

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

July 17, 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 July 17, 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 Green, 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.; Deputy David Oberg and Detective Jason Waldon with the Williamson County Sheriff's Office; Jimmy and Diana Sagnes with Sage Management Services; Brian Kerman and Deana Tollerton with the Rattan Creek Neighborhood Association; Jay Howard with Texas Disposal Systems, Inc.; Kevin Flahive with Armbrust & Brown, PLLC; and residents of the District, including but not limited to Jameson and Mosley, Kristi Copeland and Cathleen Gail.

Director Jones called the meeting to order at 6:02 p.m., and stated that the Board would first consider approval of the June 24, 2019 and June 26, 2019 minutes. Upon motion by Director Christiano and second by Director Beaulieu, the Board voted unanimously to approve the June 24, 2019 minutes, as presented, with Director Conklin abstaining. Director Beaulieu then provided a number of corrections to the June 26, 2019 minutes. Upon motion by Director Beaulieu, and second by Director Christiano, the Board voted unanimously to approve the June 26, 2019 minutes, as corrected, with Director Conklin abstaining.

The Board next received citizen communications and Director Jones recognized Jameson and Mosley, two minor residents of the District. The boys introduced themselves and stated that they live on Dallas Drive. Director Conklin stated that he had recently met the boys, while they were giving away lemonade on a hot afternoon, and he invited them to attend the Board meeting and bring more of their lemonade. The Board thanked the boys for attending and bringing lemonade for the Board, consultants and residents in attendance. Director Jones next recognized Ms. Copeland. Ms. Copeland thanked the Board for holding the meeting in the Great Room to provide more space for those in attendance. She requested that the Board adopt a proactive restrictive covenant enforcement policy and recommended that it be a phased policy whereby proactive enforcement would first target the most egregious violations, then move on to

lesser violations. Ms. Copeland concluded by stating that she would like the Board's meetings to be live streamed or broadcast. Director Jones then recognized Ms. Gail. Ms. Gail stated that she was hearing impaired and that she would participate more if she had more information about the District's projects and activities and urged the Board to record meetings.

The Board next received a report from the Rattan Creek Neighborhood Association (the "RCNA"). Mr. Kerman requested that the Board grant the RCNA the use of the Grand Pavilion in Rattan Creek Park on August 4, 2019 from 1:00 p.m. to 4:00 p.m. He then reported that the turnout for the Fourth of July parade was very good and thanked those that helped put on the event, including the Williamson County Sheriff's Deputies and Jollyville Fire Department. Mr. Kerman stated that over 200 people attended the children's concert held at the Grand Pavilion on July 13, 2019. He invited all in attendance to visit the RCNA's new website, at <https://rattancreek.org>. Mr. Kerman concluded by stating that he had resided in the District for over 22 years and, as a real estate agent, he showed the District's amenities to potential purchasers with great pride and thanked the Board for its hard work and encouraged the residents in attendance to support the Board as well.

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 stated that the couch had been removed from the property located at 12800 Margit Drive. Mrs. Sagnes stated that the RV had been removed from the property located at 13100 Tamayo Drive. Mrs. Sagnes and Director Conklin then presented the draft post-card template for use as initial written contact with residents pursuant to the District's new restrictive covenant enforcement policy adopted on July 8, 2019. Director Conklin stated that the intent of the post-card was to point out the alleged violation and open dialogue between Sage Management Services and the resident. Director Beaulieu stated that she did not have her edits with her, but generally agreed with the changes that Director Conklin had made to the initial version prepared by Sage Management Services. The Board then directed the Restrictive Covenant Committee to continue working with Sage Management Services on the post-card template and finalize it prior to the July 22, 2019 District tour to be conducted by Sage Management Services. Mr. Flahive stated that he would include the final post-card template in the meeting file for the Board's regular meeting on August 21, 2019 for review and comment, if necessary, by the Board. Director Conklin and Mr. Flahive then discussed the action taken by the Board at the July 8, 2019 meeting with respect to the property located at 13122 Amarillo Avenue, which was to direct Sage Management Services to deliver the Notice of Violation letter to the owner and occupant of the property. The Board affirmed its previous action and clarified to Mr. and Mrs. Sagnes that they were to confirm and photograph the fence at issue on the property during the July 22, 2019 tour and, if present, deliver the correspondence thereafter.

