

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

MAY 20, 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 May 20, 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, thus constituting a quorum. Also in attendance at the meeting were Tony Elmer, Robert Anderson, and Sunnye Reynolds with Southwest Water Company; Richard Fadal with TexasScapes; Bill Burke with Clearwater Management Co.; David Malish with Murfee Engineering Co.; Kim Green representing the Hurricane Swim Team; 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 April 13 work session. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the minutes as presented. Director McNeil stated the Board would next consider approval of the April 15 regular meeting minutes. Upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the minutes as presented.

Director McNeil inquired as to whether there were any citizen communications. There were no citizens in attendance.

The next item to come before the Board was to receive a maintenance report from the park and landscape maintenance contractor including approval of landscaping proposals. Mr. Fadal briefly reviewed his report with the Board. He stated that the fire ants had not been as bad this year so far. He then directed the Board's attention to several proposals for consideration. He reviewed Proposal No. 7462 for the soccer fields. Mr. Fadal stated that this amount was in the budget. 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 "B". Mr. Fadal then reviewed a proposal for the addition of the New Tamayo Loop trail for maintenance. Mr. Fadal stated that he had already started the mowing of the trail. He requested an increase of \$480 per month for the services. He stated that he would also like it to be effective as of May 1 as he has been doing maintenance.

Upon motion by Director Lenz and second by Director Jones, the Board unanimously approved the proposal effective May 1. A copy of the proposal is attached hereto as Exhibit "C". Mr. Fadal then reviewed a proposal for additional landscaping at the Community Center. He stated that the first portion of the proposal is warranty work that would be done at no charge. He then reviewed the additional landscaping that was proposed. He directed the Board's attention to the inclusion of stepping stones for a trail that was being established informally by the residents. After discussion, the Board agreed that the establishment of a trail in this area was not a good idea and using established sidewalks was what needed to be encouraged. The Board requested the Mr. Fadal delete the stepping stones from the proposal and add sticky plants to discourage crossing in this area. Mr. Fadal stated that he would do so and that the proposal could be reduced to \$1,200. Upon motion by Director Jones and second by Director Lenz, the Board unanimously approved Proposal No. 7483 as amended. A copy of the proposal is attached hereto as Exhibit "D".

Director McNeil stated the Board would next receive a report from the pool operator. Mr. Burke briefly reviewed his report, a copy of which is attached hereto as Exhibit "E". Mr. Burke reported that pool usage was down this year. He stated that it may be because of the construction over the last two years. He stated that there have been problems with customers and swimmers trying to call Southwest Water Company. Mr. Elmer stated that he would try to deal with this issue.

Director McNeil stated that the Board would return to citizen communications and recognized Kim Green on behalf of the Hurricane Swim Team. Ms. Green stated that they had approximately 185 swimmers on the team at this time. She inquired as to whether the teams would be able to use the soccer fields during the swim meets. Director Collins noted that the soccer fields would be closed most of this time. The Board discussed alternate swim team locations for staging areas. Ms. Green stated that they would inform the swim teams that they were to stay away from the soccer fields. There were no other citizen communications.

Director McNeil stated the Board would next go to any necessary action regarding the Community Center, pool and tennis court complex. Director Jones inquired as to whether the proposal for an additional light by the pool had been approved. The Board requested that Southwest Water Company and Mark Burton verify whether the light had been paid for at this time. Director Jones stated that the payment would have been to Brian Jones. Mr. Elmer stated that he would work with Mr. Burton to determine this.

The next item to come before the Board was to consider any necessary action regarding the repair and replacement of the defective playscapes in the park. Mr. Anderson distributed copies of proposals from PlayWell and TF Harper. Mr. Anderson introduced Matt McKensie with TF Harper. The Board reviewed the proposals and possible modifications to the proposals. The Board requested that Ms. Collins talk to Mr. Hobbs about the timing for removal of the defective playscapes. Director McNeil noted that additional action on the playscape item would take place later in the meeting after a recess to look at the existing playscape.

Director McNeil stated the Board would take engineering matters prior to the recess. Mr. Malish at this time reviewed his report. He stated that the Rattan Creek trail extension was completed and the escrow release application was prepared and submitted to the City of Austin.

