

**RESOLUTION ADOPTING AMENDED CODE OF ETHICS AND FINANCIAL
INVESTMENT, FINANCIAL MANAGEMENT, TRAVEL AND PROFESSIONAL
SERVICES POLICIES; AMENDED INVESTMENT STRATEGIES; AND AMENDED
LIST OF QUALIFIED BROKERS; CONFIRMING DESIGNATION OF INVESTMENT
OFFICERS; AND CONFIRMING ANNUAL REVIEWS**

STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
AND WILLIAMSON §

WHEREAS, in accordance with Section 49.199 of the Texas Water Code, the Board of Directors (the "Board") of North Austin Municipal Utility District No. 1 (the "District") is required to adopt (i) a code of ethics for District directors, officers, employees, and persons engaged in handling investments for the District; (ii) a policy relating to District investments; (iii) a policy relating to travel expenditures; and (iv) policies and procedures for selection, monitoring, or review and evaluation of professional services; and (v) policies that ensure a better use of management information; and

WHEREAS, in accordance with Section 2256.005 of the Texas Government Code, the Board is required to (i) adopt a written investment policy regarding the investment of District funds and funds under the District's control and a separate written investment strategy for each of the funds or group of funds under the District's control; (ii) review its investment policy and strategies at least annually and, by written instrument, to confirm such review and record any changes; and (iii) designate one or more officers or employees as an investment officer or officers, to be responsible for the investment of the District's funds consistent with the District's adopted investment policy and strategies;

WHEREAS, in accordance with Section 2256.025 of the Texas Government Code, the Board or the District's designated investment subcommittee is required, at least annually, to review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District; and

WHEREAS, the Board previously adopted policies, procedures, and a list of brokers and designated investment officers as required by Section 49.199 of the Texas Water Code and Sections 2256.005 and 2256.025, Texas Government Code; and

WHEREAS, the Board has conducted an annual review of the District's adopted policies, procedures and list of brokers, and now desires to confirm such annual review and record any changes;

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD THAT:

Section 1. The Board confirms that, on this date, it has reviewed, revised and updated the District's policies, procedures, and list of brokers as required by Section 49.199 of the Texas Water Code and Sections 2256.005 and 2256.025, Texas Government Code.

Section 2. The amended Code of Ethics and Financial Investment, Travel and Professional Services Policies attached as Exhibit "A" are hereby adopted.

Section 3. The amended Investment Strategies attached as Exhibit "B" are hereby adopted.

Section 4. The amended List of Qualified Brokers attached as **Exhibit "C"** is hereby adopted. The brokers listed on **Exhibit "C"** are authorized to engage in investment transactions with the District consistent with the District's adopted investment policy and investment strategies.

Section 5. The Board's prior designation of Mary Bott and Allen Douthitt of Bott & Douthitt, PLLC, the District's bookkeeper, as the District's investment officers is hereby confirmed.

Section 6. This Resolution, and the attached exhibits, supersedes all prior resolutions, policies, and related exhibits previously adopted by the Board.

Section 7. The Secretary of the Board is directed to file a copy of this Resolution in the official records of the District.

ADOPTED this 21st day of March, 2018.

(SEAL)



Don Conklin, Vice President
Board of Directors

ATTEST:

Jo Jones, Secretary
Board of Directors

EXHIBIT "A"
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
CODE OF ETHICS AND FINANCIAL INVESTMENT, TRAVEL
AND PROFESSIONAL SERVICES POLICY

(March 21, 2018)

ARTICLE I

SUBJECT MATTER

This Code of Ethics and Financial Investment, Travel and Professional Services Policy (this "Policy") is adopted by the Board of Directors (the "Board") of North Austin Municipal Utility District No. 1 (the "District") under Sections 49.157 and 49.199, Texas Water Code, and Section 2256.005, Texas Government Code. The subject matter of this Policy is addressed by other requirements of Texas law, including those governing public meetings, public records, audits, financial management, disqualifications of Directors, dual office holding limitations, conflicts of interest, self-dealing, and illegal and corrupt practices. This Policy is not intended to supersede or summarize other provisions of applicable law.

ARTICLE II

DEFINITIONS

2.01. Business Entity. "Business Entity" means a sole proprietorship, partnership, firm corporation, holding company, joint stock company, receivership, trust or any other entity recognized by law through which business is conducted.

