

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

September 18, 2017

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 September 18, 2017, 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
Kim Green	-	Treasurer
Rachel Beaulieu	-	Assistant Secretary/Treasurer

and all of said Directors were present, 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.; Marc Marroquin with Premier Recreation Management; Andrew Hunt with Crossroads Utility Services, L.L.C.; Justin Taack with Public Finance Group, LLC; Kevin Flahive with Armbrust & Brown, PLLC; Chris Blackburn with Waterloo Development, Inc.; Brian Faltsek with LJA Engineering, Inc.; Walter Duke with CalAtlantic Group, Inc.; and Helen Gilbert with Gilbert Wilburn, PLLC.

Director McNeil called the meeting to order at 6:04 p.m., stated that the Board would first consider acceptance of the potable water facilities within the Amberglen Non-Consolidated Site Plan and addressed Mr. Malish. He distributed his report, attached as **Exhibit "B"**, and the punchlist from the City of Austin, attached as **Exhibit "C"**, and reviewed the documents with the Board. Mr. Malish explained that the private wastewater lift station and force main within the project was complete and operational. He stated that he recommended that the Board accept the potable water facilities within the project for operation and maintenance, despite deficiencies in the inspection records provided by the project engineer, because the developer obtained a two year maintenance in 100% of the replacement cost for such facilities, upon which the District could draw in the event of construction defects. Mr. Hunt stated that he had inspected the potable water facilities and the private wastewater lift station and force main and recommended acceptance of the potable water facilities within the project for operation and maintenance. After discussion, upon motion by Director Conklin and second by Director Green, the Board voted unanimously to accept the potable water facilities within the Amberglen Non-Consolidated Site Plan.

At 6:31 p.m., Director McNeil stated that the Board would convene in executive session pursuant to Section 551.071 of the Texas Government Code to receive legal advice from Ms. Gilbert and Mr. Flahive relating to the pending wholesale water and wastewater rate cases. The

Board reconvened in the open meeting at 7:11 p.m. and Director McNeil stated that no actions were taken during executive session.

The Board then received a report from the bookkeeper. Ms. Bott referred the Board to the cash activity report that she handed out, attached as **Exhibit "D"**. She reviewed with the Board the director and vendor payments, the five transfers and the letter to close one certificate of deposit. Ms. Bott then reviewed the August financials with the Board. The Board reviewed and discussed the invoices. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve payment of the director and vendor payments, the five transfers and the letter to close one certificate of deposit, all as proposed.

Director McNeil stated that the Board would next consider the 2017-2018 budget and tax items. Mr. Taack addressed the Board and reviewed the 2017 Tax Rate Analysis summary and related materials attached as **Exhibit "E"**. He reported that the assessed valuation of the property in the District for 2017 was \$1,210,439,309. Mr. Taack recommended that the District levy a tax rate of \$0.2880. He stated that the \$0.2880 rate was comprised of \$0.0430 for debt service and \$0.2450 for operations and maintenance tax. After discussion, Director McNeil then opened the public hearing on the District's 2017 tax rate and inquired whether there was anyone present wishing to address the Board regarding the District's tax rate. There being no public comment on the tax rate, Director McNeil closed the public hearing.

Director McNeil then stated that the Board would discuss and consider adopting a budget for the District's 2017-2018 fiscal year. Ms. Bott presented and reviewed the reduced draft budget attached as **Exhibit "F"**. She stated that the budget was based on the recommended \$0.2880 tax rate. After discussion of modifications to be made to the reduced draft budget for attachment to the Resolution Adopting Budget, Director Jones moved that the Board approve the budget, as modified, and the Resolution Adopting Budget attached as **Exhibit "G"**. Director Beaulieu seconded the motion, which then passed unanimously.

Director McNeil then stated that the Board would next consider establishing the District's 2017 tax rate. Mr. Taack reiterated his recommendation that the District establish a total tax rate for 2017 of \$0.2880. Upon motion by Director Jones and second by Director Conklin, the Board voted unanimously to establish a tax rate of \$0.2880, as recommended by Mr. Taack, and to adopt the Order Levying Taxes attached as **Exhibit "H"**, with Directors McNeil, Conklin, Jones, Green and Beaulieu all present and voting "aye."

The Board next considered approval of the Amended and Restated Information Form reflecting the new 2017 tax rate, attached as **Exhibit "I"**. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the Amended and Restated Information Form, as proposed.

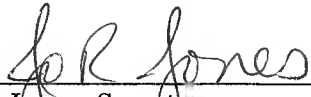
Director McNeil stated the Board would next consider the Interlocal Agreement Regarding Drainage Improvements of Tamayo Drive Culverts (Tamayo Drive Culverts Project) provided by Williamson County Engineer Terron Everston. Mr. Malish explained that the site development permit application for the project had been approved by the City of Austin, but Williamson County had not yet approved the application due to the County Engineer's position that the project should be performed by Williamson County. Mr. Malish and Mr. Flahive discussed their concerns with the proposed agreement. Mr. Flahive stated that he had requested input from the District's bond counsel, McCall Parkhurst & Horton, LLP, as proceeds from the District's Series 2014 bond issue would be used to fund the project. The Board elected to postpone action on the item until the September 20 regular meeting.

Director McNeil then asked if there were any other matters to come before the Board. Mr. Malish discussed with the Board his initial estimate of costs of relocation of the water line at issue in the pending litigation relating to the Water Line Easement (OPRWTC 2001060527), for further discussion at the September 20 regular meeting. There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Green, the Board voted unanimously to adjourn at 8:49 p.m.

(SEAL)



Date: October 18, 2017

  
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Jo Jones, Secretary  
Board of Directors