

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

April 25, 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 April 25, 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, except director Jones, thus constituting a quorum. Also in attendance at the meeting were Andrew Hunt with Crossroads Utility Services, L.L.C.; Mary Bott with Bott & Douthitt, P.L.L.C.; Doug Smith with Texas Disposal Systems; Steve Shannon with Waste Connections, Inc.; Deana Tollerton with the Rattan Creek Neighborhood Association; and Inez Vanderburg, a resident of the District.

Director Conklin called the meeting to order at 6:35 p.m. and stated that the Board would first consider proposals for solid waste services. Director Conklin asked Mr. Hunt for a general overview of the proposals. Mr. Hunt reviewed the summary of proposals attached as **Exhibit "B"** and went over the pricing and notes provided by the Solid Waste Disposal RFP Committee, consisting of Director Christiano and Director Beaulieu. Director Beaulieu discussed the pros and cons of the Texas Disposal Systems ("*TDS*") proposal and the Central Texas Refuse ("*CTR*") proposal. Director Beaulieu stated that TDS confirmed that it would keep the Monday pickup date and would continue to pick up "white good bulky items" when scheduled ahead of time by a resident. Director Green stated that she toured the TDS landfill and was impressed with its landfill management. Mr. Hunt stated that the Board should note TDS's reservations concerning the "termination without cause" language in Sections VII.J. and VII.H. of **Exhibit "A"** to the Request for Proposals, and request to negotiate same should its proposal be accepted. Director Conklin stated that John Bartram with Armbrust & Brown, PLLC confirmed that the action slated before the Board was to accept a proposal from a vendor and begin contract negotiations with that vendor. Director Conklin clarified that this was a first step towards engaging a solid waste services provider and that if negotiations were not successful the Board could select another vendor. Mr. Hunt asked if the Board had any comments about the CTR proposal. Director Christiano stated that she was impressed with the regular follow up provided by Mr. Lavengco on the leaf bag pickup program and that he would continue to be the contract representative for the District. Director Green stated that a few residents had recently left positive feedback on Nextdoor.com regarding CTR's service. Director Beaulieu stated that she had noted a few more complaints by residents about

interactions with CTR's customer service personnel. Director Conklin stated that since Director Jones was absent from the meeting, the Board could move forward with a decision tonight or wait to make a decision at the next regular meeting with Director Jones' input. He stated that Director Jones had told him that she would not oppose the Board moving forward with a decision without her being present. Mr. Hunt asked if the Board had any more comments on the proposals. Upon motion from Director Christiano and second by Director Beaulieu, the Board voted unanimously to accept the proposal by TDS and to begin contract negotiations. Director Conklin directed Mr. Hunt to discuss a draft contract with TDS.

Director Conklin stated that the Board would next conduct a work session on the District's operations and maintenance budget. Mr. Hunt handed out and reviewed the budget to actual comparison schedule as of March 31, attached as **Exhibit "C"**. The Board discussed the approved budget for the current fiscal year and planned projects for upcoming fiscal years. The Board took no action.

Director Conklin stated that the Board would take a short recess at 8:20 p.m.

