

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

December 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 December 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 as **Exhibit “A”**.

The roll was called of the members of the Board, to-wit:

Donald G. Conklin	-	President
Jo Jones	-	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 Mary Bott with Bott & Douthitt, P.L.L.C.; David Malish with Murfee Engineering Co., Inc.; Richard Fadal with TexaScapes, Inc.; Marc Marroquin with Premier Recreation Management Services, LLC; Andrew Hunt with Crossroads Utility Services, L.L.C.; Ja-Mar Prince with Texas Disposal Services, Inc.; Sergeant Scott Zion with the Williamson County Sheriff’s Office; Kevin Flahive with Armbrust & Brown, PLLC; and Kari Smith, a resident of the District.

Director Conklin called the meeting to order at 6:04 p.m., stated that the Board would first receive citizen communications, and recognized Ms. Smith. Ms. Smith reiterated her complaint that the owner of the residence located at 7646 Elkhorn Mountain was renting individual rooms on a short-term basis. She stated that she’d seen many different people entering and exiting the residence and there were lockboxes on the exterior doors of the residence. Director Conklin stated that the Board would receive legal advice from its general counsel later in the meeting and consider additional action at that time.

The Board next considered approval of the November 18, 2019 and November 20, 2019 minutes. Director Jones pointed out a correction to line 32 of the November 18, 2019 minutes. Upon motion by Director Jones and second by Director Christiano, the Board voted unanimously to approve the November 18, 2019 minutes, as corrected. The Board then pointed out corrections to lines 103, 116 and 206 of the November 20, 2019 minutes. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously to approve the November 20, 2019 minutes, as corrected, with Director Jones abstaining.

There being no report from the Rattan Creek Neighborhood Association, at 6:12 p.m., Director Conklin 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. Flahive regarding

restrictive covenant enforcement matters. The Board reconvened in open meeting at 7:07 p.m. and Director Conklin stated that no action was taken during executive session.

The Board then reviewed the restrictive covenant report. Director Conklin addressed the violation at 7646 Elkhorn Mountain Trail and stated that the Board elected to expedite its enforcement action at the November 20, 2019 regular Board meeting. He stated that Mr. Flahive's office had delivered a Notice of Impending Litigation to the property owner, Phillip Pape, and communicated with Mr. Pape and Ms. Smith regarding the modifications to the residence and the use of the residence. Director Conklin stated that Mr. Pape informed Mr. Flahive's office that he had discontinued the short-term rental of rooms within the residence, had two roommates under long-term leases, and would be willing to restore the windows that he'd replaced with exterior doors for entry into the residence. He stated that if the Board did not take action pursuant to the District's restrictive covenant enforcement policy, Mr. Flahive's office would initiate litigation against Mr. Pape. After discussion, upon motion by Director Conklin and second by Director Green, the Board directed Mr. Flahive to deliver a certified letter to Mr. Pape advising him that the enforcement action would be indefinitely suspended so long as he: (i) refrained from the advertising and/or rental of rooms within the residence on a short-term basis; (ii) timely restored the windows that he'd replaced with exterior doors for entry into the residence; (iii) remove all lockboxes from exterior doors to the residence; and (iv) allow roommates to reside at the residence only under long-term leases, as he had represented to Mr. Flahive's office.

The Board next addressed the remaining action items on the restrictive covenant report. After discussion, upon motion by Director Conklin and second by Director Christiano, the Board voted unanimously to direct Mr. Flahive to discontinue the enforcement action relating to the fence initially perceived to be in the front yard of 13244 Kerrville Folkway due to information provided by the property owner regarding the number of structures on the lot, the duration of the fencing in its present location, and the location of the fencing in relation to the orientation of the primary residence on Kerrville Folkway. After discussion, upon motion by Director Conklin and second by Director Beaulieu, the Board voted unanimously to direct Mr. Flahive to continue the enforcement action relating to the debris in the front yard of 13251 Kerrville Folkway by delivering the Initial Notice if the photos taken by Sage Management during its most recent tour, which had not yet been received by Mr. Flahive's office, indicated that the debris had not been removed. After discussion, upon motion by Director Conklin and second by Director Beaulieu, the Board voted unanimously to direct Mr. Flahive to continue the enforcement action relating to the commercial use of 7406 Napier Trail by delivering the Initial Notice if the photos taken by Sage Management during its most recent tour, which had not yet been received by Mr. Flahive's office, indicated that the commercial use had not been discontinued.

Director Conklin stated that the Board would next review each of the three form letters that Mr. Flahive had prepared for responses to complainants of restrictive covenant violations to: (i) acknowledge receipt of the complaint; (ii) inform the complainant that the District was pursuing enforcement, having determined that an enforceable restrictive covenant violation was present; and (iii) inform the complainant that the District was not pursuing enforcement, having determined that an enforceable restrictive covenant violation was not present. After discussion, upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to: (i) approve the three form letters, as presented, attached as **Exhibit "B"**; (ii) direct Mr. Flahive to begin utilizing the form letters; and (iii) direct Mr. Flahive to prepare a fourth form letter to advise the complainant of the outcome of an enforcement action pursued by the District.

