

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

March 19, 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 March 19, 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 in attendance at the meeting were Gary Spoons of Southwest Water Company; David Malish of Murfee Engineering Co., Inc.; Mark Maxwell and Bill Burke of Clearwater Management Co.; Kim Green representing the Hurricane Swim Team; Josh Conklin, resident; and Sharlene Collins of Armbrust & Brown, L.L.P.

Director Conklin called the meeting to order and stated that the Board would first consider approval of minutes of various meetings. Upon motion by Director Jones and second by Director Simms, the Board unanimously approved the minutes of the February 19, 2008 meeting. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the minutes of the February 20, 2008 meeting. Upon motion by Director Jones and second by Director Simms, the Board unanimously approved the minutes of the February 21, 2008 meeting.

Director Conklin stated the Board would next receive citizen communications. He recognized Kim Green who requested that the Board take up the Hurricane Swim Team contract early in the meeting. Director Simms then discussed a request from a resident for a street light at the corner of Kerrville Folkway and Greybull. Director Simms also discussed a request for an additional handicap entrance to the park. Mr. Spoons stated that he would talk to Williamson County about these matters. At this time Director Conklin recognized Director McNeil's arrival. The Board next recognized Josh Conklin who discussed his proposed Eagle Scout project regarding the storm water system. He briefly discussed the cost involved in the scope of the project. The Board discussed the value of numbering the inlets. Mr. Spoons agreed that he would discuss this matter with the MS4 consultants. After further discussion, upon motion by

Director McNeil and second by Director Jones, the Board unanimously approved going forward with the Eagle Scout project at the maximum expenditure of District funds in the amount of \$1,800.

Director McNeil stated the Board would next consider the Hurricane Swim Team contract. Director Conklin stated that he would like to get a draft to the team for their approval and have the Board of the District take action at its next regular meeting. Ms. Green inquired as to whether the Board would be willing to have an intrasquad swim meet mockup toward the middle of May. The Board agreed that this could be done on May 16, 2008. At this time Ms. Green departed the meeting.

Director McNeil stated the Board would next receive a report regarding the park and landscape maintenance. It was noted that Mr. Fadal could not be in attendance. Mr. Spoons stated that these matters had been discussed with Mr. Fadal at the work session on Monday. Mr. Spoons referred the Board to Proposal No. 7021 for spring color in the amount of \$2,784.26. Mr. Spoons stated that this was a budgeted item. Upon motion by Director Jones and second by Director Conklin, the Board unanimously approved the proposal, a copy of which is attached hereto as Exhibit "B". Mr. Spoons noted that the grass inside the booster stations needed mowing. Mr. Spoons stated that he would ask Mr. Fadal for a proposal. The Board then discussed landscaping for the booster station sites. No action was taken.

The next item to come before the Board was to consider pool operations, repairs and reconstruction, including approval of related proposals. Director McNeil noted that the proposal for geotechnical work had been approved at the work session Monday night. Mr. Maxwell reviewed changes to the District's website. The Board directed that he go forward with them. Mr. Burke then discussed the inability to determine the location of leaks in the pool due to the fact that the water in the pool is low at this time. He stated that within two weeks they should be able to solve the problem when the water level is restored. He informed the Board that they had been certifying the lifeguards over the last couple of weeks. He stated that they will have all of their guards back from last year.

