

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

MAY 20, 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 May 20, 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:

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|-------------------|---|-------------------------------|
| 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, except for Director McNeil and Director Conklin, 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; Roland Smits, a representative of Austin Trinity Aquatic Club; Stephanie Hardy, a representative of Austin Trinity Aquatic Club; Amanda Farley, a resident of the District; Renee Curfman, a resident of the District and President of the Rattan Creek Neighborhood Association; and Alicia and Dayli Ranucci, seeking use of the pool for synchronized swimming team practices.

Director Jones presided over the meeting. She called the meeting to order at 6:06 p.m. and stated the Board would first receive citizen communications. Mr. Smits stated he was the President of the Austin Trinity Aquatic Club swim team and delivered letters from his swimmers to each of the Directors. He stated his team was a little over one year old and he'd had difficulty gaining access to pools for practices. Mr. Smits requested use of the pool during the off-season, which would be mid-September through March, on Mondays, Tuesdays, Thursdays and Fridays for four hours each day. He stated his team was presently practicing at a pool at Southwestern University. Director Collins asked Mr. Smits to submit his request in writing for review by the Pool Committee, comprised of Director McNeil and Director Conklin. Director Jones then addressed Ms. Farley. Ms. Farley stated she had spoken with Mr. Spoons on May 19th about removal of sediment that has collected and was adversely impacting flows within drainageways within the District, causing mosquito infestation. Mr. Spoons stated he had discussed the matter with Mr. Fadal, who had contacted an exterminator seeking an opinion on available options. Mr. Fadal stated he had not yet heard back from the exterminator that he had contacted. He stated the

common treatment was to place mosquito dunks containing a bacteria that kills the mosquito hatch in the water in the drainageways. Mr. Fadal stated this would not kill mature mosquitos. He stated the Center on Disease Control recommended use of mosquito repellent and removal of standing water as the best methods of reducing the impact of mosquitos. Mr. Spoons stated that the areas where the silt had built up had been identified and asked Mr. Fadal to contact the exterminator regarding recommended treatments for those areas. He stated the Parks and Greenbelt Committee, comprised of Director McNeil and Director Collins, would conduct its site tour the following Thursday and look into the matter. Director Jones then addressed Ms. Curfman. Ms. Curfman stated the crawfish boil went well. Director Green asked about the security provided at the event. Ms. Curfman stated she spoke with Captain Gleason for about 20 minutes at the end of which he stated that he need not remain at the event and left. Ms. Curfman stated the pool party was scheduled for Saturday and asked if the RCNA could reschedule in the event of rain. Director Jones stated the event could be rescheduled, subject to pool availability. Ms. Curfman then thanked the Board for providing the RCNA use of a locked cabinet in the Community Center kitchen. She asked if the Board would agree to allow another adult swim pool party on an available Friday evening, stating the dates of August 7 and August 21 would be good dates. Director Collins then asked Mr. Flahive to add an item to each regular meeting agenda moving forward for Ms. Curfman to address the Board regarding RCNA matters. Director Jones then addressed Ms. Hardy. Ms. Hardy addressed the Board, stating that she had attended the regular meeting in April and again was requesting that the Board consider granting use of the pool to the Austin Trinity Aquatic Club swim team. Director Jones stated that neither member of the Pool Committee was in attendance, but the committee would meet in June to review the request and she hoped the Board would address the matter at the June regular meeting. Director Collins asked Ms. Hardy what percentage of the swimmers on the team were residents of the District. She responded approximately 10% of the swimmers were residents. Director Jones then addressed Ms. Dayli Ranucci. Ms. Ranucci stated she was a former Olympic gold medalist synchronized swimmer from Mexico that was starting a team. She stated she had been looking for a heated pool in the area for team practices and was having difficulty doing so. Ms. Ranucci stated she would like to use the pool two times per week in the evenings. She stated the team only had about five or six swimmers. Ms. Ranucci stated she intended to hold clinics to promote the sport. She stated the practices would begin at the end of August and continue through the school year. Director Collins requested that Ms. Ranucci submit her request in writing for review by the Pool Committee and consideration by the Board.

Director Jones stated the Board would then consider approval of the April 13 and April 15 minutes. Upon motion by Director Green and second by Director Jones, the Board unanimously approved the April 13 minutes as presented. Upon motion by Director Collins and second by Director Green, the Board unanimously approved the April 15 minutes as presented.