2.02. Commission. "Commission" means the Texas Commission on Environmental Quality.

2.03. Developer. "Developer" means a developer of property in the District.

2.04. Director. "Director" means a person elected or appointed to serve on the Board.

2.05. District Official. "District Official" means a Director, Officer, or Employee.

2.06. Emolument. "Emolument" means pay or some other benefit, compensation, or thing of value received in exchange for holding an office. For example, free or discounted utility services or a fee of office for meeting attendance could constitute an emolument.

2.07. Employee. "Employee" means any person or Business Entity working for or on behalf of the District.

2.08. Investment Officer. "Investment Officer" means a person appointed by the Board to handle District investments.

2.09. Officer. "Officer" means an elected or appointed officer of the District, including an Investment Officer, who exercises responsibilities beyond those that are advisory in nature.

2.10. Professional Services Procurement Act. "Professional Services Procurement Act" means Subchapter A, Chapter 2254, Texas Government Code, as amended from time to time.

2.11. Public Funds Investment Act. "Public Funds Investment Act" means Chapter 2256, Texas Government Code, as amended from time to time.

2.12. Public Funds Collateral Act. "Public Funds Collateral Act" means Chapter 2257, Texas Government Code, as amended from time to time.

2.13. Substantial Interest. "Substantial Interest" has the same meaning as set forth in Chapter 171, Texas Local Government Code, as amended from time to time. Under Chapter 171, Texas Local Government Code:

A. A person has a Substantial Interest in a Business Entity if the person: (i) owns 10% or more of the voting stock or shares of a Business Entity; (ii) owns either 10% or more or \$15,000 or more of the fair market value of a Business Entity; or (iii) has received funds from the Business Entity that constitute more than 10% of the person's gross income for the previous year.

B. A person has a Substantial Interest in real property if the person has an equitable or legal ownership interest in the property that has a fair market value of \$2,500 or more.

C. A person also has a Substantial Interest in a Business Entity or real property if he or she is related in the first degree by consanguinity (blood) or the first degree by affinity (marriage), as determined under Chapter 573, Texas Government Code, to a person who has a Substantial Interest in a Business Entity or in real property under Subsections A or B of this Section.

ARTICLE III

CODE OF ETHICS

3.01. Statement of Policy; Purposes of Policy. This Policy has been adopted to establish guidelines for high ethical standards in official conduct by Directors and Officers, and to provide guidance to Directors and Officers in order to instill a high level of public confidence in their professionalism, integrity and commitment to the public interest. Further, this Policy will serve as a basis for disciplining those who refuse to abide by its terms.

3.02. Standards of Conduct.

A. All Directors and Officers must conduct themselves, both inside and outside District service, so as to give no occasion for mistrust of their integrity, impartiality, or devotion to the best interests of the District.

B. All District Officials must conduct themselves with decorum, both at public meetings and in other settings in which he or she may be viewed by the public as acting in an official capacity. All District Officials must treat each other, and any member of the public appearing at any meeting of the Board, with proper courtesy and respect.

C. No District Official may disclose any confidential information, including information gained during any executive session of the Board, without prior written authorization of the Board.

D. No District Official may engage in any conduct prejudicial to the District or that reflects discredit upon the Board.

E. All District Officials must use care when taking any public position on any issue pertaining to the business of the District to distinguish between their individual opinions and the official position of the Board or the District.

F. All Directors must consistently attend all meetings of the Board, including all regularly scheduled work sessions. If a Director fails to attend one-half of the regular meetings of the Board scheduled within a 12-month period, the Director may be removed from the Board by the unanimous vote of the other Directors.

3.03. Conflicts of Interest.

A. All Directors and Officers are subject to Chapter 171, Texas Local Government Code, relating to the regulation of conflicts of interest.

B. The District may not transact any business with a Business Entity or involving real property in which a Director or Officer has any interest, whether direct or indirect, without prior approval of the Board, after disclosure by the interested Director or Officer and discussion at a posted Board meeting. If a Director or Officer has a Substantial Interest, the Director or Officer must also file an affidavit disclosing the nature and extent of the interest before any action is taken on the matter in accordance with Chapter 171, Texas Local Government Code.

C. A Director may not participate in discussion or action on a matter involving a Business Entity or real property in which the Director has a Substantial Interest if the Board's action will, or it is reasonably foreseeable to, have a special economic effect on the Business Entity or value of the real estate that is distinguishable from the effect on the public, unless a majority of the Board is likewise disqualified and has filed affidavits disclosing similar interests in the same matter.