The Board next received the District accountant's report. Ms. Bott reviewed the updated cash activity report, attached as **Exhibit "C"**. She reviewed the report, including the director and vendor payments and four transfers. Ms. Bott then reviewed the November financials. After discussion of the invoices, the Board determined that the Directors would seek to submit per diem and reimbursement requests quarterly. Upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve the director and vendor payments and four transfers, as presented.

The Board then received the security report, attached as **Exhibit "D"**. Sergeant Zion stated that there were 313 calls within the District during the month of November. He stated that approximately 200 of those calls related to security checks, not incidents, within the District. Sergeant Zion discussed with the Board the recent attempted abduction within the District, which was covered on local news broadcasts and was under investigation. He also discussed an auto theft within the District. The Board then requested that enforcement of the Williamson County leash ordinance within the District's greenbelts be escalated and discussed areas of concern with Sergeant Zion.

Director Conklin then addressed Mr. Fadal to provide the park and landscape maintenance report. Mr. Fadal referred the Board to the report, attached as **Exhibit "E"**, and reviewed the report with the Board. He stated that the parks and greenbelts looked good. Mr. Fadal stated that the over-seeded turf was filling in nicely and stop re-seeding had occurred. He stated that the winter plantings were in and mulch was being added to tree rings within the District's parks. Mr. Fadal stated that he would seek to schedule meetings with each of the Greenbelt Committee and the Parks & Community Center Committee in early 2020 to look at potential projects.

Director Conklin stated that the Board would next receive the solid waste services report, attached as **Exhibit "F"**, and recognized Mr. Prince. Mr. Prince reviewed his report with the Board and answered the Board's questions.

The Board then received the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "G"**. He stated that approximately 10 to 15 people were using the pool each day. Mr. Marroquin discussed the recent pool leak repair performed by Hines, which, in his opinion, appeared to have stemmed the water loss. He stated that December would be a busy month at the Community Center, with many rentals. Mr. Marroquin then discussed recent issues with the holiday lights. He stated that the new security system in the Community Center, pool and Rattan Creek Park approved by the Board at the November 20, 2019 regular meeting had been ordered, but would not be installed until January. Mr. Marroquin then discussed light repair and replacement at the basketball court. He confirmed that he was pursuing a pool operation permit as required under the Williamson County & Cities Health District's new Public Swimming Pool Program. Mr. Marroquin and Mr. Flahive then presented the First Amendment to Management Services Agreement for Community Center and Pool to incorporate terms regarding the event manager position, attached as **Exhibit "H"**. After discussion, at the request of Director Green, the Board directed Mr. Marroquin to take the proposed amendment to the Parks & Community Center Committee for review, revision and presentation to the Board at the January 15, 2020 regular meeting. Director Conklin stated that he wanted the event manager position to include reporting that would allow the Board to see how the position progresses and the results generated by the position.

At 8:25 p.m., Director Conklin stated that the Board would take a brief recess. At 8:34 p.m., the Board reconvened and received the general manager's report. Mr. Hunt reviewed his

