

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

FEBRUARY 20, 2008

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 20, 2008, at the offices of Southwest Water Company, 9511 Ranch Road 620 North, 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
Chuck Simms	-	Assistant Secretary

and all of said Directors were present, except Director Collins, thus constituting a quorum. Also present at the meeting were Gary Spoons of Southwest Water Company; David Malish of Murfee Engineering Co., Inc.; Richard Fadal of TexaScapes, Inc.; Bill Burke of Clearwater Management Co.; Josh Conklin, a resident of the District; and Sharlene Collins of Armbrust & Brown, L.L.P.

Director McNeil convened the meeting and stated that the Board would consider approval of various sets of minutes. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the January 7 minutes as presented. Upon motion by Director Jones and second by Director Conklin, the Board unanimously approved the January 14 minutes as presented. Upon motion by Director Jones and second by Director Simms, the Board unanimously approved the January 16 minutes with one revision. Upon motion by Director Conklin and second by Director McNeil, the Board unanimously approved the January 30 minutes as presented. Upon motion by Director Jones and second by Director Simms, the Board unanimously approved the February 7 minutes as presented.

Director McNeil stated the Board would next receive citizen communications. The Board recognized Josh Conklin, a Boy Scout, who stated that he needed an Eagle Scout project. He stated that he was suggesting a project to mark storm drains in the District, write a newsletter article regarding stormwater and complete an initial outfall screening and report to the Board. The Board agreed that the project sounded worthy. Mr. Conklin stated that he was still waiting on final approval of the project from the Boy Scouts organization. The Board thanked him for coming. Director McNeil inquired as to whether there were any other citizen communications. There were none.

Director McNeil stated the Board would next receive a park maintenance report. Mr. Fadal briefly reviewed his report, a copy of which is attached hereto as Exhibit "B". He and Mr. Spoons noted that the soccer fields would reopen on February 25. The Board thanked him for his report.

The next item to come before the Board was to receive a pool operations report. Mr. Burke stated that he had spoken with the Board of Directors of the Springwoods MUD. He stated that the Board was willing to allow the Hurricane Swim Team to swim at Springwoods Pool for practices. He stated that the Springwood Team would need to coordinate with the Hurricane Swim Team on acceptable times. Mr. Burke stated that he had arranged for the rental of trailers for the pool. After discussion, upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the rentals. Mr. Burke stated that he anticipated that the rental cost would be \$5,000 for the entire time.

The next item to come before the Board was to consider the contract with Hurricane Swim Team for the 2008 season. Director Conklin briefly discussed the contract. He stated that the dates would need to be adjusted. He requested that the contract be on the agenda for action at the March meeting.

The next item to come before the Board was to receive a report from the District's general manager and consider paying bills and invoices. Mr. Spoons reported on the status of the Camden Apartments meter. He stated that the developer had gone ahead without permission of the District, to install the meter box and piping. He stated that they would use the meter box ordered by Southwest Water Company for the next section. He noted that Camden Apartments would not get any refund for their tap fees. He stated that when the next section went in the only reduction would be for the actual cost of the meter box. Director Conklin stated that he wanted to make sure that the credit given to Camden was only the actual cost of the meter box, not three times the cost. He stated that they should be charged the \$100,000 rather than \$110,000. Mr. Spoons agreed that was correct. Mr. Spoons then briefly discussed the booster pump stations. He stated that there had been some noise complaints regarding the booster pump due to the electrical wiring. Mr. Malish stated that they were looking at a resolution of the problem. Mr. Spoons also reported that a resident had a complaint regarding the pressure being too high. The Board directed Mr. Spoons to talk with her and to install a pressure reducing valve if necessary with the understanding that it would be hers to maintain in the future. Mr. Spoons stated he would do so. Mr. Spoons next directed the Board's attention to the write-off list. Upon motion by Director Jones and second by Director McNeil, the Board unanimously approved the write-off list. Mr. Spoons then proceeded to review the bills and invoices for payment. He briefly discussed the overage on the Peña Swayze billing. The Board requested an explanation for the additional cost. Director McNeil moved to pay Peña Swayze up to the original estimate and to withhold the remaining amount until an explanation was provided. There was no second to the motion. After further discussion, upon motion by Director Jones and second by Director Conklin, the Board unanimously approved payment of the full amount after back-up is provided to Mr. Spoons for review. After further discussion, upon motion by Director Jones and second by Director McNeil, the Board unanimously approved the payment of all other invoices.

Director McNeil stated the Board would next receive a report from the District's general manager responding to the audit management issues. Mr. Spoons briefly reviewed the response,

a copy of which is attached hereto as Exhibit "C". He briefly discussed the future safeguards that would be undertaken by the Board.

The next item to come before the Board was to receive a report from the District's engineer. Mr. Malish reviewed his report, a copy of which is attached hereto as Exhibit "D". He requested that the pump station acceptance be postponed until the March meeting.

Director McNeil stated that no action would be taken on the acceptance of the booster pump station at Mr. Malish's request.

The next item to come before the Board was to consider any necessary action regarding restrictive covenants. Ms. Collins briefly reviewed the status of various cases. The Board provided input regarding those cases. No action was taken.


Director McNeil stated the Board would next consider matters related to the District's election. Ms. Collins briefly reviewed each of the agenda items regarding calling the election. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the Contract with Williamson County for Election Services, a copy of which is attached hereto as Exhibit "E"; the Resolutions Approving the Joint Election Agreement, a copy of which is attached hereto as Exhibit "F"; the Order Calling the Director Election, a copy of which is attached hereto as Exhibit "G"; the Resolution Authorizing the Secretary's Appointment of Agent, a copy of which is attached hereto as Exhibit "H"; authorized the District's attorney to give notice of the election, and authorized the filing of any necessary voting rights submissions to the U.S. Department of Justice.

Director McNeil stated the Board would return to general manager issues. Mr. Spoonts discussed a resident's concern over trash on Williamson County owned land. Mr. Spoonts stated that they had been unable to locate where exactly the trash was. The Board directed Mr. Spoonts to have the resident talk to Williamson County directly.

Director McNeil inquired as to whether there were any further items to come before the Board. There being none, the meeting was adjourned.

(SEAL)

Date: 3.19.08



Jo Jones, Secretary
Board of Directors