

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

OCTOBER 15, 2014

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 October 15, 2014, 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
Kim Green	-	Assistant Secretary/Treasurer

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were Gary Spoons with Crossroads Utility Services; Cheryl Allen with Public Finance Group LLC; Bart Fowler with McCall, Parkhurst & Horton L.L.P.; and Kevin Flahive with Armbrust & Brown, PLLC.

Director McNeil called the meeting to order at 12:36 p.m. and stated that the Board would first review bids and award the sale of bonds. Ms. Allen referred the Board to her handout, a copy of which is attached hereto as **Exhibit "B"**, and stated that the District received eight bids, the lowest of which was the bid from FTN Financial Capital Markets with a net effective interest rate of 2.841947%. Ms. Allen reviewed the bids and stated that there was a 12 basis point spread. Ms. Allen then reviewed the interest rates of bids issued by other municipal utility districts within the past thirty days. She then reviewed the 2015 tax rate, based on a no growth scenario, which would be \$0.0593. Ms. Allen then discussed with the Board that the tax rate included twenty-one months of capitalized interest included in the bond proceeds. She recommended to the Board that it award the sale of bonds to FTN Financial Capital Markets. Upon motion by Director McNeil and second by Director Collins, the Board unanimously voted to award the sale of bonds to FTN Financial Capital Markets with a net effective interest rate of 2.841947%.

Director McNeil stated that the next item to come before the Board would be to consider approval of an order authorizing the issuance of the bonds. Mr. Fowler stated that the proposed order was the same as the draft contained in the Board's packets, except the blanks in the draft would be completed with information specific to the bond sale. He stated that the rest of the content of the order complied with state law. Mr. Fowler reminded the Board that a full transcript would be submitted to the Texas Attorney

General's Office for review and approval. Mr. Fowler stated that he may modify the order to comply with non-substantive comments that he might receive from the Texas Attorney General's Office; however, he would return to the Board for authorization before modifying the order in any substantive manner. Upon motion by Director Conklin and second by Director Collins, the Board unanimously approved the order as proposed, with the addition of information specific to the bond sale, a copy of which is attached hereto as **Exhibit "C"**.

The next item to come before the Board was to consider approval of the Paying Agent/Registrar Agreement with BOKF, NA dba Bank of Texas, Austin, Texas, and the Official Statement. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the agreement as proposed, a copy of which is attached hereto as **Exhibit "D"**, and the Official Statement, a copy of which is attached as **Exhibit "E"**.

Director McNeil stated that the Board would then consider authorizing the members of the Board to sign all documents related to the bond sale and authorizing Armbrust & Brown, PLLC and Public Finance Group LLC to take all necessary actions to deliver the bonds to the initial purchaser. Mr. Fowler stated that there would be additional documents to be executed in the next week relating to the bond sale, most notably the IRS Form 8038-G. He stated that he would wait until shortly prior to the closing of the sale of the bonds to have all additional documents executed at one time. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved authorizing the members of the Board to sign all documents related to the bond sale and authorizing Armbrust & Brown, PLLC and Public Finance Group LLC to take all necessary actions to deliver the bonds to the initial purchaser.

The next item to come before the Board was to consider authorizing payment of the Texas Attorney General bond review fee in the approximate amount of \$6,200.00. Mr. Fowler stated that the fee charged by the Texas Attorney General is 1/10th of 1% of the amount of bonds sold. Upon motion by Director Jones and second by Director Green, the Board unanimously approved authorizing payment of the Texas Attorney General bond review fee in the approximate amount of \$6,200.00.

Director McNeil stated that the next item to come before the Board was to consider approval of Amendment No. 34 to the Information Form/Notice to Purchaser. Director Jones asked Mr. Flahive if he had reviewed and confirmed the accuracy of the amendment. Mr. Flahive stated that he had. Upon motion by Director Jones and second by Director Green, the Board unanimously approved the amendment as proposed, a copy of which is attached hereto as **Exhibit "F"**.

Director McNeil then asked if there were any other matters to come before the Board. Ms. Allen stated that she had seven days to finalize the Official Statement and deliver it to FTN Financial Capital Markets. She stated that if the Board desired to modify the capitalized interest, it would need to be done at that time. After discussion, the Board determined that the capitalized interest would not be modified.

There being no other matters to come before the Board, the Board adjourned at 12:55 p.m.



Date:

11-19-2014

Jo R Jones
Jo Jones, Secretary
Board of Directors