

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

February 7, 2019

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

A special meeting of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on February 7, 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
Don 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 Mary Bott with Bott & Douthitt, P.L.L.C.; Bob West with West, Davis & Company, LLP; and Mark Maxwell with Maxwebs.

Director Jones called the meeting to order at 6:03 p.m. and stated that the Board would first consider the audit of the District's financial statements for fiscal year ended September 30, 2018, including receipt of a report from West, Davis & Company, LLP, approval of audit report and client representation letter, and authorization of filing of the audit report. Mr. West explained that the District is required to file its audit report with the Texas Commission on Environmental Quality (the "TCEQ") annually. He referred the Board to the audit report, attached as **Exhibit "B"**, and client representation letter, attached as **Exhibit "C"**. He stated that the audit went well, no adjustments to the District's financial statements would be needed, and his opinion letter was "clean". Mr. West then reviewed the audit report with the Board to ensure that the Directors understood each section of the report and answered questions regarding same. Mr. West then stated that he had been made aware of board members of a water district in the Houston area that had received an email sent by a hacker from his account demanding payment, requesting wiring information and threatening litigation. He stated that he did not believe that any hacked emails had been sent to the Directors or anyone associated with the District, but advised that the Directors not to respond to any such emails and never to include bank account specifics in any emails for wire transfers. Upon motion by Director Green and second by Director Conklin, the Board voted unanimously to approve the audit report and client representation letter, as proposed, and to authorize Mr. Flahive to file the audit report with the TCEQ.

The Board then discussed the status of items the Directors had been working on. No action was taken on any of these items. Director Beaulieu and Director Conklin then reviewed the current restrictive covenant violation process with the Board. Director Jones asked Director Conklin if he thought this process should be shared with the District's residents on the website. Director Conklin stated that he deferred to Mr. Flahive on this matter.

Director Green and Director Christiano next reported that they attended the CASE Legislative Training on January 30, 2019 that was held at the LCRA.

Director Conklin stated that Terry Cook, the Williamson County Commissioner would like to discuss with the Board ways that Williamson County can assist in expediting the process for sidewalk repair. He stated that Mr. Hunt is currently working with another water district on this matter. Mr. Conklin expressed that he wanted to be sure the sidewalk repair would be done correctly.

Director Jones then discussed the Board's future meeting schedule. Director Conklin and Director Jones discussed holding a Town Hall meeting in the Spring to discuss District security, sound proofing walls/fences, sidewalk repair, Atlas 14 Flood Plain boundaries and how this may affect District residents. Director Jones also stated that she would like to schedule a mid-year budget meeting in March. Director Jones and Director Conklin discussed sending out a Survey Monkey to the District's residents.

Director Jones told the Board that she and Director Beaulieu are planning to put together a newsletter of about 4-6 pages to send to the District's residents.

Director Green reported that Mr. Hunt had received one bid to resurface two of the tennis courts for approximately \$250,000 or to resurface four tennis courts for approximately \$500,000. She stated that Mr. Hunt was still in the process of soliciting bids, and that he would update the Board once he had received all of the bids.

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 7:55 p.m.

(SEAL)



Diana Christiano

Diana Christiano, Secretary
Board of Directors

Date: February 20, 2019