

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

January 16, 2019

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 January 16, 2019, 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:

Jo Jones	-	President
Donald G. Conklin	-	Vice President
Diana Christiano	-	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.; Sergeant Troy Brogden with the Williamson County Sheriff's Office; Jimmy and Diana Sagnes with Sage Management Services; Randy Wilburn with Gilbert Wilburn, PLLC; Roger Borgelt with Borgelt Law; Marty DeLeon with Escamilla & Poneck, LLP; Kevin Flahive with Armbrust & Brown, PLLC; and Gabby Cohen, Ella Klimek, Mia Hodges and Sara Ewing, members of Girl Scout Troop 1432 and residents of the District.

Director Jones called the meeting to order at 6:05 p.m., and stated that the Board would first consider approval of the December 17, 2018 minutes. Director Christiano pointed out a correction in line 55 of the minutes. Upon motion by Director Christiano and second by Director Green, the Board voted unanimously to approve the December 17, 2018 minutes, as presented, as corrected.

The Board next received citizen communications and Director Jones recognized Ms. Cohen, Ms. Klimek, Ms. Hodges and Ms. Ewing, who presented their proposal for a gaga ball pit in Rattan Creek Park for their Silver Award Project. The Girl Scouts reviewed their handout, attached as **Exhibit "B"**, with the Board and answered questions posed by the Board. They stated that their requests of the District were to grant permission to install the gaga ball pit in a location acceptable to the Board within Rattan Creek Park. Director Conklin and Director Jones, as members of the Parks & Greenbelt Committee that met with the Girl Scouts, recommended that the pit be sited in locations D or E, as identified in the handout. The Girl Scouts stated that they intended to have younger members of the troop continue maintenance of the gaga ball pit over time. Upon motion by Director Green and second by Director Conklin, the Board voted unanimously to approve the request and directed Mr. Hunt to assist the Girl Scouts with obtaining some of the materials for the gaga ball pit from Lowe's.

Director Jones stated that the Board would next receive the lobbyists' report and recognized Mr. Borgelt and Mr. DeLeon, who updated the Board on the 86<sup>th</sup> Legislative Session and their goals and plan of action for pursuing the District's interests.

At 6:32 p.m., Director Jones 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. Wilburn relating to the City of Austin wholesale rate cases. The Board reconvened in the open meeting at 6:56 p.m. and Director Jones stated that no actions were taken during executive session.

There being no report from the Rattan Creek Neighborhood Association, Mr. Flahive then presented: (i) the Resolution Confirming Annual Review of Certain Financial Management Policies; Adopting Amended Code of Ethics and Financial Investment, Travel and Professional Services Policy; Adopting Investment Strategies; Designating Investment Officers; and Adopting List of Qualified Brokers (the "Code of Ethics Resolution"), attached as **Exhibit "C"**; and (ii) the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance (the "Bond Resolution"), attached as **Exhibit "D"**. Upon motion by Director Beaulieu, and second by Director Green, the Board voted unanimously to approve the Code of Ethics Resolution and the Bond Resolution, as presented.

Director Jones then stated that the Board would receive the restrictive covenants report. Ms. Sagnes discussed the open enforcement matters with the Board, stating that no new complaints had been received. Mr. Flahive then discussed the pending enforcement actions relating 13106 Amarillo Avenue and 13122 Amarillo Avenue, which were postponed by the Board from the December 17, 2018 meeting, as well as the Board current restrictive covenant enforcement process and the content of its letter templates to be used by Sage Management and his office. At the conclusion of the discussion, the Board elected to further postpone action on the enforcement actions relating to 13106 Amarillo Avenue and 13122 Amarillo Avenue while the Board's process and letter templates could be revisited. Upon motion by Director Beaulieu and second by Director Green, the Board voted unanimously to appoint Director Conklin and Director Beaulieu to the Restrictive Covenant Enforcement Committee, which would work with Mr. Flahive to prepare and present proposed revisions to the Board's process and letter templates to better reflect the position of the Board on such matters.

