

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

MARCH 18, 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 March 18, 2009, 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
Keith Collins	-	Treasurer
John Lenz	-	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 with Southwest Water Company; Bill Burke with Clearwater Management Co.; Robert Ferguson with Murfee Engineering Co.; and Sharlene Collins of Armbrust & Brown, L.L.P.

Director McNeil called the meeting to order and stated that the Board would first consider approval of the minutes of the February 16 work session. Upon motion by Director Jones and second by Director McNeil, the Board unanimously approved the minutes as presented. Director McNeil stated the Board would next consider the minutes of the February 18 regular meeting. Upon motion by Director Jones and second by Director McNeil, the Board unanimously approved the minutes as presented.

Director McNeil noted that there were no citizens in attendance who wished to speak.

The next item to come before the Board was to receive a maintenance report from the park and landscape maintenance contractor. Mr. Spoons noted that Mr. Fadal's report was in the packet. He stated that Mr. Fadal was unable to attend. Mr. Spoons informed the Board that Mr. Fadal had told him that the new sign for the Rattan Creek Park would be installed in a few days when Mr. Fadal was able to personally supervise the installation. Mr. Spoons also confirmed that the Easter egg hunt had been discussed with Mr. Fadal. No action was taken.

The next item to come before the Board was to receive a report regarding the pool and community building. Mr. Burke briefly reviewed his report, a copy of which is attached hereto as Exhibit "B". He discussed the activities that had taken place at the Community Center. The Board briefly discussed the maintenance of the Community Center. Director McNeil stated that the Board would look at proposals next month for the Community Center cleaning.

The next item to come before the Board was to consider approval of the 2009 agreement with the Hurricane Swim Team for the use of the swimming facilities. Director Conklin stated that the changes from comments had been included at this time. Upon motion by Director Conklin and second by Director McNeil, the Board unanimously approved the agreement, a copy of which is attached hereto as Exhibit "C". The Board requested that Ms. Collins get the originals to Kim Green for the Hurricane Swim Team to sign.

The next item to come before the Board was to receive a report from the District's general manager. Mr. Spoonts briefly reviewed his report with the Board. He directed the Board's attention to the proposal for installation of a fence by the swimming pool in the amount of \$1,165. After discussion, upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the proposal, a copy of which is attached hereto as Exhibit "D". Mr. Spoonts reminded the Board that the CASE Conference would be at South Padre Island in June. The Board briefly discussed arrangements for attendance. Mr. Spoonts then discussed the identity theft regulations that would be effective as of May 1, 2009. Ms. Collins and Mr. Spoonts discussed the action that would be requested of the Board at the meeting next month. Mr. Spoonts discussed the activities he would undertake regarding an inventory and inspections of the park and other facilities. He stated that he would prepare a report to the Board. The Board then discussed with Mr. Spoonts the interaction between the bookkeeper and the general manager and the need for improvement. The Board noted that invoices needed to be provided by the bookkeeper to the general manager ahead of the meeting so that they could be reviewed and approved by Mr. Spoonts. That concluded the general manager's report.

Director McNeil noted that the bills and invoices and the transfers had been approved at the work session on Monday night.

The next item to come before the Board was to consider amendments to the District's rate order. Ms. Collins directed the Board's attention to the draft in their packet. Mr. Ferguson noted two changes that needed to be made. After discussion, upon motion by Director Jones and second by Director Conklin, the Board unanimously approved the amendment to the rate order with the changes discussed. A copy of the Rate Order is attached hereto as Exhibit "E".

Director McNeil stated the Board would next receive a report from the District's engineer. Mr. Ferguson stated that he was attending in Mr. Malish's place. He briefly reviewed Mr. Malish's report, a copy of which is attached hereto as Exhibit "F".

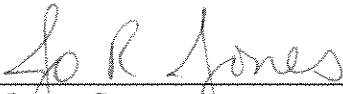
Director McNeil stated the Board would next consider approval of Pay Estimate No. 2 to the Rattan Creek Trail extension. Mr. Ferguson briefly reviewed the pay estimate, a copy of which is attached hereto as Exhibit "G". He stated that they were still holding 5% retainage. Mr. Ferguson stated that his firm was recommending approval of the pay estimate. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the pay estimate as recommended.

The next item to come before the Board was to consider any necessary action regarding the MS4 storm activity and turnkey implementation proposals. Mr. Spoonts noted that there had been a meeting the prior month regarding implementation activities. The Board discussed methods for the publicizing of the District's efforts for stormwater activities. Mr. Spoonts stated that there was no action needed tonight.

The next item to come before the Board was to receive a restrictive covenants report from PBF Covenant Management and to consider taking necessary action regarding violations and possible litigation. Ms. Collins noted that Ms. Franzen's memorandum was in the packet for their review. Ms. Collins discussed the update of various violations. The proposed settlement with the Samuelsons was discussed. The Board directed Ms. Collins that the last draft done by the District's attorney was acceptable, but the Samuelson's proposed revisions were not. The Board then briefly discussed the violation at 7103 Tesoro Trail. After discussion, upon motion by Director Jones and second by Director Conklin, the Board unanimously approved going forward to obtain a temporary restraining order regarding the construction of an improvement that had not previously been approved by the Architectural Control Committee.

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: 4-15-09