

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

May 15, 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 May 15, 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 for Director Conklin, and with Director Christiano arriving late, 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.; Sergeant Troy Brogden with the Williamson County Sheriff's Office; Jimmy and Diana Sagnes with Sage Management Services; April Bliss and Deana Tollerton with the Rattan Creek Neighborhood Association; 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 April 15, 2019, April 17, 2019, April 24, 2019 and April 25, 2019 minutes. Upon motion by Director Green and second by Director Beaulieu, the Board voted unanimously to approve the April 15, 2019 minutes, as presented. Director Beaulieu then pointed out corrections and changes to lines 136 and 182 of the April 17, 2019 minutes. Upon motion by Director Beaulieu and second by Director Green, the Board voted unanimously to approve the April 17, 2019 minutes, as corrected. Director Christiano arrived at 6:10 p.m. Director Christiano then pointed out corrections and changes to lines 35 and 36 of the April 24, 2019 minutes. Upon motion by Director Beaulieu and second by Director Green, the Board voted unanimously to approve the April 24, 2019 minutes, as corrected, with Director Jones abstaining. Director Beaulieu then pointed out corrections and changes to lines 77 and 78 of the April 25, 2019 minutes. Upon motion by Director Beaulieu and second by Director Christiano, the Board voted unanimously to approve the April 25, 2019 minutes, as corrected, with Director Jones abstaining.

The Board next received citizens communications and Director Jones addressed the representatives of Girl Scout Troop 1432. The girl scouts discussed their gaga ball pit project with the Board. They stated that they wanted to construct the project in Rattan Creek Park in

late May or early June, subject to obtaining materials that they need for the project. After discussion, upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve an expenditure of up to \$1,100.00 to purchase and donate the materials for the gaga ball pit to Girl Scout Troop 1432 in the event that the materials are not donated to the troop and/or purchased by the District's consultants, including Bott & Douthitt, P.L.L.C., Murfee Engineering Co., Inc., and Crossroads Utility Services, L.L.C.

The Board next received a report from the Rattan Creek Neighborhood Association (the "RCNA"). Ms. Bliss stated that the RCNA's next event would be the Members Only Pool Party from 1:00 p.m. to 5:00 p.m. on Saturday, May 18, 2019. She stated that the RCNA would next organize the Fourth of July parade in the District.

Director Jones then stated that the Board would receive the restrictive covenants report and recognized Mr. and Mrs. Sagnes. Mrs. Sagnes reviewed her report. She then discussed with the Board increasing the amount of general liability insurance carried by Sage Management Services, from \$1,000,000 to \$2,000,000 and naming the District as an additional insured under the policy, at an additional cost to the District of \$20.00 per month. After discussion, upon clarification by Director Green that Board approval of increased coverage did not constitute a change in policy regarding restrictive covenant enforcement, and upon motion by Director Beaulieu and second by Director Christiano, the Board voted unanimously to direct Sage Management Services to increase its general liability insurance coverage amount from \$1,000,000 to \$2,000,000 and to name the District as an additional insured under the policy at an additional cost to the District of \$20.00 per month.

The Board next received the accountant's report. Ms. Bott distributed an updated cash activity report, attached as Exhibit "B", which contained four additional checks. After discussion, upon motion by Director Jones and second by Director Christiano, the Board voted unanimously to approve the four additional checks referenced on the updated cash activity report.

Director Jones stated that the Board would next receive the security report. Sergeant Brogden reviewed his report, attached as Exhibit "C". He stated that the Williamson County Sheriff's Office had received 109 calls from within the District during the month of April, which was more in line with historical trends, as opposed to increased calls during the previous months. Sergeant Brogden stated that overall it was a good month without any major issues. He then answered questions from the Board relating to the content of the deputies' activity reports. The Board then discussed with Sergeant Brogden increasing the number of hours worked by off-duty deputies by 25 hours per month during the months of June, July, August and September. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the increase of 25 hours per month during the months of June, July, August and September.

Director Jones then addressed Mr. Fadal to provide the park and landscape maintenance report. Mr. Fadal referred the Board to his report, attached as Exhibit "D", and reviewed the report with the Board. He stated that the trail repair projects within Rattan Creek Park had been completed and that the soccer field summer repair and topdressing project would occur in June. Mr. Fadal then informed the Board that his staff would mow all areas of the greenbelts other than the dedicated wildflower area, as the grass in other areas that had not been mowed to allow for wildflowers had grown too tall. He next discussed fire ant treatments in Rattan Creek Park, which were not sufficient due to the amount of rainfall in recent months. The Board

directed Mr. Hunt to contact the District's pest control contractor to obtain a proposal to treat the park for fire ants using a stronger insecticide.

