

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

JULY 15, 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 July 15, 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 Directors McNeil and Conklin, thus constituting a quorum. Also in attendance at the meeting were Gary Spoonts with Crossroads Utility Services; Richard Fadal with TexaScapes; Bill Burke with Clearwater Management Co.; David Malish with Murfee Engineering Co.; Mark Maxwell with Maxwebs; and Sharlene Collins of Armbrust & Brown, L.L.P.

Director Jones called the meeting to order and stated that the Board would first consider approval of the June 22 minutes. Upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the minutes as presented. Director Jones stated the Board would next consider approval of the June 24 meeting minutes. Upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the minutes as presented.

Director Jones noted that there were no citizens in attendance to speak.

The next item to come before the Board was to receive a maintenance report from the park and landscape maintenance contractor. Mr. Fadal briefly reviewed his report, a copy of which is attached hereto as Exhibit "B". Mr. Fadal stated that the extreme heat had made the management of the landscape a challenge. Director Collins stated that he had attended the LCRA meeting on drought issues. He suggested that the District consider cutting back to watering twice weekly with a maximum of three times a week. Mr. Fadal stated that it would be possible to irrigate only twice a week but the zones would need to be broken into different days. Mr. Fadal stated that he would implement less watering but requested the Board inform him if any areas began to look overstressed. The Board briefly discussed its existing drought plan. Director Collins inquired as to the enforcement provisions. Ms. Collins stated that she would send a copy to everyone.

Director Jones stated the Board would next receive a report regarding pool and Community Center projects and related matters. Mr. Burke briefly reviewed his report, a copy of which is attached hereto as Exhibit "C". He informed the Board that a pest control expert would be coming out to the Community Center this week to discuss proposals. The Board directed Mr. Burke to go ahead and handle the matter as there were current pest problems.

The next item to come before the Board was to consider any necessary action regarding the Community Center, pool and tennis court complex at Rattan Park. No action was necessary.

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. He informed the Board that they were still working on the water loss issue. Director Collins noted that Director McNeil had spoken with Bart Jennings at the City of Austin who was amenable to moving up the master meter testing. Mr. Spoonts stated that he would coordinate with Mr. Jennings. Mr. Spoonts informed the Board that the TXDOT interconnect with the District was going to be removed. Mr. Spoonts stated that he considered this to be a benefit to the District as the fire line was currently unmetered. Mr. Spoonts then discussed the Rattan Creek trail extension dedication ceremony. He stated that as the trail was finished, they were working with Williamson County to have a dedication. Director Jones stated that she had spoken with Lisa Birkman's office and August 3 seemed to be the best date. Mr. Spoonts stated that he would pursue getting that arranged. Mr. Spoonts then directed the Board's attention to the write-off list. After discussion, it was agreed that the write-offs would be postponed until Mr. Spoonts could review the account.

Director Jones stated the Board would next consider a request by Clearwire US for a lease to install wireless communications facilities in the District's park. After brief discussion, the Board agreed that it was not interested in having these facilities in the park. Director Collins suggested that Mr. Spoonts discuss alternate locations with the Clearwire US representative.

The next item to come before the Board was to consider approval of a plumbing inspection services agreement with Roadrunner Inspection Services, LLC. Ms. Collins directed the Board's attention to the draft agreement in their packet. Mr. Spoonts stated that he had worked with these individuals and recommended them. After discussion, upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the agreement, a copy of which is attached hereto as Exhibit "D".

The next item to come before the Board was to consider payment of bills and invoices. Mr. Spoonts briefly reviewed additional invoices for payment. He noted that he recommended holding additional payment to Tommy Patterson until he was able to visit with Mark Burton. Upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the payment of the additional invoices except for the Patterson invoices.

Director Jones noted that the selection of a new depository would be postponed until next month.

The next item to come before the Board was to consider any necessary action regarding the renewal of the bookkeeping services agreement with Municipal Accounts and Consulting. It was noted that the bookkeeper was willing to extend the contract for an additional year on the same terms and conditions. Director Collins stated that he was withdrawing his concerns regarding some

of the costs for reimbursement. After discussion, upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the contract, a copy of which is attached hereto as Exhibit "E".

The next item to come before the Board was to receive a report from the District's engineer. Mr. Malish briefly reviewed his report, a copy of which is attached hereto as Exhibit "F". He briefly reviewed the Rattan Creek trail extension project final costs. He stated that the County had indicated to him that they were ready to reimburse the District as agreed. A copy of the transmittal letter regarding costs is attached hereto as Exhibit "G". Mr. Malish then discussed surplus funds. The Board discussed the fact that they wanted to make sure that the cost for the booster pumps had been taken from the capital projects fund and not from the operating fund. It was noted that if money had been used from the operating fund that the transfer to reimburse the operating fund needed to be completed. The Board then discussed the TVing of sewer lines in the future. Director Collins suggested dividing the system into five sections so that the District televises approximately 20% of the District each year. No action was taken.

The next item to come before the Board was to discuss and consider taking any necessary action regarding the MS4 stormwater activity. Director Collins reported that they would be meeting on Friday, July 17 to discuss necessary actions. He stated that he would report back at the next meeting.

Director Jones stated the Board would next consider necessary action regarding the renewal of the Restrictive Covenant Enforcement Agreement with PBF Covenant Management. Ms. Collins directed the Board's attention to the current contract in their packet. Mr. Spoons stated that Ms. Franzen was requesting an increase to \$650 per month. After discussion, upon motion by Director Collins and second by Director Lenz, the Board unanimously approved the agreement, a copy of which is attached hereto as Exhibit "H".

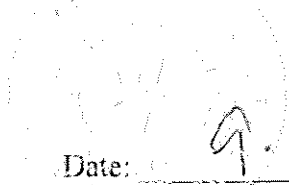
Director Jones stated the Board would next consider any necessary action regarding restrictive covenant enforcement including litigation. Ms. Collins briefly updated the Board on the status of the John Kelly property. After discussion, upon motion by Director Collins and second by Director Lenz, the Board unanimously approved dismissal of the lawsuit.

Director Jones stated the Board would next go to the supplemental agenda to consider any necessary action regarding the pending lawsuit by Southwest Water Company. Director Jones announced at 7:00 p.m. that the Board would convene in executive session pursuant to Section 551.071 of the Government Code to confer with the District's attorney. At 7:16 p.m. the Board reconvened in open session. Director Jones noted that no action had been taken in executive session.

The Board directed Ms. Collins to post a special meeting for July 20 at 6:00 p.m. at the Community Center for the lawsuit and any action required for the playground equipment.


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

(SEAL)



Date:

9.2.09



Jo Jones, Secretary
Board of Directors