The next item to come before the Board was to consider approval of Pay Estimate No. 3 and final for the Rattan Creek trail extension. Mr. Malish directed the Board's attention to the pay

estimate, a copy of which is attached hereto as Exhibit "F". Mr. Malish stated that he recommended approval of the pay estimate and payment to the contractor subject to his receipt of the City of Austin letter of acceptance. Upon motion by Director Collins and second by Director Conklin, the Board unanimously approved the pay estimate and authorized the general manager to execute a check from the general manager's account to pay it.

Director McNeil stated the Board would briefly return to the pool operator's report. Ms. Collins discussed the reasons for the pool operator and the Community Center operator to have their own insurance. No action was taken.

Director McNeil noted at this time the Board would take a recess to go look at the playscape.

The Board reconvened the meeting after a short recess. Director McNeil stated the Board would next consider any necessary action regarding the playscape. Ms. Collins suggested that the manufacturer of the playscape that is selected be required to inspect the work prior to the District's acceptance. She stated that this might avoid the problem of the installer and the manufacturer each blaming the other for errors or defects. At this time the Board thanked Mr. McKensie for attending the meeting and he departed. The Board continued to discuss the merits of the proposals. After further discussion, upon motion by Director Collins and second by Director Conklin, the Board unanimously approved selection of TF Harper and the negotiation of the final specifications of the new playscapes with a maximum cost of \$70,000.

Director McNeil stated the Board would next consider approval of an Interlocal Agreement and associated resolution for purchase of goods and services through the Local Government Purchasing Cooperative. After discussion, upon motion by Director Collins and second by Director Jones, the Board unanimously adopted the resolution, a copy of which is attached hereto as Exhibit "G", and the Interlocal Agreement, a copy of which is attached hereto as Exhibit "H".

The next item to come before the Board was to receive a report from the District's general manager. Mr. Anderson briefly reviewed the manager's report. He noted that there were no write-offs this month. He stated that the consumer confidence report would be going out. Mr. Anderson reported that Mr. Hunt had been working with AT&T and a third party vendor regarding the emergency phone installation. Mr. Anderson stated that AT&T had informed them that they were not able to provide the service that was needed. The Board suggested that Dyezz be contacted to see if they could help provide the necessary equipment. Mr. Anderson stated that he would contact them. Mr. Elmer then reviewed the fire hydrant expense for an unsuccessful fix. He stated that after review, Southwest Water Company had determined that they would credit the District \$1,343.50. The Board thanked them for the reduction. Mr. Elmer then discussed the water loss issue. He stated that they were still reviewing this and would be back in touch with the Board members.

The next item to come before the Board was to discuss any necessary action regarding bookkeeping services. Ms. Collins reminded the Board that the current contract would terminate as of June 30. Director Collins suggested that they look at clarifying basic services. He noted that out of pocket expenses need to be clarified as to whether they are or are not a part of basic services. Ms. Collins stated that she would work with Mr. Burton on this.

The next item to come before the Board was to consider any necessary action regarding the MS4 stormwater activity. No action was required tonight.

The next item to come before the Board was to consider any necessary action regarding restrictive covenants. Ms. Collins stated that Ms. Franzen's report was in the packet. She stated that no action was requested of the Board tonight.

At 8:45 p.m. Director McNeil stated that the Board would convene in executive session pursuant to Government Code 551.071 to have consultation with the District's attorney regarding general manager services. At 9:35 p.m. the Board reconvened in the open session. Director McNeil stated that no action had been taken.

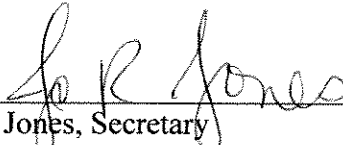
The next item to come before the Board was to review statements of qualifications for general manager services. The Board directed Ms. Collins to schedule a special meeting to consider this matter. No other action was taken.

Director McNeil inquired as to whether there were any further items to come before the Board. Director Jones noted that the CASE Conference representatives had requested that one of the District Board members make a presentation regarding the completion of the Community Center. After discussion, Director Conklin agreed to make a short presentation. There being no further items to come before the Board, upon motion by Director Conklin and second by Director Jones, the Board unanimously approved adjourning the meeting.

(SEAL)

Date: _____

6/24/09



Jo Jones, Secretary
Board of Directors