The Board next received the accountant's report. Ms. Bott distributed an updated cash activity report, attached as **Exhibit "B"**, which contained seven additional checks. She stated that she would void Director Green's per diem check, due to her absence. After discussion, upon motion by Director Conklin and second by Director Jones, Director Beaulieu asked about check no. 23165 to the City of Austin in the amount of \$136.36 for a meter fee. Mr. Hunt stated that the District was obligated to purchase all water meters from the City of Austin, which it then sold to applicants for service within the District. He stated that this meter was for the Advanced Smiles project. The Board then voted unanimously to approve the additional checks referenced on the updated cash activity report.

Director Jones stated that the Board would next receive the security report. Deputy Oberg reviewed the report, attached as **Exhibit "C"**. He stated that the Williamson County

Sheriff's Office had received 139 calls from within the District during the month of June. Deputy Oberg recommended that residents keep security lights on at their homes and maintain their yards and landscaping to increase visibility. He then discussed with the Board and the residents in attendance the Williamson County Sheriff's Office program that allows individuals with exterior security cameras at their homes to register their cameras with the sheriff's office. The sheriff's office would contact those residents and request to review their camera footage in the event that a crime occurred within the vicinity of their homes. Deputy Oberg stated that helpful footage is often captured on these cameras. He then provided the non-emergency phone number for residents to contact the Williamson County Sheriff's Office: 512.864.8282, option #1 two times, or 311 and the Austin Police Department would forward the call to the sheriff's office. Deputy Oberg and Detective Waldon then answered a number of questions posed by the residents in attendance. Director Conklin asked if they had seen an increase in criminal activity within the District during the summer months, as was common, and they replied that the increased patrols directed by the Board appeared to be an effective deterrent, as there had not been an increase during the summer. Director Conklin then informed the residents in attendance that the Williamson County Sheriff's Office presented interesting statistics at the Board's town hall meetings, the next of which would occur in October 2019.

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 soccer field repair and topdressing project had been completed and looked good. Mr. Fadal stated that he'd seen a lot of giant ragweed within the District due to the high amount of rain in the preceding months and that his crews would be cutting the giant ragweed out over the next couple of months. He stated that his crews would mow the greenbelts, including the wildflower areas, in the next month. Mr. Fadal stated that spot treatment for fire ants would continue. He then presented: (i) proposal no. 9525 to mulch bare law areas under heavy shade in the amount of \$9,250, attached as **Exhibit "E"**; and (ii) proposal no. 9526 for annual mulching of parks, entrances and mitigation tree rings in the amount of \$8,400, attached as **Exhibit "F"**. Mr. Fadal stated that proposal no. 9526 was an annual project included in the District's budget. Upon motion by Director Conklin and second by Director Christiano, the Board voted unanimously to approve proposal nos. 9525 and 9526, as presented. Mr. Fadal then presented proposal no. 9527 for Rattan Creek Park trail drainage remedies in the amount of \$22,799.31, attached as **Exhibit "G"**. He stated that the District had been repairing the trails within the greenbelts on a phased basis and this was the next project in that process. Mr. Fadal stated that he had one change to the proposal, which was to change the statement that irrigation would not be extended to the project area to provide that irrigation would be extended to the project area, at no additional charge, as he had determined that there was an irrigation line in the vicinity of the project that could be utilized for the extension. Mr. Hunt and Mr. Fadal then discussed that the rocks used in the riprap would be 10 inches to 12 inches in diameter. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously to approve proposal no. 9527, modified as described by Mr. Fadal. Mr. Hunt and Mr. Fadal then distributed and presented alternative conceptual illustrations of the new sign for the Rattan Creek Community Center that the Sign Committee was working on with the consultants. After discussion, there was consensus that concept b, but with a larger LED sign, would be the direction that the Board desired to go with the design. The Board directed the Sign Committee to continue working on the project proposal for consideration at a future meeting.

