to order at 6:02 p.m., and stated that the Board would consider approval of the August 13, 2018 and August 15, 2018 minutes. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the August 13, 2018 minutes, as presented, with Director Beaulieu abstaining. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the August 15, 2018 minutes, as presented, with Director Beaulieu abstaining.

The Board then received citizens communications. Director McNeil addressed Ms. Cohen and members of Girl Scout Troop 1432, who requested the Board's permission to install 10 bird houses on poles of six feet in height within the District's parks and greenbelts, which bird houses would be checked monthly for maintenance and repairs and cleaned annually. The Board asked how long the scouts intended to maintain the bird houses. Ms. Cohen stated that the bird houses would be maintained as long as possible and once their condition diminishes to the extent that they cannot be repaired, they would be removed. She stated that, if permitted to do so, the troop would install the bird houses prior to February 2019. The Board agreed to allow the bird houses and directed Ms. Cohen to coordinate with the Parks & Greenbelt Committee with respect to the locations of the bird houses. Ms. Cohen then stated that she wanted to address the Board on behalf of Deerpark Middle School Parent Teacher Association regarding the Ranger Run event on September 29 from 7:00 a.m. until 10:00 a.m. She asked if the District

would donate additional security services and permit use of 10 tables for the event. The Board agreed and directed Ms. Cohen to coordinate with Mr. Hunt. Ms. Haug then addressed the Board and requested use of the community center and Rattan Creek Park from 6:00 p.m. until 8:30 p.m. on October 27 for the Girl Scouts Springwoods Service Unit's Halloween "spooktacular" event. The Board agreed and directed Ms. Haug to coordinate with Mr. Hunt. Ms. Haug and the Board then discussed the return of deposit made by the Girl Scouts for use of the community center in May and the initial \$500 deposit made by the Girl Scouts approximately 10 years ago, as troops will merge in the coming months. The Board directed Ms. Bott to issue a check refunding the deposit to the Girl Scouts. Director McNeil then addressed Ms. Shelton and Ms. Kofron, who discussed with the Board the wooden fence that they installed in the front yard of their home at 13122 Amarillo Avenue, which was in violation of applicable restrictive covenants and for which they had received a letter from Sage Management. Ms. Shelton and Ms. Kofron presented pictures of the fence, other front yard fences within the District, and similar fences in other areas of Austin. They stated that the purpose of the fence was to screen the property and provide shade for landscaping. At the Board's direction, Mr. Flahive explained the District's process for restrictive covenant enforcement pursuant to Section 54.237 of the Texas Water Code. After discussion, the Board took no action on the matter.

There being no report from the Rattan Creek Neighborhood Association, Director McNeil stated that the Board would next address the 2018/2019 budget and 2018 tax items. Mr. Hunt distributed the budget, attached as **Exhibit "B"**. He stated that the District had published 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, which the Board discussed at the September 10 work session. The Board discussed and clarified that the inclusion of funds in the budget to fund a potential project does not indicate approval of the expenditure of funds for the project. Director McNeil then opened the public hearing regarding the proposed 2018 tax rate and asked if anyone in attendance desired to address the Board. There being no one in attendance desiring to address the Board, Director McNeil then closed the public hearing. Mr. Hunt then reviewed the budget with the Board. After discussion, upon motion by Director McNeil and second by Director Conklin, the Board voted unanimously to adopt the budget, as presented, including the Resolution Adopting Budget, attached as **Exhibit "C"**. Then, upon motion by Director McNeil and second by Director Jones, the Board voted unanimously to establish a tax rate of \$0.2830 and adopt the Order Levying Taxes attached as **Exhibit "D"**, with Directors McNeil, Conklin, Jones, Green and Beaulieu all present and voting "aye." Upon motion by Director McNeil and second by Director Jones, the Board then voted unanimously to approve an Amended and Restated Information Form, attached as **Exhibit "E"**.

Director McNeil stated that the Board would next receive the bookkeeper's report. Ms. Bott reviewed the updated cash activity report, attached as **Exhibit "F"**. She discussed the two added checks for payment of additional per diems to Director Conklin and the August water and wastewater invoice, both as set forth on the updated cash activity report. Upon motion by Director McNeil and second by Director Green, the Board voted unanimously to approve the two payments, as presented.