The next item to come before the Board was to receive a report from the District's general manager. Mr. Spoons stated that the brush pickup would be curbside, not staged, this year if approved by the Board. After discussion, upon motion by Director McNeil and second by Director Jones, the Board approved going forward with curbside brush pickup. Director Simms was opposed. Mr. Spoons then discussed the booster pump recorders at 6500 Corpus Christi Drive. He stated that they were still working to get the water pressure below 80 p.s.i. The Board discussed whether or not to authorize the general manager to enter into agreements for pressure-reducing valves for various customers. After discussion, Director McNeil moved that the general manager be authorized to enter into a contract with the customer at 6500 Corpus Christi Drive for the installation of a pressure-reducing valve including the engineer's recommendation as 35 p.s.i. being the baseline, but giving the general manager the ability to work with homeowner as to the initial p.s.i. setting. Director Simms seconded the motion and it was approved unanimously. Mr. Spoons then directed the Board's attention to the write-off list. Upon motion by Director McNeil and second by Director Jones, the Board voted unanimously approved the write-offs as recommended by Mr. Spoons. Mr. Spoons then presented the bills and invoices for payment. He stated there had been no changes from Monday night's meeting.

Mr. Spoons stated that the check to Landscapes Specialties would be held until completion of the project at which time the check would be released. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the payment of bills and invoices as recommended by Mr. Spoons.

The next item to come before the Board was to discuss and consider taking any necessary action regarding an amendment to the engagement letter with Clark Thomas regarding legal representation. After discussion, upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the engagement letter with the understanding that the retainer currently held by Clark Thomas would be applied to the last invoice. It was further agreed that the files could be retained by Clark Thomas. A copy of the engagement letter is attached hereto as Exhibit "C".

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". Mr. Malish stated that he would work to revise the pressure on the pumps downward this week.

The next item to come before the Board was to consider approval of pay estimate no. 9 and final for the booster station construction. Mr. Malish directed the Board's attention to the pay estimate, a copy of which is attached hereto as Exhibit "E". Mr. Malish stated that he would like to hold the check until he received an all bills paid affidavit from the contractor. Mr. Malish also discussed the starting date for the one-year warranty. He stated that the pumps had been operated since approximately November 1, 2007. He stated that he would like to have that as the beginning of the one-year warranty period. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the pay estimate including the start of the warranty period on that date.

The next item to come before the Board was to consider acceptance of the booster pump station project for operation and maintenance. Mr. Malish requested that that be postponed until the next meeting.

The next item to come before the Board was to consider any necessary action regarding restrictive covenant enforcement. Director Jones stated that she had reviewed the Riverton property and determined that it may have been abandoned. The Board agreed that it would take no action until Ms. Jones could determine whether the property was in foreclosure. Ms. Collins then discussed a property on Dallas Drive. The Board instructed her to send the attorneys' letter first without a petition. She stated she would do so. Director Jones updated the Board on the file regarding the Davila property. Ms. Collins stated that there would be a 30-day period for appeal by the defendant who had not shown up at the trial. No other action was taken.

The next item to come before the Board was to consider adoption of the Order Canceling the Election and Declaring the Unopposed Candidates as elected. Ms. Collins stated that each place had had one candidate file for election. She stated at this time the District was authorized under state law to cancel the election and declare that Jo Jones, Keith Collins and John Lenz had been elected. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the order, a copy of which is attached hereto as Exhibit "F". Ms. Collins stated that the new terms of office would start after the May 10 election date.

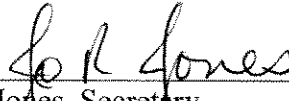
Director McNeil stated the Board would return to the agenda item regarding the pool house and community center project. The Board discussed the contractor's determination that the electrical system was not adequate. Director Collins provided a report by telephone but did not otherwise participate in the meeting. Director Jones stated that increasing the electrical system by 200 amps cost \$18,000 extra and increasing the system by 400 amps would cost approximately \$36,000. After discussion, upon motion by Director Simms and second by Director Jones, the Board authorized the additional 400 amps at a price not to exceed \$36,000. Director McNeil abstained on the vote.

Director McNeil inquired as to whether there were any further items to come before the Board. The Board instructed Ms. Collins to set a special meeting for March 24, 2008, at 6:00 p.m. at the pool house construction area to discuss the construction project. She stated she would do so. There being no further items to come before the Board, the meeting was adjourned.

(SEAL)

Date:

4.14.08



Jo Jones, Secretary
Board of Directors