

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

FEBRUARY 18, 2015

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 February 18, 2015, 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:

Alan McNeil	-	President
Donald G. Conklin	-	Vice President
Jo Jones	-	Secretary
Keith Collins	-	Treasurer
Kim Green	-	Assistant Secretary/Treasurer

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were Gary Spoons with Crossroads Utility Services; Mary Bott with Bott & Douthitt, P.L.L.C.; David Malish with Murfee Engineering Co., Inc.; Richard Fadal with TexaScapes; Bill Burke with Clearwater Management; Kevin Flahive with Armbrust & Brown, PLLC; Michael Whellan with Graves, Dougherty, Hearon & Moody; and Cheryl Hul, a resident of the District and a member of the board of directors of the Bluffs at Milwood Homeowners Association.

Director McNeil called the meeting to order at 6:05 p.m. and stated that the Board would first receive citizen communications. There being none, the Board next considered approval of the January 19, January 21, and January 29 minutes. Upon motion by Director Conklin and second by Director Collins, the Board unanimously approved the January 19 minutes as presented. After discussion and upon motion by Director Collins and second by Director Conklin, the Board approved the January 21 minutes with a modification of the approximate linear footage of the concrete fence to be constructed from 1,000 linear feet to 1,750 linear feet, as stated on page 4 of the minutes. After discussion and upon motion by Director Conklin and second by Director Collins, the Board unanimously approved the January 29 minutes with modifications reflecting Director McNeil's arrival at the meeting at 6:30 p.m.

Director McNeil stated the Board would next consider a Resolution Regarding the General Manager's Account. Ms. Bott stated that Mary Wingrove with Crossroads Utility Services was an authorized signer on the account, noting that she would soon retire. She explained that the proposed resolution would remove Ms. Wingrove as an authorized signer and add Andrew Hunt with Crossroads Utility Services as an authorized signer on

the account. Upon motion by Director McNeil and second by Director Green, the Board unanimously approved the Resolution, a copy of which is attached as **Exhibit "B"**.

The next item to come before the Board was to receive the park and landscape report, including proposals, a copy of which is attached as **Exhibit "C"**. Mr. Fadal stated that the Boy Scouts had planted all of the trees in Robinson Park, noting that his staff would complete the irrigation installation within the week. He stated that the Monterrey Oaks were beginning to drop their leaves and that the Live Oaks would begin leafing out in the next couple of weeks. Director Conklin asked if Mr. Fadal had signed any documents for the Boy Scouts to acknowledge the completion of their project. Mr. Fadal stated that he had not done so and that he was still waiting on a few invoices in order to prepare a calculation of all costs incurred with respect to the project. The Board then discussed that it would sign off on the project upon its completion. The Board took no action.

Director McNeil stated that the Board would next receive the general manager's report. Mr. Spoons stated that he had discussed all items in his report, a copy of which is attached as **Exhibit "D"**, with the Board during the February 16 work session. He then stated that the Standard Agreement with Local Governmental Entity Regarding Off-Duty Contracting of County Sheriff Deputies would be presented to the Board. Mr. Flahive discussed with the Board the content of the agreement for the Board's consideration. He stated that the agreement had been approved by the Williamson County Commissioners Court on October 28, 2014, as a standardized document, adding that it had been modified to address the concerns of the Board and the boards of directors of Vista Oaks Municipal Utility District and Block House Municipal Utility District relating to the clarification of the independent contractor status of the off-duty deputies providing the security services, as well as the appropriate tax filings to be made by the District with respect to payments made to the off-duty deputies. The Board discussed the content of the agreement and the additional costs the District would incur in carrying the additional insurance coverage required by the agreement. Director Conklin asked Mr. Spoons if he would handle obtaining the additional coverages and providing a certificate of insurance reflecting same to Commissioner Covey's office. Mr. Spoons stated that Denise Motal with Armbrust & Brown, PLLC was handling that task for the other two districts and asked Mr. Flahive if she could do the same for the District. Mr. Flahive stated that she could and that he would discuss the matter with Ms. Motal. Director Conklin asked Mr. Spoons if the Texas Municipal League would provide the required worker's compensation coverage. Mr. Spoons stated that it would. The Board then discussed whether the hourly rate paid to the off-duty deputies was memorialized in the associated Memorandum of Understanding between the District and the Williamson County Sheriff's Office, which the Board approved on October 13, 2014, and which remained unchanged. Mr. Flahive stated that he was not certain about that, but he would determine whether the rate was provided in the document and advise the Board. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the Agreement as proposed, a copy of which is attached hereto as **Exhibit "E"**. The Board then discussed the agenda item for adoption of Community Center Rules and Pool Rules and determined that the item should be included in the agenda for the March 18 regular meeting. Mr. Spoons then stated that the concrete work and additional crushed granite would be installed on the trails and that he was holding the check for payment to the contractor until the work was complete, which he expected to occur within the week. Director Conklin asked Mr. Spoons whether the two

new trash cans had been installed at the trailhead. Mr. Spoons stated that the trash cans had been installed on the preceding Sunday.

