

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

MAY 18, 2009

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

A work session of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on May 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 Conklin, thus constituting a quorum. Also in attendance at the meeting were Tony Elmer, Robert Anderson and Sunnye Reynolds with SouthWest Water Company; Mark Burton with Municipal Accounts and Consulting; David Malish with Murfee Engineering Company; Richard Fadal with TexasScapes; and Bill Burke with Clearwater Management Company.

Director McNeil called the meeting to order at 6:10 p.m. and stated the Board would first consider the bills and invoices for payment and transfers between accounts. Mr. Burton reviewed the financial reports, check registers and invoices with the Board. Director Collins requested to see deposits versus rental fees broken down on the Cash Flow Report. Director Collins requested to have a hard copy of the financial report(s) along with PDF File in order to make notes. Mr. Burton stated he would mail copies to the Board of Directors. Director Lenz stated that in discussing the Trend Report the rates might need to be increased in order to cover expenses. Director Collins asked Mr. Elmer to verify the percentage the current water revenue over the City of Austin water purchases, which he believes to be 15 % currently. Director Jones stated base fee has not been adjusted. Director Collins agreed, stating base fee does not cover operations and continued that it needs to cover them or the gallonage rates need to be adjusted so the District is covering both costs and losses. The Board then discussed the transfer letters as presented in the bookkeeping report. Director McNeil discussed the Board of Directors not being paid for mileage since June 2008 and directed that Mr. Burton verify each Director's reimbursement.

Mr. Burton requested that Mr. Elmer and Mr. Anderson discuss the invoices from Micky Shipman. Mr. Anderson discussed the work in progress on the inspection invoices. Director Collins inquired if SouthWest Water Company is going through invoices and verifying the work was actually

performed and that these invoices are being billed to the appropriate entities. Mr. Anderson advised that SouthWest Water Company has done this. Director McNeil stated that the check will be held until confirmation from SouthWest Water Company is received stating everything has been paid. Director Collins stated he was concerned about the high cost of a fire hydrant repair, stating that it may have been less expensive to replace with a new hydrant. After discussion, upon motion by Director Jones and second by Director Collins, the Board unanimously approved the transfers between accounts and the bills and invoices for payment.

Director McNeil stated the Board would next discuss and consider any necessary action regarding the pool and community building project operations. Mr. Burke stated there were no maintenance issues. Director Jones inquired about pool counts compared to last year. Mr. Burke stated he would have that at Wednesday's meeting. Director McNeil inquired about taking money at the pool and stated that he wants to consider utilizing this facility for the residents. Mr. Burke stated that it was moved away from in the past because there was too much money and no place to secure it, but now that the Community Center is here it may need to be reconsidered.

Director McNeil stated the Board would next receive the consultant reports. Mr. Malish stated the trails are finished and he is waiting to hear from the City to accept it. Mr. Fadal presented his report on landscaping progress. Mr. Fadal discussed the soccer fields would be close June 1 through July 15 for yearly maintenance.


Director McNeil stated the Board would next consider any necessary action regarding MS4 Stormwater activity and turnkey implementation proposals. No action was taken.

Director McNeil stated the Board would next review the items on the agenda for Wednesday's meeting. No action was taken.

Director McNeil inquired as to whether there were any further items to come before the Board. Director Collins stated that he would like to address the water loss which is at 17 %, and inquired if SouthWest Water Company has come to any conclusions. Mr. Anderson stated that Mr. Hunt is looking into possible causes. Mr. Elmer stated that it could possibly be addressed at Wednesday's meeting, but no guarantee because there are many pieces to review. Director McNeil stated that he, Director Jones and Mr. Hunt met with T.F. Harper to discuss playscape issues. Director McNeil stated that proposals from Playwell Group and T.F. Harper should be included in the Wednesday meeting.

There being no further items to come before the Board, the meeting was adjourned.

(SEAL)



Jo Jones, Secretary
Board of Directors

Date: _____

6/24/09