The Board then received the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "E"**. He stated that the doors to the pool locker rooms were sticking due to swelling and that he would solicit proposals to repair or replace the doors to address the problem. Mr. Marroquin stated that the new pool furniture was in use and looked good. He stated that the District had sold about 50 fewer pool memberships than at the same time in 2018, which he attributed to the cooler weather and frequent rain during the prior months. Mr. Marroquin then discussed a request that he had received from a group desiring to use the Community Center for a summer camp. The Board directed Mr. Marroquin to have the group contact the Community Center Committee. Mr. Marroquin next discussed a request that he had received from a group desiring to hold soccer training events on the soccer field in Rattan Creek Park. The Board directed Mr. Marroquin to have the group contact the Parks & Greenbelt Committee. Mr. Marroquin then discussed a request from the Hurricane Swim Team that the District install a gate in the fence by the pool for easier access to the pool deck. The Board directed Mr. Marroquin to have the swim team contact the Pool Committee. Mr. Marroquin then stated that Smitty McKenzie with SDI Management was retiring. He revisited the proposals received from Jani-King of Austin, Clean, Etc. and JK Commercial Cleaning LLC, which he had reviewed with the Board at the April 17, 2019 regular meeting. Mr. Flahive recommended to the Board that it negotiate an agreement substantially similar to the Cleaning Service Agreement with SDI Management with the new janitorial services contractor that it selects. After discussion, upon motion by Director Green and second by Director Beaulieu, the Board voted unanimously to: (i) direct Mr. Flahive to send a letter to Mr. McKenzie thanking him for his service to the District and confirming that his Cleaning Service Agreement would terminate in mid-June 2019 in connection with his retirement; (ii) approve the proposal from Clean, Etc., attached as **Exhibit "F"**; (iii) authorize the Community Center Committee to negotiate a Cleaning Services Agreement with Clean, Etc. consistent with the approved proposal, with assistance from Mr. Flahive and Mr. Marroquin; and (iv) authorize Director Jones to sign the Cleaning Services Agreement on behalf of the District.

Director Jones then addressed Mr. Hunt to update the Board regarding ongoing negotiation of the Solid Waste & Recycling Collection & Disposal Agreement with Texas Disposal Systems. Mr. Hunt discussed the proposed agreement with the Board and stated that he would obtain approval by the Solid Waste Disposal RFP Committee and Mr. Flahive prior to delivery to Texas Disposal Services representatives. He stated that he hoped to present a final agreement to the Board for consideration at the June 26, 2019 regular meeting.

The Board next received the general manager's report. Mr. Hunt referred the Board to his report, attached as **Exhibit "G"**, and reviewed it with the Board. He updated the Board on the status of directives to him, including the determination by Matt Williamson with the Williamson County Road and Bridge Department that new/different lights for the crossing would not be added. Mr. Hunt stated that the fire hydrant replacement project was ongoing. He stated that there were no write-offs for Board consideration. Mr. Hunt then presented proposals from Dobbs Tennis Courts, Inc. to resurface four tennis courts and to resurface the basketball court and a proposal from CourTex to resurface four tennis courts and the basketball court. After discussion, upon motion by Director Green and second by Director Jones, the Board voted unanimously to approve: (i) the proposal from Dobbs Tennis Courts, Inc. to resurface four tennis courts, including use of the RiteWay crack repair system, at a total cost of \$26,765.00, attached as **Exhibit "H"**; and (ii) the proposal from Dobbs Tennis Courts, Inc. to resurface the basketball court at a total cost of \$3,700.00, attached as **Exhibit "I"**. Mr. Hunt then updated

the Board on his work with the Pool Committee to obtain a proposal from a design/build firm for the splash pad and pool building project, which he would bring to the Board within the next few months. He then presented the 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, attached as **Exhibit "J"** (the "Amended and Restated Rate Order"). Mr. Hunt explained that the Amended and Restated Rate Order would establish the same \$600.00 maximum water utility service security deposit amount for both homeowners and renters within the District. Upon motion by Director Jones and second by Director Beaulieu, the Board voted unanimously to approve the Amended and Restated Rate Order. Mr. Hunt then distributed the consumer confidence report from the City of Austin, attached as **Exhibit "K"**, and stated that he would have it posted on the District's website and include a reference to a link to the report on the utility service invoices to residents. Director Beaulieu then asked about the status of repainting the fire lane on Rankin Trail near the Grand Pavilion. Mr. Hunt confirmed that the Williamson County Road and Bridge Department would paint the curb. He stated that he would follow up with Williamson County staff. Lastly, Mr. Hunt discussed with the Board some potential characteristics of a new monument sign for the Community Center. He stated that TexaScapes, Inc. was preparing three designs for consideration by the Sign Committee and recommendation to the Board.

