

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

JANUARY 21, 2009

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 January 21, 2009, at the offices of 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
Keith Collins	-	Treasurer
John Lenz	-	Assistant Secretary

and all of said Directors were present, except Director Conklin, thus constituting a quorum. Also in attendance at the meeting were Gary Spoons with Southwest Water Company; Mark Burton with Municipal Accounts and Consulting; Richard Fadal with TexasScapes; Bill Burke with Clearwater Management Co.; David Malish with Murfee Engineering Co.; and Sharlene Collins of Armbrust & Brown, L.L.P.

Director Jones convened the meeting and stated that the Board would first consider approval of the minutes of the December 15 meeting. After corrections, upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the minutes.

Director Jones noted that there were no citizens in attendance for citizen communications.

The next item to come before the Board was to receive a park maintenance report. Mr. Fadal briefly reviewed his report, a copy of which is attached hereto as Exhibit "B". Mr. Fadal stated that he had two proposals for the Board's consideration at this time. Director Jones noted Director McNeil's arrival at this time. Mr. Fadal reviewed Proposal No. 7337 in the amount of \$4,924 for the winter sports field top dressing. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the proposal, a copy of which is attached hereto as Exhibit "C". Mr. Fadal then reviewed Proposal No. 7331 in the amount of \$1,876. Mr. Fadal stated that this was for the production of a sign for the park. He stated that including the entire name of Rattan Creek Park Community Center resulted in the amount of \$1,876. He stated that if they just wanted to have Community Center, the price would be somewhat less. Director Jones stated that it was her preference to have the entire name on the sign with the address on a separate sign next to it. Upon motion by Director Jones and second by Director Collins, the Board unanimously approved

the proposal with the complete name "Rattan Creek Park Community Center" on the sign. A copy of the proposal is attached hereto as Exhibit "D".

Director McNeil stated the Board would next consider approval of the District's annual audit. He noted that it had been discussed on Monday night in detail with the auditor. Director McNeil stated that he had no further questions regarding the audit. Upon motion by Director McNeil and second by Director Collins, the Board unanimously approved the audit and management report, copies of which are attached hereto as Exhibit "E". Mr. Burton noted that he would also be drafting a response to the management letter for filing along with the audit at the TCEQ. Ms. Collins stated that they would wait until they received Mr. Burton's response before filing the audit.

The next item to come before the Board was to consider approval of a Resolution Confirming the Annual Review of the Investment Policy. Ms. Collins distributed a red-lined copy of the investment policy with minor changes. Upon motion by Director Collins and second by Director Jones, the Board unanimously adopted the resolution and the revised investment policy, copies of which are attached hereto as Exhibit "F".

The next item to come before the Board was to receive the pool and Community Center report and take any necessary action on Community Center items. Mr. Burke briefly reviewed his report, a copy of which is attached hereto as Exhibit "G". He briefly discussed the electrical problems that were taking place. Mr. Spoons stated that he would be working with the electrician. Mr. Burke then reviewed the swim schedule, stating that it was preliminary. Director Jones stated that she would like to have it included in the newsletter that would coming out in February. The Board agreed to postpone action on this item until Director Conklin arrived.

Director McNeil stated that the Board would next receive the general manager's report. Mr. Spoons stated that he had covered most of his items on Monday night. He inquired as to whether the District wanted to accept proposals from Davey Tree for fertilizing of the gypsy oak and the tree in Rattan Park that had been burned during the fire. After discussion, the Board agreed to postpone both matters until the general manager could talk with Mr. Fadal on whether continued fertilization was necessary. Mr. Spoons also inquired as to whether the Board wanted to use two or three months for the winter average this year. The Board agreed to use two months, dropping the highest month. Mr. Spoons then directed the Board's attention to the write-off list. Director Collins stated that he did not want to write-off the TXDOT bill. Director Jones stated that the Villapando bill was also going to be paid. Upon motion by Director McNeil and second by Director Lenz, the Board unanimously approved the write-off list as amended. Director Collins requested that a rate order amendment be put on the agenda for consideration next month. He stated that delinquent customers should be required to put up an additional deposit. Director McNeil stated that he was in agreement with that. The Board requested that Ms. Collins work with Mr. Spoons to develop language to require increased deposits for delinquent accounts.

Director McNeil noted that the payment of bills and invoices had been approved at the Monday night Board meeting.

The next item to come before the Board was to consider amendments to the tennis court rules. The Board discussed prohibiting tennis lessons on their courts. It was noted that certain individuals were monopolizing the use of tennis courts for a profit-making venture. After further

discussion, upon motion by Director McNeil and second by Director Collins, the Board unanimously approved amended tennis court rules, copies of which are attached hereto as Exhibit "H". Ms. Collins stated that they would have notice of the rules published next week.

The next item to come before the Board was to receive a report from the District's engineer. Mr. Malish directed the Board's attention to his report, a copy of which is attached hereto as Exhibit "I". He stated that he had no additional matters. Mr. Malish informed the Board that he would bring a District map to the Community Center so that it would be available for reference at the Board meetings.

Director McNeil stated the Board would next consider change orders for the Rattan Creek Trail project. Mr. Malish reviewed the proposed change orders with the Board. He noted that one was the addition of a culvert and the second one was the relocation of mailboxes for a total of \$750. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the change order, a copy of which is attached hereto as Exhibit "J". Director Collins inquired as to whether another handicap curb ramp across the street from the trail project is necessary. Mr. Malish stated that he was not certain at this time that it would be required. After further discussion, upon motion by Director Collins and second by Director Jones, the Board unanimously authorized the expenditure of an amount not to exceed \$2,500 to install additional curb ramps as determined by the District's engineer.

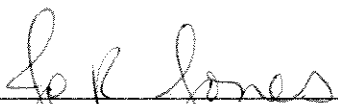
The next item to come before the Board was to consider any necessary action regarding the MS4 Stormwater activity proposals. Mr. Spoonts stated that the permit had now been approved by the TCEQ. A copy of the permit is attached hereto as Exhibit "K".

The next item to come before the Board was to consider necessary action regarding restrictive covenants. Ms. Collins directed the Board's attention to the report in their packet. The Board then briefly discussed the Samuelson case. The Board provided direction as to language for a proposed agreed settlement.

Director McNeil stated the Board would return to the pool agenda item. After discussion, the Board agreed that the Swim Team Committee would be authorized to work on the notices for the newsletter publication regarding the swim calendar for the year.

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

(SEAL)



Jo Jones, Secretary
Board of Directors

Date: 02.18.09