The Board next received the bookkeeper's report. Ms. Bott stated that she had no update to the cash activity report presented at the January 14 work session. She stated that she was holding one check to Capital Surveying Company, Inc. in the amount of \$830.00. Mr. Malish stated that the fee was for staking the waterline easements on the NW Austin Office Partners LLC tract in connection with the waterline relocation project. The Board then reviewed the fund balance reserve assignments with Ms. Bott, Mr. Hunt and Mr. Malish. Ms. Bott then recommended that the Board hold a special meeting prior to February 12, 2019 to review and approve the annual audit for the year ended September 30, 2018 so that it could be timely filed with the Texas Commission on Environmental Quality ("TCEQ"). The Board elected to meet on Thursday, February 7, 2019 at 6:00 p.m. at the Rattan Creek Community Center. Upon motion by Director Green and second by Director Christiano, the Board voted unanimously to approve releasing the check to Capital Surveying Company, Inc.

Director Jones stated that the Board would next receive the security report. Sergeant Brodgen reviewed his report, attached as **Exhibit "E"**. He stated that the Williamson County Sheriff's Office had received 173 calls from within the District during the month of December. Sergeant Brodgen stated that domestic disturbance calls were up, which was not uncommon

during the holidays, and that thefts were down. The Board then discussed holding a forum with Sherriff Chody either in the great room in the Rattan Creek Community Center or in the new Grand Pavilion in the Rattan Creek Park. Director Jones and Director Conklin agreed to work with Sergeant Brogden to schedule the event.

Director Jones stated that the Board would next receive the landscape maintenance report. Mr. Fadal reviewed his report, attached as **Exhibit "F"**, with the Board. He stated that tree and perennial pruning was ongoing and that the Oak leaf drop would be heavy. Mr. Fadal then discussed with the Board the runoff issue within the District's greenbelt reported by a resident, which he was looking into. He stated that he would contact the resident. Mr. Fadal stated that if he found that substantial work was needed, he would prepare and present a proposal for the Board's consideration. He then presented proposal no. 9431 Rattan Trail ramps and lip/bump repair in 12 locations at a cost of \$10,906.50, attached as **Exhibit "G"**. After discussion, upon motion by Director Green and second by Director Christiano, the Board voted unanimously to approve proposal no. 9431, as presented.

Director Jones then addressed Mr. Marroquin to provide the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "H"**. He stated that he had provided dates for the Hurricane Swim Team's 2019 swim meets to Mr. Flahive for use in preparing a Pool Use Agreement for review and approval by the Pool Committee and presentation to the Board at the February 20, 2019 regular Board meeting. Mr. Marroquin then discussed with the Board draining the pool and subcontracting to have pool maintenance and repairs conducted and requested that the Board approve the project at a cost not to exceed \$9,000.00. Upon motion by Director Christiano and second by Director Green, the Board voted unanimously to approve the project and the not to exceed amount. The Board then discussed replacing the pool furniture and the Pool Committee, comprised of Director Christiano and Director Green, stated that it would prepare a proposal for presentation to the Board for consideration. Director Jones then discussed preparing an annual District mailer to residents and the Board directed Mr. Marroquin to work with Director Jones and Director Beaulieu to prepare the mailer.