The Board next received the security report. Sergeant Brogden reviewed his report, attached as **Exhibit "G"**. He stated that the Williamson County Sheriff's Office had received 179 calls from within the District during the month of August. Sergeant Brogden stated that it was a very busy month and most of the calls related to burglaries, thefts and suspicious persons. The Board discussed increasing patrols and directed Mr. Flahive to add an item to the October 17 regular meeting agenda for that purpose. Director Conklin and Director Jones then stated

that they desired to address the Williamson County Commissioners Court to voice the Board's support for the deputies that provide security services to the District.

The Board then received the park and landscape report. Mr. Fadal reviewed his report, attached as **Exhibit "H"**. He then presented proposal 9391 for fall overseeding and light topdressing of irrigated turf, in the amount of \$17,040.00, attached as **Exhibit "I"**. Mr. Fadal then continued with his report, stating that he would prepare Rattan Creek Park for Rattan Fest. He stated that the irrigation and turf had been installed around the Grand Pavilion and the remainder of the landscaping component of the project would commence when the Board elects. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve proposal 9391, as presented.

Director McNeil then addressed Mr. Marroquin to provide the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "J"**. He stated that there were approximately 200 more pool memberships in 2018 than there were in 2017. Mr. Marroquin stated that he had received one proposal to repair the diving board rails, but it was very high and he would request additional proposals before performing the project. Director Conklin then asked Mr. Marroquin to keep a record of repairs of the community center and pool so that the Board could reference the record, as needed. Upon motion by Director McNeil and second by Director Conklin, the Board voted unanimously to approve the diving board rail repair project in amount not to exceed \$3,300.00. Mr. Marroquin then continued with his report, including the following recommendations: (i) change the term of summer pool passes to be March 15 through September 15; (ii) change the term of winter pool passes to be September 16 through April 30; (iii) change the out-of-District pool pass price to be \$100.00 per person, annually; and (iv) change the District resident pool pass price to be \$35.00 per person. He then reviewed with the Board the new pavilion rental rates and revised forms proposed by the Community Center Committee, attached as **Exhibit "K"**. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to accept all recommendations and approve the revised forms. Mr. Marroquin then reviewed the proposed Pool Use Agreement with CK Swimming LLC for the Sailfish Swim Team containing revisions made pursuant to the discussion with Chris Kjeldsen at September 10 work session. Mr. Marroquin and Mr. Flahive discussed additions and revisions to the agreement with the Board. Upon motion by Director Green and second by Director McNeil, the Board voted unanimously to approve the Pool Use Agreement in the form attached as **Exhibit "L"**.

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 "M"**, and reviewed it with the Board. He stated that recalibration and, when necessary, replacement of water meters over two inches in diameter was ongoing. Mr. Hunt stated that water loss for the prior month was 1%. He stated that he continued to work on scheduling a meeting with Commissioner Cook, which Director Conklin and Director Jones would attend. Mr. Hunt then discussed with the Board scheduling the Town Hall Meeting for October 2 at 6:00 p.m. at the community center. He then discussed with the Board a repair to the District's wastewater infrastructure on Luckenbach Lane made by a resident's plumber, for which the resident was requesting reimbursement. Mr. Hunt stated that he continued to work on the matter with the resident and expected to bring the reimbursement request to the Board at the October 17 regular meeting. He then presented one write-off for the Board's approval. Mr. Hunt discussed recent missed pickups by Central Texas Refuse, as well as his receipt of notice of a consumer price index fee increase from Central Texas Refuse. The Board then discussed preparation of a request for proposals for solid waste disposal services

with Mr. Hunt and Mr. Flahive. Mr. Hunt then stated that he had met with Director McNeil and Director Conklin to discuss proposed changes to Crossroads Utility Service, L.L.C.'s Management Services Agreement with the District and intended to meet one additional time before presenting the proposed agreement to the Board at the October 17 regular meeting. Director Conklin then asked Mr. Hunt to confirm the dates of the City of Austin's winter averaging and provide those dates to him for inclusion in his presentation at the Town Hall Meeting. The Board then determined that the Town Hall Meeting would be held on October 2 at 6:00 p.m. at the community center, but may be moved to October 16 in the event that Director Conklin and/or Mr. Malish are unavailable on October 2. Upon motion by Director Conklin and second by Director McNeil, the Board voted unanimously to approve the one write-off, as presented.