The Board next received the solid waste services report from Mr. Hunt. Mr. Hunt then presented the proposed Solid Waste & Recycling Collection & Disposal Agreement with Texas Disposal Systems, Inc., attached as **Exhibit "H"** (the "*Solid Waste Services Agreement*"). He introduced Mr. Howard with Texas Disposal Systems, Inc. and stated that Mr. Howard had

approved and signed the proposed Solid Waste Services Agreement. Mr. Howard stated that if the Solid Waste Services Agreement were approved by the Board, his cart vendor would be able to deliver the carts for the District in time to commence service when needed by the District. The Board then discussed the transition from Central Texas Refuse, Inc. to Texas Disposal Systems, Inc. with Mr. Hunt and Mr. Howard. Mr. Howard recommended promoting the Waste Wizard reminder program, which would send residents reminders by one or more methods on the evenings before their pickup days. Director Jones stated that the transition could be publicized at the National Night Out on August 6, 2019. Mr. Flahive and Mr. Hunt then discussed the District's 60-day termination notice period under the District's Amended and Restated Solid Waste & Recycling Collection & Disposal Agreement with Central Texas Refuse, Inc. and Round Rock Refuse, Inc. Upon motion by Director Christiano and second by Director Beaulieu, the Board voted unanimously to approve the Solid Waste Services Agreement, with the effective date modified as determined by Mr. Hunt and Mr. Howard to ensure a smooth transition from one provider to the other. Mr. Hunt then presented the Termination of Amended and Restated Solid Waste & Recycling Collection & Disposal Agreement with Central Texas Refuse, Inc. and Round Rock Refuse, Inc., attached as **Exhibit "I"** (the "*Termination Letter*"). Upon motion by Director Beaulieu and second by Director Christiano, the Board voted unanimously to approve the Termination Letter and direct Mr. Flahive to sign and deliver the Termination Agreement on July 18, 2019.

The Board then received the pool and community center report. Mr. Marroquin reviewed his report, attached as **Exhibit "J"**. He stated that there were no injuries or incidents during the month of June. Mr. Marroquin stated that an average of 157 people per day were visiting the pool. He stated that the pool aerator broke, but was repaired, and that the water temperature in the pool ranged between 84 degrees and 89 degrees each day. Director Conklin asked whether the aerator was being operated 24 hours per day. Mr. Marroquin confirmed that that was the case. He stated that he was still working with the Community Center Committee on the proposed event coordinator position and would bring a proposal to the Board once ready. He then discussed the upcoming adult swim event at the pool on August 10, 2019.

The Board next received the general manager's report. Mr. Hunt referred the Board to his report, attached as **Exhibit "K"**, and reviewed it with the Board. He stated that he had one write-off for Board approval. Mr. Hunt stated that he had received many emails through the District's website the previous month relating to the splash pad project and distributed a copy of the emails to the Board. He stated that he replied to each email informing the sender that planning efforts for the potential splash pad project had been ongoing for four to five years, that the project was still in the feasibility stage, and that there were many site constraints in the vicinity of the pool in Rattan Creek Park. Mr. Hunt stated that he hoped to bring a design/build proposal for the project to the Board for consideration at the August 21, 2019 regular meeting. Director Jones directed Mr. Hunt to provide estimated operation costs for the splash pad, in addition to estimated design, permitting and construction costs, so that the Board could make an informed decision. Mr. Hunt stated that he would present those estimated costs, and commented that the permitting for the splash pad project would take many months, if the Board were to pursue the project. The Board then directed Mr. Hunt to scan and email the emails that he'd received from residents regarding the splash pad project to the Board members for review. Mr. Hunt then discussed with the Board the items to be addressed at a meeting with the Williamson County Liaison Committee and Williamson County Commissioner Cook, including signage and LED lights for the crosswalk on Tamayo Drive and sidewalks. He then updated the Board on the status of the tennis court and basketball court resurfacing project. Mr. Hunt then handed out a copy of pictures of the new gaga ball pit in Rattan Creek Park. He stated that the District's consultants, and the District, each sponsored one-seventh of the expense of materials

for the project. Director Conklin then asked Mr. Hunt to contact Randy Wilburn and request that he provide an update to the City of Austin Rate Cases Committee for review in advance of the July 29, 2019 budget and tax work session so that litigation costs could be properly addressed in the budget. Mr. Hunt continued his report, stating that the District was still in Stage 1 water use restrictions. He stated that lead and copper water sampling within the District was ongoing. Mr. Hunt then discussed the scheduling of the October 2019 town hall meeting and the Board elected to discuss the matter further at the July 29, 2019 budget and tax work session. He concluded by stating that the wastewater line TVing project would commence within the week and that he understood that the written report would be furnished to the District by the end of July 2019. Upon motion by Director Conklin and second by Director Beaulieu, the Board voted unanimously to approve the one write-off, as presented.