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 he had no write-offs for the Board's approval. The Board then directed Mr. Hunt to contact Central Texas Refuse, Inc./Round Rock Refuse, Inc. to request a proposal for conducting one or two leaf bag pickups on Saturday(s) during the Winter/Spring and present the proposal at the February 20, 2019 regular Board meeting. Mr. Hunt then discussed the Robinson Park restroom project inspection report with the Board and updated the Board on his discussions with the inspector and Duke Garwood regarding same. He stated that he would coordinate a meeting with the inspector, Mr. Garwood, Mr. Garwood's inspector, and a G-Creek Construction representative to discuss the matter and report back to the Board. Mr. Hunt then discussed with the Board the increases in coverages due to increases in replacement costs, and the addition of the Grand Pavilion, at no additional cost for 2018-2019, under the District's insurance coverage provided by the Texas Municipal League Intergovernmental Risk Pool. Mr. Hunt then reviewed the Solid Waste Disposal Request for Proposals with the Board. The Board provided comments to same and directed Mr. Hunt and Mr. Flahive to make corresponding revisions for review and approval by the Solid Waste Disposal RFP Committee, comprised of Director Christiano and Director Beaulieu, and then distribution to interested contractors. Mr. Hunt reviewed the District's identity theft prevention program with the Board and distributed a memo summarizing his review, attached as **Exhibit "J"**. He stated that he was not recommending any changes to the program, and then presented

the Resolution Confirming Annual Review of Identity Theft Prevention Program, attached as **Exhibit “K”**. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the resolution, as presented. Mr. Hunt next presented the Management Services Agreement with Crossroads Utility Services, L.L.C. to the Board. After review, the Board pointed out one correction to Section 10(d) of the Management Services Agreement. Upon motion by Director Green and second by Director Beaulieu, the Board voted unanimously to approve the Management Services Agreement, as corrected, attached as **Exhibit “L”**.

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 he had notified Bland Construction that the previously approved Tamayo bridge project would be terminated, that all sums owed would be paid, and that he would coordinate with the contractor regarding storage of the culverts that had been constructed for installation. He then 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, and stated that his office had subcontracted with a structural engineer to design the culverts. Mr. Flahive stated that he had received and returned a call from Texas Gas Service’s in-house counsel and would seek to reach agreement on the gas line relocation in connection with the Tamayo bridge project. Mr. Malish continued his report, stating that the Amber Oaks 4, 5 & 6 project contractor was awaiting a street cut permit from Williamson County in order to complete water line installation. He stated that the self-storage project was ongoing and that he was awaiting applicant deliverables before he would bring the project to the Board for consideration of acceptance. Mr. Malish then stated that he had submitted the permit application for the waterline relocation project on the NW Austin Office Partners LLC tract to the City of Austin and requested that the Board approve an amount not to exceed \$8,000.00 for the application fee. Upon motion by Director Green and second by Director Conklin, the Board voted unanimously to approve payment of the application fee in an amount not to exceed \$8,000.00. Mr. Malish stated that Oldcastle Materials, Inc. d/b/a Wheeler was still awaiting drier weather to repair the 12 manholes and resurface, restripe and add 17 wheel stops to the Rattan Creek Park parking lot. He reported that Texas Department of Transportation (“TxDOT”) staff had indicated a willingness to work with the District to facilitate the Parmer Lane bridge project. Mr. Malish stated that he would seek to meet with TxDOT staff to discuss. He stated that the Champion School of Real Estate project was ongoing and that he was awaiting applicant deliverables before he would bring the project to the Board for consideration of acceptance. Mr. Malish then presented the proposal from Capital Surveying Company, Inc. for surveying 29 single-family lots near Robinson Park at a cost of \$24,800.00, attached as **Exhibit “N”**, the same per-lot amount previously charged for surveying work in connection with the floodplain project. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve the proposal, as presented.

There being no bond projects to be reviewed, 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 stated that he would contact the Restrictive Covenant Enforcement Committee to schedule a meeting.

Director Jones then asked if there were any other matters to come before the Board. The Board discussed and directed Mr. Hunt to obtain proposals for resurfacing and rebuilding the tennis courts, phased two at a time, for comparison and consideration by the Board. The Board also discussed adding credit card fees to the Rate Order and directed Mr. Hunt to obtain information on pricing and present it to the Board. There being no other matters to come before

the Board, upon motion by Director Green and second by Director Conklin, the Board voted unanimously to adjourn at ~~10:06 p.m.~~

(SEAL)



*Diana Christiano*  
Diana Christiano, Secretary  
Board of Directors

Date: February 20, 2019