D. A Director or Officer may not act as a surety for a Business Entity that has work, business, or a contract with the District or act as a surety on any official bond required of a District Official.

E. No Director or Officer may represent, directly or indirectly, himself or any private person, Business Entity, group or interest, other than the District, before the Board, except in matters of purely public concern, when doing so without compensation or remuneration.

F. The Board may not appoint or confirm the appointment to any position, or award any contract to, a person related to a member of the Board within the second degree by affinity (marriage) or within the third degree by consanguinity (blood) when the salary or other compensation is paid, directly or indirectly, from District funds, except as provided by Chapter 573, Texas Government Code.

G. Each District Official must file a conflict of interest disclosure statement or conflict of interest questionnaire, as applicable, when required to do so by Chapter 176, Texas Local Government Code.

H. As provided in Section 171.009, Texas Local Government Code, a Director may serve as a member of the board of directors of a private, nonprofit corporation or other nonprofit entity if he or she receives no compensation or other remuneration from the nonprofit corporation or other nonprofit entity.

3.04. Disqualification of Directors. As provided in Section 49.052, Texas Water Code, a Director is disqualified from serving as a member of the Board if he or she:

A. is related within the third degree of affinity or consanguinity to a Developer, any other Director, or the manager, engineer, attorney, or other person providing professional services to the District;

B. is an employee of a Developer or any Director, manager, engineer, attorney, or other person providing professional services to the District or a Developer in connection with the District or property located in the District;

C. is a Developer;

D. is serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the District or a Developer in connection with the District or property located in the District;

E. is a party to a contract with or along with the District, except for the purchase of public services furnished by the District to the public generally;

F. is a party to a contract with or along with a Developer relating to the District or to property within the District, other than a contract limited solely to the purpose of purchasing or conveying real property in the District for the purpose of either establishing a permanent residence, establishing a commercial business within the District, or qualifying as a Director; or

G. during his or her term of office, fails to maintain the qualifications required by law to serve as a Director.

3.05. Dual Office Holding Limitations.

A. Constitutional Limitations. Except as permitted by Article XVI, Section 40 of the Texas Constitution, no Director may hold or exercise, at the same time, more than one civil office of Emolument.

B. Common Law Incompatibility. No Director may hold another public office in violation of the common law doctrine of incompatibility that applies to holding two incompatible positions and prohibits a person from holding certain public offices at the same time because of practical conflicts of interest that might arise including, service as a director of two governmental authorities with overlapping taxing jurisdictions.

ARTICLE IV

INVESTMENT POLICY

4.01. Scope. This Policy applies to all transactions involving the investment assets of the District.

4.02. Policy. District funds will be invested in compliance with applicable legal requirements, the guidelines stated in this Policy, each District Investment Strategy adopted by the Board, and the restrictions contained in the District's bond resolutions. Effective cash management is recognized as a foundation of this Policy. Notwithstanding the foregoing, investment of District funds is limited to the types of investments set forth on the attached **Exhibit "A-1"**.

4.03. Allowable Maturities. Except as otherwise provided in this Policy and the attached exhibits, the maximum allowable stated maturity of any individual investment may not exceed one year, and the maximum dollar-weighted average maturity for pooled fund groups based on the stated maturity date for the portfolio may not exceed 60 days. Settlement of all transactions, other than investments in investment pool funds and mutual funds, must be consummated on a delivery versus payment basis.

4.04. Investment Objectives. The District's investment portfolio will be planned and managed to take advantage of investment interest as a source of income from all operating and capital funds. In addition, the portfolio will be managed in accordance with the covenants of the District's bond resolutions, including covenants with respect to the arbitrage regulations under the U.S. Internal Revenue Code. Consideration will be given to the following objectives:

A. Safety of Capital. The primary objective of the District is to ensure the preservation and safety of principal.

B. Liquidity. The District will maintain sufficient liquidity to ensure the availability of funds necessary to pay obligations as they become due.

C. Return on Investment. The District will seek to optimize return on investments within the constraints of safety and liquidity.

D. Standard of Care. The District will seek to ensure that all persons involved in the investment process act responsibly in the preservation of District capital. District investments will be made with the exercise of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

4.05. Investment Officer; Monitoring District Investments; Quarterly Report. Purchases and sales of District investments may only be initiated by an Investment Officer appointed by resolution of the Board. Each Investment Officer must attend training, as required by Chapter 49, Texas Water Code, and the Public Funds Investment Act, from an independent source approved by the Board that includes education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. The Board may authorize an Investment Officer to invest and reinvest funds of the District in accordance with this Policy. Each Investment Officer must monitor, and develop methods and procedures to monitor, the market and book values of District investments, the rating changes of District investments, and the liquidation of District investments consistent with the provisions of the Public Funds Investment Act. The Investment Officers must submit a written report to the Board, on at least a quarterly basis, that sets forth all investment transactions during the previous quarter and complies with the requirements of the Public Funds Investment Act.

