

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

**AUGUST 17, 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 August 17, 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 Gary Spoons and Dana Seidl with Crossroads Utility Services; Mark Burton and Coy Hopper with Municipal Accounts and Consulting; Richard Fadal with TexasScapes; Bill Burke with Clearwater Management Co.; and David Malish with Murfee Engineering Co.

Director Conklin called the meeting to order at 6:14 p.m. and stated that the Board would first receive a report from the District's bookkeeper and consider the payment of bills and invoices. Mr. Burton reviewed the District's accounts, balances and checks issued. Mr. Burton then reviewed the investments, pledged securities and debt service. Director Collins motioned to refund the Martin Fein Interests review fee deposit in the amount of \$2,855.76. Seconded by Director Conklin, the motion passed by unanimous vote of the Board. The Board then discussed water revenues versus expenses and how these matters are handled at the end of the fiscal year. Mr. Burton then reviewed the bills and invoices for payment. The Board discussed the invoice from Armbrust & Brown and will seek clarification on billing details from the District's attorney. The Board then reviewed the Crossroads invoices. It was decided that in the future, work done totaling more than \$250 would be billed to the District and work done that was less than \$250 would be included in the base fee. Mr. Burton then discussed the accounts receivables booked by Southwest Water with the Board. After discussion, upon motion by Director Collins and second by Director Jones, the Board unanimously approved a write-off in the amount of \$423.89. Mr. Spoons discussed the final invoice submitted by Tommy Patterson's Quality Inspections through Southwest Water Company. After discussion, the Board declined to pay the invoice at this time until the work is proven or the previous manager signs off on the invoice. The Board then discussed the deductions made on the invoice from Southwest Water regarding meter replacement. The Board discussed withholding payment until they could discuss the matter with legal counsel. Mr. Burton then presented an invoice in the amount of \$1,802.50 from Brian Wood for work done on the timer

and lights at the Community Center, parking lot and tennis courts. Upon motion by Director Lenz and second by Director Jones, the Board unanimously approved the bills and invoices as presented and agreed upon.

The next item to come before the Board was to discuss pool and Community Center operations. No action was taken.

The next item to come before the Board was to receive the consultant reports. Mr. Burke reported that the pool hours would be reduced once school starts. Further, he had no injuries or significant maintenance issues to report. Mr. Burke stated that back washing of the pool must be done three days a week to maintain pool water quality, as opposed to two days a week as provided for commercial usage in the Drought Contingency Plan. Mr. Fadal then discussed the water restrictions imposed by the City of Austin. He advised that a two-day per week watering schedule will sustain the landscaping. The Board expressed its wish to cut back and conserve. Mr. Fadal stated he would prepare a proposed watering schedule for Wednesday night's meeting. Mr. Spoons stated he would be posting signs within the District regarding the Stage 2 Mandatory Water Restrictions. He stated the Board needs to set up budget meetings and he will initiate. Mr. Spoons stated he will be attending City of Austin meeting on Thursday to discuss water/wastewater rates. He reminded the Board that security fees are still an outstanding issue. Mr. Malish reported the City of Austin would like to install a driveway to access a pond outside of the District that the City maintains in Christopher's Cove. Mr. Malish proposed various ways to access the area in addition to what the City is requesting. He then discussed TV-ing the District's wastewater lines in phases over a five-year plan. He requested the District allow \$25,000 for the project to include any possible repairs needed. Mr. Malish then stated he would prepare an estimate to redo/update the District's maps, including the addition of addresses and color coding water lines that are in and out of the District's boundaries.

The next item to come before the Board was to discuss MS4 stormwater activity. The Board requested that Mr. Spoons request a three-year budget from Ivy Arce for MS4 planning activity.

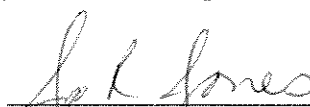
Director McNeil stated the Board would next review the agenda for Wednesday's meeting. The Board discussed the audit engagement letter and asked Mr. Spoons to contact Peña Swayze to discuss their proposal.

Director McNeil inquired as to whether there were any further items to come before the Board. Director Conklin updated the Board on the Williamson County security meetings, and stated there will be a meeting with the Commissioner's Court on August 20.

There being no further items to come before the Board, upon motion by Director McNeil and second by Director Conklin, the meeting was adjourned at 8:57 p.m.

(SEAL)

Date: 9.16.09

  
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Jo Jones, Secretary  
Board of Directors