report, attached as **Exhibit “I”**, with the Board. He stated that he was working to schedule a meeting with the Williamson County Liaison Committee and Williamson County Commissioner Terry Cook. Mr. Hunt stated that the title survey of Rattan Creek Park was still in process and diligence regarding the potential splash pad project would resume upon receipt of the survey. He stated that he would report to the Board regarding District telephone lines, the necessity of same, and bundling options at the January 15, 2020. He then relayed his discussions with Travis County Sheriff’s Deputy Ralph Moreno regarding patrolling the portion of the District within Travis County 25 to 30 hours per month through September 2020 pursuant to the Travis County Sheriff’s Office standard agreement utilized with other municipal utility districts represented by Mr. Hunt’s office and Mr. Flahive’s office. After discussion, upon motion by Director Conklin and second by Director Green, the Board voted unanimously to authorize the Safety & Security Committee to negotiate and enter into, on behalf of the District, and agreement with the Travis County Sheriff’s Office for such patrols in an amount not to exceed 30 hours per month and a term of 12 months. Mr. Hunt continued his report, stating that the District still had water gain in November, which he attributed to the improper function of the 6” master meter located on Highway 620. He stated that he had informed City of Austin staff of the issue. Mr. Hunt then reviewed the leak detection report prepared by JBS Associates, attached as **Exhibit “J”**, with the Board and discussed the actions being taken to address the leaks identified in the report. He then presented the request from the owner of 13109 Irby Pass for reimbursement from the District in the amount of \$306.73 in plumbing costs to auger a wastewater line in connection with a blockage in the District’s wastewater line. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously to approve the reimbursement. Mr. Hunt then presented one write-off in the amount of \$67. He stated that no communications through the District’s website were received during the month of November. Mr. Hunt stated that he would bring the tree canopy raising proposals from The Davey Tree Expert Company to the Board at the January 15, 2020 regular meeting. He then reviewed the unauthorized water use letter that his office had delivered to Environmental Design, which he stated Mr. Flahive had reviewed and approved prior to delivery. Mr. Hunt stated that he would turn the matter over to Mr. Flahive if the fines were not paid. He then reviewed the Logo and Visual Identity Round 2 from Hot Dog Marketing, attached as **Exhibit “K”**, with the Board. After discussion, the Board directed Mr. Hunt regarding the language, fonts, uppercase/lowercase, and color options to have the contractor utilize in preparing the next round of illustrations for review. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the one write-off, as proposed. Mr. Hunt then presented the Addendum to Card Services Agreement by and among North Austin Municipal Utility District No. 1 of Travis and Williamson Counties, Texas and Bluefin Payment Systems, LLC, attached as **Exhibit “L”** (the “*Bluefin Addendum*”). He stated that the Bluefin Addendum had been previously approved by the Board, but the vendor came back with additional comments, which were reflected in the version being considered by the Board. Upon motion by Director Conklin and second by Director Green, the Board voted unanimously to approve the Bluefin Addendum, as presented.

Director Conklin then recognized Mr. Malish to provide the District engineer’s report, attached as **Exhibit “M”**. Mr. Malish stated that his office had responded to all comments on the Tamayo Drive bridge project from Williamson County and he anticipated receipt of the permit in the near term. He reported that Texas Gas Service was awaiting Williamson County approval of a permit in order to perform its gas main relocation project, which must occur prior to the District’s Tamayo Drive bridge project. Mr. Flahive stated that the communication that he had received from Texas Gas Service representatives indicated that the gas main relocation project would take approximately two weeks, once commenced. Mr. Malish continued his report, stating that he would issue a notice to proceed to JBS Underground to begin the water

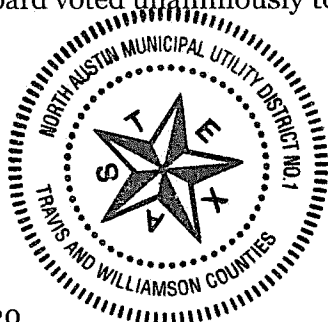
line relocation project on the NW Austin Office Partners LLC site. He then stated that he had received the plans for the Parmer Lane bridge project from the Texas Department of Transportation and design work on the project was ongoing. Mr. Malish stated that construction of the 7-Eleven project was ongoing and the project engineer had been communicative regarding the status of the project. He stated that he expected to receive the Upper Brushy Creek Floodplain Study on or around December 20, 2019, which he understood would provide the new floodplain elevation at one-foot intervals. Mr. Malish and Mr. Hunt then discussed with the Board issues resulting from improperly maintained private wastewater lift stations in apartment and condominium projects within the District and recommended that the Board consider adopting a policy requiring that these facilities be maintained by licensed operators, that the name and contact information for each such operator be provided to the District, and that fines be levied in the event on non-compliance. After discussion, the Board directed Mr. Malish, Mr. Hunt and Mr. Flahive to prepare a proposed revised Amended and Restated Order Establishing Water and Wastewater Service Rates, Charges and Tap Fees, and Adopting General Policies with Respect to the District's Water, Wastewater and Drainage Systems for the Board's consideration at the January 15, 2020 regular meeting.

There being no lobbyists' report or bond projects to discuss, Director Conklin and Director Jones updated the Board regarding the City of Austin 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 then received the attorney's report. Mr. Flahive reported on the course of events relating to the proposal from Vanco Payment Solutions, his office's proposal of an addendum containing both legally required content and recommended content, and Vanco Payment Solution's failure to respond to same. Mr. Hunt stated that he would work with Mr. Flahive to pursue the matter.

Director Conklin then asked if there were any other items to come before the Board. Director Beaulieu stated that she wanted to pursue a new restrictive covenants contractor. Mr. Hunt recommended that the Board consider putting out a request for proposals. The Board discussed the matter, including the potential for utilizing existing consultants, but took no action. Director Conklin then discussed with the Board a request that he'd received from a resident that the District adopt an ad valorem tax exemption for disabled veterans. He stated that he would continue to look into the matter and report back to the Board. There being no other matters to come before the Board, upon motion by Director Conklin and second by Director Green, the Board voted unanimously to adjourn at 10:33 p.m.

(SEAL)



*Diana Christiano*  
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Diana Christiano, Secretary  
Board of Directors

Date: January 15, 2020