Director Jones stated the Board would then receive the park and landscape report, including proposals, a copy of which is attached as **Exhibit "B"**. Mr. Fadal stated the wet weather had created a challenge for keeping up with maintenance without damaging the grounds. He stated his crews were doing more hand-work as a result. Director Jones asked if Mr. Fadal had provided Proposal No. 8725, for the Tamayo triangle landscape bed,

and Proposal No. 8762, for topdressing and nutrient blitzing the three soccer fields, which are attached hereto as **Exhibit “C”** and **Exhibit “D”**, respectively, and which were approved by the Board on May 18. Mr. Fadal stated he had provided the proposals to Mr. Flahive. Mr. Fadal then stated the Parks and Greenbelt Committee had scheduled the site tour on June 4, not May 28 as Mr. Spoons had stated earlier. Director Collins asked if there was irrigation located in the vicinity of the Tamayo triangle landscape bed. Mr. Fadal stated there was, but it would be modified to serve the landscape bed.

The Board next received the pool and community center report. Mr. Burke referred the Board to his report, a copy of which is attached as **Exhibit “E”**. Ms. Curfman then addressed the Board, stating she and Mr. Burke had established June 13 as the alternate date for the pool party and the adult swim party had been scheduled for August 7 from 8:00 p.m. to 10:00 p.m. Mr. Burke stated he had nothing to discuss with the Board and solicited questions. Director Collins asked Mr. Burke to prepare and deliver to the Board a schedule showing use of the pool so that the Board could determine availability and prepare and provide to the Board a recommended fee amount for use of the pool.

Director Jones stated the Board would next receive the general manager’s report. Mr. Spoons referred the Board to his report, a copy of which is attached as **Exhibit “F”**. He stated that he and Mr. Malish met with Mr. Heath Anderson of Utility Testing and Services earlier in the week regarding his proposal for TVing and cleaning wastewater lines within the District, a copy of which is attached as **Exhibit “G”**. He stated that he and Mr. Malish recommended approval of the proposal, stating the price was very competitive and they were both impressed with Mr. Anderson. Director Collins asked if Utility Testing and Services had the insurance coverages required by the District. Mr. Spoons stated that Mr. Anderson had represented that all required insurance coverages were in place and that he would obtain a certificate from Mr. Anderson and provide it to Mr. Flahive. Upon motion by Director Collins and second by Director Green, the Board unanimously approved the proposal, subject to Mr. Anderson’s submittal of the certificate of insurance evidencing the required coverages. Mr. Spoons then stated that he and Mr. Malish had met with the contractor, a subsidiary of Austin Engineering, that would be pot-holing and installing fiber optic lines within the District for AT&T. He then described for the Board the City of Austin’s methodology for calculating its wastewater averaging figures, which had changed three times this year alone and had changed each of the last four years. Mr. Spoons stated he had worked with Ms. Bott and determined that the correct amount was roughly 20,000,000 gallons. Ms. Bott referred the Board to page 6 of her cash activity report, a copy of which is attached as **Exhibit “H”**, stating the actual amount of 20,505,700 gallons. Ms. Bott also stated that the starting date billing issue she had been working on with the City of Austin for many months had been resolved. Mr. Spoons then referred the Board to the proposal from La Costa Environmental LLC for preparation of a water conservation and drought contingency plan for the District, a copy of which is attached as **Exhibit “I”**. Mr. Flahive then discussed with the Board that the District had a drought contingency plan in place, having confirmed the plan in April of 2014. He stated the District was now required to adopt a water conservation plan because the number of water connections within the District had surpassed 3,300. Mr. Flahive then discussed with the Board the requirement that the District submit an annual progress report, on May 1 of each year, to the Texas Water Development Board, addressing the District’s progress implementing the water conservation plan. He stated it was his understanding that the

drought contingency plan and water conservation plan would be interdependent and the Board should consider having both plans prepared together even though District already had a stand-alone drought contingency plan in place. Mr. Spoons agreed and stated La Costa Environmental LLC had prepared both plans for Wells Branch MUD and produced are great product. The Board then discussed establishing a committee to work with the consultant on the plans and attend to the annual progress report filings. Director Jones and Director Green offered to serve on the committee. After discussion and upon motion by Director Collins and second by Director Green, the Board unanimously approved the proposal and established the Drought Contingency Plan and Water Conservation Plan Committee, comprised of Director Jones and Director Green. Mr. Spoons then stated the Davey Tree Expert proposal for tree pruning, a copy of which is attached as **Exhibit "J"**, was approved by the Board on May 18.