The next item to come before the Board was to receive the pool and community center report. Mr. Burke stated that the pool would be drained the next day in preparation for the replastering work to be performed. When asked if notice had been provided to the residents that the pool would be closed, Mr. Burke stated that a notice had been posted on both the website and the sign at the community center. He also stated that he had contacted the painters about repainting the women's restroom in the community center to address the recent vandalism in the restroom. Director Conklin asked if Hines Pool & Spa would begin the replastering work over the weekend, as he was concerned the placement of materials and equipment within the community center parking lot might impact the gardening group's usage of the community center. Mr. Burke stated that all materials and equipment would be stored within the pool area. He then handed out to the Board the barbeque grill proposal, a copy of which is attached as **Exhibit "F"**. Mr. Burke reviewed the proposal with the Board, stating that it included the purchase and installation of three 500-square-inch grills with covers, seven 300-square-inch galvanized pits, and three 300-square-inch handicap accessible pits, at a total cost of \$8,000.00. Director Conklin stated that since it had been approximately 15 years since the barbeque grills had been replaced, he wanted to ensure that selection and placement of the grills was thoughtful and appropriate. After discussion and upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the proposal as presented. Mr. Burke then stated that the dog waste stations had been ordered and would likely be delivered within the next two weeks. Director Green stated that she had received complaints about burned out lights on the tennis courts. The Board discussed its policy of replacing all lights at the tennis courts at the same time to reduce installation costs. Director Conklin then stated to Mr. Burke that Director Jones and Mr. Spoons should be consulted with respect to the placement of the dog waste stations prior to installation.

Director McNeil stated that the Board would then receive the bookkeeper's report, a copy of which is included behind tab no. 6 of the meeting packet. Ms. Bott stated that she had nothing to add to the actions taken by the Board at the February 16 work session.

Director McNeil stated that the Board would then receive the engineer's report, a copy of which is attached as **Exhibit "G"**. Mr. Malish stated that he had nothing to add to the report he provided to the Board at the February 16 work session.

Director McNeil stated the next item to come before the Board was to reconsider approval of the request from Alliance Residential Company for a variance from R403.4.3 of the City of Austin Plumbing Code, as amended, as adopted by the District, for the property located at 8100 Anderson Mill Road. Mr. Flahive explained that, after the Board approved the requested variance at its special meeting on January 29, he was contacted by Mr. Whellan and informed that the electric .93EF water heater specified in the resolution granting the variance and the letter from Austin Energy advising City of Austin Assistant City Manager Robert Goode of the appropriateness of the use of such water heater was, in fact, not the water heater that the applicant had previously purchased and desired to install for the project. He stated that the applicant had purchased and desired to install .91EF water heaters. Mr. Flahive stated that, at the applicant's request, the variance request had

been modified to provide for installation of the .91EF water heaters, along with heat pumps with a minimum cooling efficiency of 14 SEER and R38 insulation blown into the attic areas above the top floor ceilings of the buildings within the project. Mr. Flahive stated that he had been provided with revised letters from Austin Energy and City of Austin Assistant City Manager Robert Goode providing for the .91EF water heaters and additional energy efficient measures. He referred the Board to the revised Resolution Granting Variance North Austin Municipal Utility District No. 1 Rules Governing Water and Wastewater Services, a copy of which is attached as **Exhibit "H"**. Director McNeil asked whether all fees and costs incurred by the District with respect to the requested variance had been paid by the applicant. Mr. Malish stated that the applicant had delivered a second payment of \$10,000.00 and had been requested to pay an additional \$4,000.00, which he estimated would cover all remaining fees and costs. Mr. Whellan agreed and stated that the additional \$4,000.00 payment would be made the following Tuesday. Mr. Malish stated that any unused funds would be returned to the applicant. Mr. Whellan then stated that the actual linear footage of the concrete fence to be constructed by the applicant on the project site was 1,790 linear feet, not the previously estimated 1,750 linear feet. He stated that the applicant's site plan had been corrected to permit construction of the fence and the corrected site plan had been provided to Mr. Malish. Mr. Malish and Mr. Whellan then discussed with the Board Mr. Malish's findings and requirements relating to installation of the fence in a manner that would not impede overland flow of water/drainage. Mr. Malish stated that his office had generated an illustration of the required installation and that he would provide it to Mr. Whellan the following day. Mr. Whellan stated that the applicant had been limiting its hours of construction to between 7:00 a.m. and 7:00 p.m. Ms. Hul stated that she had discussed this with the area residents and they reported much improved hours of construction. Upon motion by Director Conklin and second by Director Green, the Board unanimously approved the Resolution as proposed.

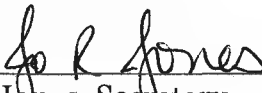
Director McNeil stated that the Board would next receive the restrictive covenants report, a copy of which is attached as **Exhibit "I"**. He asked Mr. Flahive whether he recommended that the Board convene in executive session to receive legal advice with respect to a pending matter. Mr. Flahive stated that he recommended the Board do so. Director McNeil then stated at 6:52 p.m. that the Board would go into executive session pursuant to Texas Government Code Section 551.071 to receive legal advice from the District's attorney, Mr. Flahive. At 7:28 p.m., the Board reconvened in open session. Director McNeil stated that no action had been taken in executive session.

Director McNeil stated that the Board would then discuss future annexation, limited district conversion, and other City of Austin related issues, including the water and wastewater rate appeal. Director McNeil asked if any update had been received from Randy Wilburn. Mr. Spoons stated that he did not have any new information. Director Collins stated that he would like an update.

Director McNeil then asked if there were any other matters to come before the Board. Mr. Spoons stated that the District's contract with Crossroads Utility Services was coming up, and he would present the proposed contract to the Board once it was ready. Director McNeil stated that the new contract should come before the entire Board, as no subcommittee had been established for this purpose. Director Conklin asked for a copy of

the current contract in addition to the proposed contract, once it was ready. Director Conklin instructed Mr. Flahive to add items to the March 16 work session and March 18 regular meeting for consideration of the new contract with Crossroads Utility Services. There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Green, the Board adjourned at 7:57 p.m.





Jo Jones, Secretary
Board of Directors

Date: March 18, 2015