

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

August 19, 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 August 19, 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, thus constituting a quorum. Also in attendance at the meeting were Andrew Hunt with Crossroads Utility Services, L.L.C.; Marc Marroquin with Premier Recreation Management Services, LLC.; Randy Wilburn with Gilbert Wilburn PLLC; and Linda Hubble with Public Finance Group, LLC.

Director Jones called the meeting to order at 6:04 p.m. and stated that the Board would first receive citizen communications. There were no citizens present for comment.

Director Jones then recognized Ms. Hubble, who handed out the 2019 Tax Analysis Report, attached as **Exhibit "B"**. Ms. Hubble stated that her office had just received the certified Travis County appraised values and noted that the new values had been incorporated into the report. She reviewed the certified values and three tax rate scenarios with the Board. The Board discussed the scenarios. Ms. Hubble stated that no action was necessary since the Board could consider setting the rate for publication at the August 21 regular meeting.

At 6:12 p.m., Director Jones announced that the Board would convene in executive session pursuant to TEXAS GOV'T CODE § 551.071 in order to receive legal advice from Mr. Wilburn regarding the City of Austin wholesale rate cases. The Board reconvened in open meeting at 6:40 p.m. and Director Jones announced that the Board had taken no action.

The Board next considered conducting a work session on the 2019-2020 budget. Mr. Hunt addressed the Board and handed out version 2 of the draft 2019-2020 budget, attached as **Exhibit "C"**. Mr. Hunt stated that the draft budget included a proposed \$0.2448/\$100 operation and maintenance tax rate. Mr. Hunt then reviewed the changes noted in red on the draft budget. The Board noted a few changes relating to the LED lighting estimates and an additional fence project. Mr. Hunt stated that he would confirm the changes and send out a version 3 of the budget prior to the September Board meeting. No action was taken by the Board on the draft 2019-2020 budget.

Director Jones then stated that the Board would next receive the accountant's report and consider bills, invoices, transfers and investments. Mr. Hunt stated that Ms. Bott was unable to attend the meeting and provided the report on cash activity, check register, and transfer letters, attached as **Exhibit "D"**, to the Board for review. The Board discussed various operational invoices. Director Conklin stated that he thought that approval of the bills, invoices, transfers and investments was listed as a work session item and that he recommended that the Board defer action on the accountant's report and hold any approval of bills, invoices, transfers and investments until the August 21, 2019 regular board meeting. The Board concurred with this recommendation. Mr. Hunt reviewed the agenda and stated that he thought that would be appropriate. No action was taken by the Board.

Director Jones then recognized Mr. Hunt to present the general manager's report. Mr. Hunt referred to his report, attached as **Exhibit "E"**, and stated that he asked to have his agenda items on the August 19, 2019 agenda since he would not be able to attend the regular Board meeting on August 21, 2019. He then reviewed his directives and stated that several had been completed and some were still in process. He then reviewed the July water accountability with the Board, stating that the water loss was 3.66% for the month. Mr. Hunt mentioned that utility crews had repaired a curb stop on Osborne and a fire hydrant that got hit by a vehicle on Briarwick Drive. He stated that his maintenance team was working on completing a final list of hydrant repairs prior to the end of the fiscal year. In addition, he referred the Board to his billing report and referenced two write offs for approval and stated that he had not received any communication through the District's website from residents.

Mr. Hunt then directed the Board to review the website plan prepared by Hot Dog Marketing for the new District website, attached as **Exhibit "F"**. Mr. Hunt covered the various components of the proposed website plan and stated that this plan was only an overview and that the next step would be to finalize a logo and brand design and have the contractor prepare a proposal for website design services. He stated that the website design proposal was still in process with Hot Dog Marketing. Director Conklin asked if Hot Dog Marketing could add a custom contact feature to the website. Director Beaulieu stated that the Website Committee would confirm.