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 site plan for the Tamayo Bridge project had been approved by the City of Austin, but Williamson County had not provided approval. Mr. Malish stated that he hoped to have all approvals by September, then publicly bid the project, and be ready to commence the project in November or December 2019. He and Mr. Flahive then discussed the Agreement for Gas Installation by Texas Gas Service with the Board. Mr. Flahive stated that he expected to present a final version for the Board's consideration at the August 21, 2019 regular meeting. Mr. Malish then presented his letter recommending that the District accept the unmetered fire line serving the Advanced Smiles project for ownership, operation and maintenance, attached as **Exhibit "M"**. Upon motion by Director Conklin and second by Director Jones, the Board voted unanimously accept the subject fire line for ownership, operation and maintenance, as recommended. Mr. Malish then stated that he had not heard from the engineers or developers of the self-storage and convenience store projects. He stated that Austin Water Utility had approve the site plan for the water line relocation project on the NW Austin Office Partners LLC site, but he was still waiting on the site development permit, which he expected any day. Mr. Malish stated that he would begin preparing contract documents for the project to that it could be publicly bid upon receipt of the site development permit. He then discussed the Parmer Lane Bridge project and presented the proposal from Pickett, Kelm & Associates, Inc. to provide structural engineering services at a cost not to exceed \$14,800, attached as **Exhibit "N"**, and the proposal from Balcones Geotechnical to provide geotechnical engineering services at a cost of \$3,000, attached as **Exhibit "O"**. Upon motion by Director Conklin and second by Director Christiano, the Board voted unanimously to approve both proposals, as presented. Mr. Malish then stated that he had learned that the Emergency Response Plan discussed at the June 26, 2019 meeting would not need to be completed until December 30, 2021. Director Conklin then asked Mr. Malish to reexamine and update his summary of the District's outstanding water and wastewater service commitments and estimated demand for the few remaining undeveloped tracts within the District.

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 presented the updated schedule for adopting the 2019-2020 budget and 2019 tax rate. He then presented the legislative memorandum relating to Senate Bill 2, which he explained essentially reduced the District's rollback tax rate from 8% to 3.5% and required an automatic rollback election in the event that the District's proposed tax rate would result in an increase of the overall tax bill on the average home in the District that exceeds 3.5% of the prior year's tax bill, rather than providing residents with an option to petition for an election under such circumstances. Mr.

Flahive stated that he would provide an analysis tailored to the District prior to the budget and tax meetings in 2020, when the legislation would be effective.

Director Jones then asked if there were any other matters to come before the Board. Director Beaulieu stated that she wanted to add two items to the August 21, 2019 regular meeting agenda: (i) an item for the Board to consider appointing an exploratory committee to investigate the logistical challenges and costs associated with recording Board meetings; and (ii) an item for the Board to consider revising the restrictive covenant enforcement policy adopted at the July 8, 2019 special meeting to provide for proactive enforcement, rather than complaint-driven enforcement. Director Christiano then updated the Board on the Williamson County Commissioner Court's vote to allocate \$150,000 to the Williamson County Sheriff's Office for fuel. She then stated that she desired to attend the US Water Alliance One Water Summit, to be held in Austin on September 18-20, 2019. Director Christiano stated that she had requested, and US Water Alliance had agreed, to waive the registration fee. She requested that the Board approve paying per diems for her attendance and reimbursing her for mileage to attend the summit, on which she would report back to the Board at the October 16, 2019 regular meeting. Upon motion by Director Jones and second by Director Conklin, the Board voted unanimously to pay per diems and costs of attendance for Director Christiano to attend the One Water Summit and report back to the Board. Mr. Hunt then presented a proposal from The Davey Tree Expert Company to trim branches from trees on District property overhanging a commercial parking lot, limiting use of the parking lot, at a cost of \$720. Upon motion by Director Jones and second by Director Christiano, the Board voted unanimously to approve the proposal, subject to HB 1295 compliance. There being no other matters to come before the Board, upon motion by Director Jones and second by Director Beaulieu, the Board voted unanimously to adjourn at 8:16 p.m.

(SEAL)



*Diana Christiano*  
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Diana Christiano, Secretary  
Board of Directors

Date: August 21, 2019