Director Jones stated the Board would then receive the bookkeeper's report. Ms. Bott referred the Board to the cash activity report. She stated check nos. 10915-10918 had been added. Ms. Bott then reviewed with the Board the expenditures, four fund transfers and certificate of deposit renewal proposed for approval. Director Collins asked if it had been confirmed with John Carlton that his firm's invoices had been accurately allocated between the water and wastewater rate appeals. Ms. Bott stated that this had been confirmed with Mr. Carlton with respect to his firm's invoices for prior months, but not the subject April invoices. Director Collins stated he would like to hold payment of the April invoices pending such confirmation and then have the Board consider and take action on the February, March and April invoices. Ms. Bott then discussed with the Board payment of the Roadrunner Inspection Services, LLC inspection fees. Upon motion by Director Collins and second by Director Green, the Board unanimously approved all proposed expenditures, transfers and the certificate of deposit renewal, except for check nos. 10917 and 10918.

Director Jones then asked if there were any discussion items relating to the budget. There being none, Director Jones stated the Board would then review and consider action regarding the bond projects. Mr. Malish stated he expected to receive the drainage study from the City of Austin in June. He provided to the Board a copy of email correspondence between his office and the City of Austin, a copy of which is attached as **Exhibit "K"**, regarding the study. Director Collins asked about discrepancies between models prepared by Mr. Malish's office and those prepared by URS. Mr. Malish stated there were discrepancies. He stated that his office had studies smaller tributaries because they impacted the District's waterways, using older City of Austin models, and produced findings that were different than what he understood URS had produced. Director Collins asked Mr. Malish if he and Mr. Jim Scaief in his office could contact URS and seek to reach agreement on the correct models to be used. Mr. Malish stated he would do so. Mr. Malish then asked if he should seek proposals from architects for design of the booster pump station buildings. The Board discussed the desired architectural design for the buildings. Director Collins stated the buildings should have a stone façade. Mr. Malish proposed a design that would be consistent with the design of the Community Center. He stated he would set up an interview with an architect that he thought might be a good fit for the project.

Director Jones stated the Board would then receive the engineer's report. Mr. Malish stated he had nothing to add to his report and the TV inspection of the wastewater lines had already been discussed.

The next item to come before the Board was to receive the attorney's report. Mr. Flahive stated his office would work with Director Jones and Representative Tony Dale's office to submit the request from the Attorney General's Office of an opinion relating to Williamson County's sidewalk policy. Director Jones stated sidewalk repair at various locations within the District had been frequently discussed topic on the Next Door neighborhood website. Mr. Spoons stated some sidewalk repairs were needed in the portion of the District located within Travis County and he contacted Travis County and was informed that a superintendent would conduct a site visit and make the necessary repairs. Director Green stated the sidewalks on Tamayo Drive were in poor condition.

Director Jones stated the Board would then receive the restrictive covenants report. Mr. Flahive stated the enforcement matter relating to 13251 Kerrville Folkway had been postponed from the April regular Board meeting to provide the Board members with an opportunity to view the improvements in the front yard of the property. Director Green stated she did not consider the improvements to constitute a nuisance. Director Collins stated he did not want to pursue the matter. Upon motion by Director Collins and second by Director Jones, the Board unanimously elected not to proceed with the enforcement matter. Mr. Flahive then discussed with the Board the recommendation by Mr. Jeff Hobbs in his office that the litigation files relating to Cause No. 07-074-C26, North Austin Municipal Utility District No. 1 v. Mark Chutich, with the exception of specific documents that had been saved electronically, be destroyed pursuant to the firm's document retention policy. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved Mr. Hobbs' recommendation to destroy the file.

Director Jones stated the next item to come before the Board would be to discuss and consider possible action regarding Senate Bill 1945. Mr. Flahive discussed with the Board the content of the bill, sponsored by Senator Fraser, which would provide customers of Austin Energy with the ability to petition the Public Utility Commission to review Austin Energy's current or proposed electricity utility rates. He stated the bill had not been taken to the Senate floor for a vote. Mr. Flahive then discussed with the Board Senate Bill 1639 relating to municipal annexation of property within municipal utility districts.

The next item to come before the Board was future annexation, limited district conversion, and other City of Austin related issues, including the water and wastewater rate case. There were no discussion items.

Director Jones stated the Board would next consider any other matters to come before the Board. Mr. Malish stated his office would again host a lunch for the Board members and spouses and other consultants on Friday during the CASE Conference.

There being no other matters to come before the Board, upon motion by Director Green and second by Director Jones, the Board adjourned at 7:26 p.m.



Date: 17, 2015

 Jo R Jones
Jo Jones, Secretary
Board of Directors