The Board reconvened at 8:30 p.m. Director Conklin stated that the Board would then discuss the District's deed restriction policy and form notice of violation letters, and he presented the Amended and Restated Resolution Adopting Rules Related to Enforcement of Restrictive Covenants (the "Rules Resolution"), attached as **Exhibit "D"**, and the Amended and Restated Resolution Approving Form Notice of Violation Letters (the "Form Resolution"), attached as **Exhibit "E"**. Director Conklin stated that the Restrictive Covenant Enforcement Committee, comprised of Director Conklin and Director Beaulieu, and the District's attorney discussed revisions to the form Notice of Violation letters and changes to the deed restriction policy with the goal of improving compliance. Director Beaulieu stated that the committee met with the District's attorney to develop template letter examples and revisions to the policy as presented. Director Conklin mentioned that Director Jones told him that she did not want to postpone the discussion on the deed restriction changes until she could be present, and that she was comfortable with the changes as presented. Director Conklin stated that the Board could move the discussion forward without Director Jones' input at the meeting based on her feedback, but that he was also comfortable delaying the discussion to the May regular meeting. Director Green stated that she had a question regarding the plat recording information listed on **Exhibit "A"** to the Rules Resolution. Director Conklin stated that Mr. Flahive cleaned up the legal descriptions of the subdivisions and documents descriptions. Director Green stated that she had a question as to why certain plat numbers had changed. Director Conklin stated these were recording and plat corrections. The Board then discussed whether complaints had to come from residents. Director Conklin reviewed **Exhibit "B"** to the Rules Resolution and the Board discussed the timing for Sage Management Services ("Sage") to send notice of violation letters with respect to scheduled Board meetings. Director Beaulieu asked to move to Section D of Exhibit "B" to the Rules Resolution. Director Conklin mentioned that the committee's intent was to speak to residents reporting alleged violations and encourage resolution of violations before the formal process. Director Green asked for clarification on how Sage would interact with the residents and stated that she liked Sage's initial attempts to make contact with a resident with the goal of achieving compliance before the formal process is necessary. Director Conklin reviewed the steps Sage could take as an example in a non-confrontational manner to achieve compliance prior to initiating the formal process.

Director Green asked the committee members if Mr. Flahive had reviewed the liability of Sage interacting with residents. Director Beaulieu stated Sage has liability insurance and that it was not a concern. Director Conklin stated that one change that the Board may want to make is to add the term "attempt" to Section 1.04(d) of Exhibit "B" to the Rules Resolution in order to clarify that the Board is attempting to go through a process of enforcement. Director Beaulieu stated that this might lengthen the process but that in the end it might encourage violators to comply more timely. Director Conklin then reviewed with the Board additional redline changes to the Rules Resolution. Director Christiano asked for clarification as to whether the Rules Resolution affords residents under financial distress an opportunity to address the Board. Director Conklin stated that there were several opportunities within the process to communicate with residents so they understand the restrictions, including the length of the compliance process and the new notices.

Directors Conklin and Beaulieu discussed the form notice of violation letters and the proposed changes. Director Beaulieu stated that the changes would give the Board the ability to remain transparent and converse with residents prior to initiating litigation. Director Conklin clarified the changes within Section 1.04(h) of Exhibit "B" to the Rules Resolution.

Director Christiano stated that she noticed a typo in the Rules Resolution. Director Conklin noted that he would ask Mr. Flahive to review and make a correction to the first page of the Rules Resolution.

Director Beaulieu asked if the Board had any questions about the form letters. Director Christiano stated that she did not agree with the bold, all caps font of the initial letter and asked that the Board consider a less intimidating font. Director Green stated that she thought the font was intended to grab the attention of the reader. Director Conklin then stated that, based on the feedback thus far provided by the Board members, he wanted to delay action on the changes until Director Jones was present. Director Beaulieu asked that the policy include a statement that all template letters be sent to both tenants and property owners. Director Conklin reviewed further changes to the revised form letters and clarified the specific process for letters sent by the District's attorney and when the Board would review the letters prior to authorizing litigation. Director Christiano stated that she would like residents to come to meetings to discuss their violations. Director Beaulieu stated that the changes, as proposed, were intended to shorten the compliance process for residents. Director Conklin agreed that the Board wanted to see improvement on compliance through the new process. Director Conklin then wrapped up the discussion and stated that further discussion should take place when Director Jones would be able to participate. Director Beaulieu stated that she forgot to add one item to the process, which was a thank you letter for compliance. The Board took no action.

Director Conklin stated that the Board would consider discussing any other matters, including future agenda items. Director Conklin updated the Board on pending legislation that was on the Texas State House of Representatives calendar for the following week.

Upon motion from Director Christiano and second by Director Green, the Board voted unanimously to adjourn the meeting at 9:49 p.m.

(SEAL)

Diana Christiano, Secretary
Board of Directors

Date: May 15, 2019