The Board then received the engineer's report from Mr. Malish. He referred the Board to his report, attached as **Exhibit "N"**, and reviewed it with the Board. Mr. Malish discussed the proposed gas line relocation design prepared by Texas Gas Service's engineer and the content of his discussions with Texas Gas Service regarding same, including the portion of the project that Texas Gas Service asserted the District would be obligated to fund. The Board directed Mr. Flahive to review the District's contract with Texas Gas Service and applicable law and assist Mr. Malish with discussions with Texas Gas Service regarding the project. Mr. Malish stated that he would follow up with the Bond Projects Committee regarding the project. He stated that the Amber Oaks 4, 5 & 6 project was still awaiting final permit approval by the City of Austin. Mr. Malish stated that the 7-Eleven and self-storage projects were under construction. He then stated that the two wastewater lines in need of repair, as identified in the wastewater line TVing report presented to the Board in August, had been made and the Board approved payment at the September 10 work session. Mr. Malish then presented two proposals from Oldcastle Materials, Inc. d/b/a Wheeler, the first in the amount of \$24,052.00 for repairing 12 manholes, attached as **Exhibit "O"**, and the second in the amount of \$5,205.00 for resurfacing, restriping and adding 17 wheel stops to the Rattan Creek Park parking lot, attached as **Exhibit "P"**. He stated that the contractor recommended addressing the 12 manholes in the worst condition first, then moving forward with the remaining 13 manholes. Upon motion by Director McNeil and second by Director Jones, the Board voted unanimously to approve both proposals from Oldcastle Materials, Inc. d/b/a Wheeler, as presented, and directed Mr. Malish to coordinate the parking lot project with Mr. Marroquin. Mr. Malish concluded his report by discussing with the Board the National Oceanic and Atmospheric Administration's Atlas 14 study, which has determined that peak rainfall during rain events in the Austin area are greater than indicated in current models used to determine the 100 year and 500 year floodplains. He stated that once Atlas 14 was adopted by the Federal Emergency Management Agency, as was anticipated, the 100 year floodplain would increase to roughly the area of the 500 year floodplain under current models. The Board discussed with Mr. Malish the potential impact of Atlas 14 on the District's ongoing drainage project.

There being no further bond projects, City of Austin wholesale rate case matters or future annexation, limited district conversion or other City of Austin matters to discuss, Director McNeil stated that the Board would next receive the attorney's report. Mr. Flahive stated that NW Austin Office Partners LLC had agreed to the form of the Settlement Agreement and Release approved by the Board at its June 20 regular meeting. He stated that he had received executed copies of the agreement from opposing counsel and anticipated receipt of executed originals within the next few days. Director Conklin asked Mr. Flahive to keep him updated on the matter, as he planned to address it at the Town Hall Meeting.

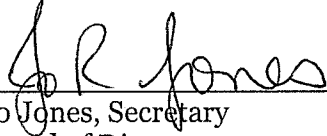
The Board next received the restrictive covenants report. Mr. Flahive discussed with the Board issues raised during discussions with Mr. and Mrs. Sagnes at the September 10 work session. Director Conklin requested that Mr. Flahive add an item to the Board's agenda for its regular meeting in January to revisit the form letters provided to Sage Management for use in notifying residents of restrictive covenant violations, stating that he thought the language of the letters could more accurately convey that the letters were sent upon receipt of a compliant and verification of a violation by a contractor retained by the District and notifying the resident that the matter would be presented to the Board for possible action.

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 9:53 p.m.

(SEAL)



Date: October 17, 2018



Jo Jones, Secretary
Board of Directors