Mr. Hunt then covered the current status of the transition of solid waste service providers and he mentioned that he was coordinating with Central Texas Refuse, Inc. and that they identified September 30, 2019 as the ideal date for a final pickup. Mr. Hunt mentioned that Texas Disposal Systems, Inc. was completing an introductory flyer to hand out at Rattan Fest, which would also be mailed to the District's residents in September. Mr. Hunt stated that he would coordinate with Texas Disposal Systems, Inc. and Central Texas Refuse, Inc. to make sure the District's residents are aware of the upcoming changes to solid waste services in the District. Mr. Hunt stated that Jay Howard with Texas Disposal Systems, Inc. would be at the August 21, 2019 regular meeting to discuss the transition.

Mr. Hunt then stated that a proposal for splash pad feasibility was near completion but was combined with a proposal for remodeling of the pool building. He stated that he recommended that Beacon Construction Company, the prospective contractor for the projects, submit two separate proposals. He stated that he expected to have the two proposals finalized for the Pool Committee to review soon, and for presentation at the September 18, 2019 meeting, if the Pool Committee approves.

Mr. Hunt then relayed his conversation with Mr. Malish concerning a project to review the feasibility of repairs to sidewalks in the District. He stated that Mr. Malish would be at the August 21, 2019 regular meeting and would discuss the proposed sidewalk repairs. He then stated that the required lead and copper sampling in the District was nearly completed.

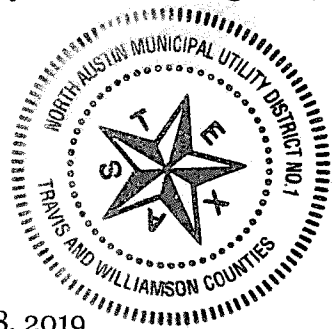
Finally, Mr. Hunt stated that his company was in the process of transitioning to new billing software that will allow customers to make utility bill payments electronically, including via credit and debit cards, ACH transfer, and e-check, and that the new software was integrated with different payment processors that required new agreements and applications from the District. He stated that the new paperwork was similar to the agreements currently in effect and had been reviewed by the District's legal counsel. He summarized the transition process and requested that the Board approve the new documentation and authorize the termination of the existing agreements upon completion of the transition. Mr. Hunt reviewed with the Board (i) the Merchant Processing Application and Merchant Services Program Terms and Conditions with Bluefin Payment Systems, LLC attached as **Exhibit "G"**; (ii) the Addendum to Card Services Agreement by and Among North Austin Municipal Utility District No. 1 of Travis and Williamson Counties, Texas; Bluefin Payment Systems LLC; and Wells Fargo Bank USA, N.A. attached as **Exhibit "H"**; (iii) the Service Agreement with T Tech, LLC attached as **Exhibit "I"**; and (iv) the Addendum to Service Agreement by and Between North Austin Municipal Utility District No. 1 of Travis and Williamson Counties, Texas and T-Tech, LLC attached as **Exhibit "J"**. Mr. Hunt then presented the First Amendment to Management Services Agreement with Crossroads Utility Services LLC (the "*Crossroads Amendment*") attached as **Exhibit "K"** and reviewed it with the Board. He stated that the Amendment addressed the security of District customer data available to Crossroads.

Mr. Hunt then asked the Board to consider approval of the two write-offs presented and the foregoing agreements, and authorize Crossroads to terminate any agreements currently in place for the same services upon completion of the transition. Upon motion by Director Conklin and second by Director Beaulieu, the Board voted unanimously to approve the two write-offs as presented, the forgoing agreements related to electronic utility bill payment, and the Crossroads Amendment, and to authorize Crossroads to terminate any agreements currently in place for the same services upon completion of the transition.

The Board then discussed the agenda items for the August 21, 2019 regular meeting. Director Green asked the Board for an agenda item at a future meeting to consider the feasibility of posting committee meeting agendas and receiving public input at the meetings. The Board took no action.

Upon motion from Director Jones and second by Director Green, the Board voted unanimously to adjourn the meeting at 8:56 p.m.

(SEAL)



Diana Christiano

Diana Christiano, Secretary
Board of Directors

Date: September 18, 2019