Director Jones then addressed Mr. Malish to provide the engineer's report. Mr. Malish reviewed his report, attached as **Exhibit "L"**, with the Board. He stated that the water and wastewater infrastructure within the Amber Oaks Lots 4, 5 & 6/Advanced Smiles projects was ready for acceptance, upon receipt of an acceptable maintenance bond. After discussion, upon motion by Director Jones and second by Director Green, the Board voted unanimously to accept the subject water and wastewater facilities, conditioned upon receipt of an acceptable maintenance bond for the facilities. Mr. Malish then discussed with the Board the status of permitting the expanded Tamayo bridge project, stating that an inspection fee of \$5,054.40 would need to be paid to the City of Austin. Upon motion by Director Jones and second by Director Beaulieu, the Board voted unanimously to approve payment of the \$5,054.40 inspection fee. Mr. Flahive then updated the Board on his discussions with Texas Gas Service in-house counsel regarding the utility company's relocation of its gas main to facilitate the Tamayo bridge project, which relocation would be designed, permitted and constructed by Texas Gas Service at a fixed cost to the District. Mr. Malish then updated the Board on the status of the water line relocation project on the NW Austin Office Partners LLC site. He stated that the site plan for the project would be approved in the near term. Mr. Malish then discussed the Parmer Lane bridge project with the Board. He stated that he would meet a structural engineer onsite later in the week to look at options for modifying the bridge without affecting vehicular traffic over the bridge. Mr. Malish stated that he had requested, but not yet received, a proposal from Utility Testing and Services for the wastewater line TVing project. He then presented a proposal obtained by Mr. Hunt from Wastewater Transport Services to perform the wastewater line TVing project at a cost of \$43,202.00, attached as **Exhibit "M"**. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the proposal from Wastewater Transport Services, subject to HB 1295 compliance. Mr. Malish then presented the proposal from Concept Development & Planning, LLC, for transportation consulting and project planning related to drainage along Parmer Lane, attached as **Exhibit "N"**. After discussion, upon motion by Director Jones and second by Director Christiano, the Board voted unanimously to approve the proposal, modified to include Mr. Peters' hourly rate of \$175.00.

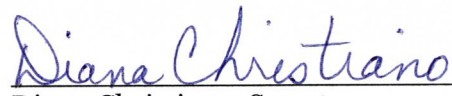
There being no lobbyists' report, bond projects, City of Austin wholesale rate cases, future annexation, limited district conversion or other City of Austin related issues to come

before the Board, the Board next received the attorney's report. Mr. Flahive discussed with the Board the content of the Amended and Restated Resolution Adopting Rules Relating to Enforcement of Restrictive Covenants and the Amended and Restated Resolution Approving Form Notice of Violation Letters (together, the "Restrictive Covenant Resolutions"). After discussion, the Board elected to postpone action on the Restrictive Covenant Resolutions until the June 26, 2019 regular meeting and directed Mr. Flahive to obtain, revise if necessary, and distribute to the Board via email an example of a postcard that Sage Management Services would use if the Board elects to have initial written correspondence to residents be of a less formal manner than under the current policy. The Board then discussed the pending enforcement matter relating to the fence in the front yard of the property located at 13122 Amarillo Avenue. Director Jones stated that the residence had signage in the front yard indicating that it would soon be marketed for sale. The Board discussed the resident's obligation to disclose receipt of notices from Sage Management Services regarding violation of applicable restrictive covenants to potential purchasers. After discussion, upon motion by Director Jones and second by Director Christiano, the Board directed Mr. Flahive to send a letter to the property owner to advise her that the Board was aware that she intended to market the property for sale and desired to inform her that Board action would be taken on the restrictive covenant enforcement action upon approval of the Restrictive Covenant Resolutions. Mr. Flahive then reviewed the schedule for adopting the District's 2019-2020 budget and 2019 tax rate, attached as **Exhibit "O"**. The Board elected to proceed pursuant to the schedule and consider scheduling a special meeting at the June 26, 2019 regular meeting.

There being no other matters to come before the Board, upon motion by Director Jones and second by Director ~~Green~~, the Board voted unanimously to adjourn at 9:43 p.m.

(SEAL)



  
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Diana Christiano, Secretary  
Board of Directors

Date: June 26, 2019