

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

MARCH 19, 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 March 19, 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; Mary Bott with Bott & Douthitt, P.L.L.C.; Bill Burke with Clearwater Management; David Malish with Murfee Engineering Co., Inc.; Richard Fadal with TexaScapes; Cheryl Allen with Public Finance Group; Randy Wilburn, attorney; and Sharlene Collins and Kevin Flahive with Armbrust & Brown, PLLC.

Director McNeil convened the meeting at 6:09 and stated that the Board would first go into executive session pursuant to Government Code Section 551.071 for legal consultation with the District's attorney regarding the water and wastewater appeals. At 6:22 p.m. the Board reconvened in open session. Director McNeil stated that no action had been taken in executive session.

The next item to come before the Board was to consider approval of various sets of meeting minutes. After correction of a typographical error, upon motion by Director McNeil and second by Director Green, the Board approved the January 13 minutes with Director Collins abstaining. Upon motion by Director Collins and second by Director McNeil, the Board unanimously approved the February 17 minutes as presented. After revisions, upon motion by Director McNeil and second by Director Jones, the Board unanimously approved the February 19 minutes. Upon motion by Director Conklin and second by Director Green, the Board unanimously approved the February 26 minutes as amended.

Director McNeil noted that there were no citizens in attendance who wished to speak.

The next item to come before the Board was to receive a report from the District's landscape maintenance contractor and consider any proposals. Mr. Fadal discussed the status of various projects. He noted that an irrigation leak had been fixed. He stated that they would be doing an ant treatment application but would be careful not to do it around the time of Easter. He then presented

a proposal for spring color. Upon motion by Director Collins and second by Director Jones, the Board unanimously approved the proposal, a copy of which is attached hereto as Exhibit "B".

The next item to come before the Board was to receive the pool and Community Center reports. Mr. Burke distributed a copy of his report, a copy of which is attached hereto as Exhibit "C". He briefly reviewed the tennis court rehabilitation proposals. He suggested that the Board might want to wait until later in the year after school finishes and after the busy summer season. He suggested September or later. Director Collins suggested that in May after the school finishes use of the tennis courts and before school is out generally, that the refurbishing could be done. Mr. Burke agreed that that was possible. He informed the Board that two tables had been purchased for the kitchen. He continued that the bid for the light pole at the tennis court had not yet been received. After discussion, the Board authorized the Park Committee to review and approve the bid when it is received. After further discussion, upon motion by Director Collins and second by Director Jones, the Board unanimously approved the proposal for refurbishing of the tennis courts. It was noted that this did not include new nets and straps. A copy of the proposal is attached hereto as Exhibit "D".

The next item to come before the Board was to receive a report from the District's general manager. Mr. Spoons discussed a resident complaint regarding another resident who had received Architectural Control Committee approval for a swimming pool. He stated that the complainant was not happy with the construction process and possible damage to a tree. It was suggested that the resident putting in the pool be informed that the drainage cannot be altered. The Board agreed that otherwise, this was not a District matter. Mr. Spoons then discussed an irrigation leak occurring on private property. He stated that the owner had declined to fix the problem so far. The Board requested that he be sent a letter noting that this was a waste of water and needed to be fixed. Mr. Spoons stated that he had no other items.

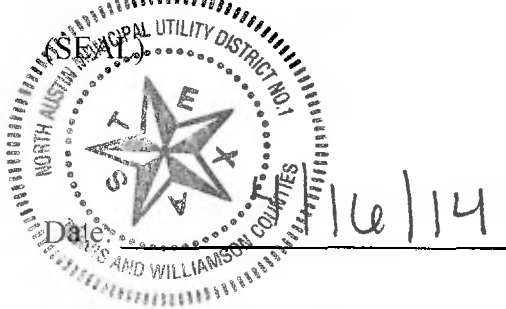
Director McNeil stated that the Board would next receive a report from the District's bookkeeper. Ms. Bott stated that most items had been approved Monday night. She stated that she had two Community Center deposit refunds for approval. Upon motion by Director McNeil and second by Director Collins, the Board unanimously approved the additional invoices for payment.

The next item to come before the Board was to consider necessary action regarding financial advisory services. Ms. Allen discussed the changes that were occurring at Southwest Securities. She stated that she had decided to open her own financial advisory firm. She stated that the new firm is now registered with all applicable governmental entities. She stated that she would like the Board to move their business from Southwest Securities to her new firm, Public Finance Group. She stated that there were no changes proposed to the terms of the contract. She informed the Board that Southwest Securities is not trying to keep the contract as they do not have personnel in Austin now. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved termination of the agreement with Southwest Securities and requested that Ms. Collins send a letter to that effect. Upon motion by Director McNeil and second by Director Jones, the Board unanimously approved engaging Public Finance Group and executing their engagement letter, 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 general manager. Mr. Malish briefly reviewed his report, a copy of which is attached hereto as Exhibit "F". He informed the Board that the videoing of the sewer lines would begin in the next few weeks.

The next item to come before the Board was to take necessary action regarding restrictive covenants. Ms. Collins directed the Board's attention to the report in their packet. The Board noted that no progress appeared to have been made on the property on Kerrville Folkway that had proceeded to make changes to the property without prior ACC approval. The Board requested that Ms. Collins have Ms. Joseph send another letter of violation to the owner. She stated she would do so.

Director McNeil inquired as to whether there were any further items to come before the Board. There being none, upon motion by Director Green and second by Director Conklin, the meeting was adjourned.



Jo R Jones

Jo Jones, Secretary
Board of Directors