4.06. Acknowledgment Required. Any Business Entity that desires to sell investments to the District or otherwise engage in an investment transaction with the District must be given

a copy of this Policy, and a qualified representative of the Business Entity must execute a written instrument, in substantially the form attached as Exhibit "A-2", stating that he or she:

A. has received and thoroughly reviewed this Policy; and

B. acknowledges that his or her organization has implemented reasonable procedures and controls in an effort to preclude investment transactions between the District and his or her organization that are not authorized by this Policy, except to the extent that such authorization is dependent on analysis of the makeup of the District's entire portfolio; requires an interpretation of subjective investment standards; or relates to investment transactions of the District that are not made through accounts or other contractual arrangements over which the organization has accepted discretionary investment authority.

4.07. Collateralization. Funds held at a bank or trust company that are not invested must be collateralized by collateral securities set forth in the Public Funds Collateral Act, to the extent not insured by the Federal Deposit Insurance Corporation (the "FDIC"), the Federal Savings and Loan Insurance Corporation (the "FSLIC"), their successors, or any other instrumentality of the United States. Any bank or trust company that is required to secure a deposit of District funds under this Policy or the Public Funds Collateral Act must enter into an agreement regarding the collateral securities in a form approved by the District.

4.08. Review. This Policy, the District Investment Strategies attached as Exhibit "C", the list of qualified brokers that are authorized to engage in investment transactions with the District, and investment performance and security will be reviewed and evaluated at least annually by the Board, or more frequently upon the request of any Director. Following its annual review, the Board will adopt a written resolution confirming its review of this Policy, the District Investment Strategies adopted by the Board, and the list of qualified brokers.

ARTICLE V

FINANCIAL MANAGEMENT

5.01. Accounting Records. The District's financial records will be prepared on a timely basis and maintained in an orderly manner, in conformity with generally accepted accounting principles and Commission requirements. These records will be maintained as part of the official records of the District and available for public inspection during regular business hours.

5.02. Annual Audit. The District is required to file an audit under Section 49.191, Texas Water Code, the District's fiscal accounts and records will be audited annually, at the expense of the District, by a certified public accountant. The audit must be completed within 120 days after the close of the District's fiscal year. The District's audits will be performed according to generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and any accounting and auditing manuals adopted by the executive director of the Commission. The District will comply with uniform reporting requirements that use "Audits of State and Local Governmental Units" as a guide on audit working papers and "Governmental Accounting and Financial Reporting Standards". In addition, the District's auditor will review management controls on District investments and the District's compliance with the Investment Policy contained in Article IV. Within 135 days after the close of the District's fiscal year, the District will file a copy of its annual audit report and the annual filing affidavit prescribed by Section 49.194, Texas Water Code, with the Executive Director of the Commission. The District will also file a copy of its annual audit report to the Texas Comptroller of Public Accounts within 180 days after the close of the District's fiscal year. If the Board

refuses to approve the annual audit report, the Board will file a statement with the audit that explains the reasons for disapproval.

5.03. Audit Committee. The Board will establish an audit committee comprised of one or more Directors and any Employees that the Board deems appropriate. This committee will conduct, at a minimum, an annual review of the District's financial status, will monitor variances from the District's budget, and will make budget recommendations to the Board. The audit committee will also review the annual District audit, and make recommendations on it to the Board. Unless otherwise determined by the Board, the full Board will serve as the audit committee.

5.04. Budget. The Board will adopt an annual budget for use in planning and controlling District costs. This budget will take into consideration all District revenues, including utility fees, taxes and surcharges, if any, and all projected District obligations and expenditures. The District's bookkeeper will provide a comparison of budgeted to actual expenditures and revenues for review on a monthly basis. The approved budget will be reviewed by the Board at least quarterly and all necessary revisions to the budget will be approved by majority vote of the Board.

5.05. Additional Reporting. If the District (i) is authorized to impose an ad valorem or sales and use tax or an assessment, or to charge a fee, and (ii) during its most recent fiscal year had bonds outstanding or gross receipts or cash and temporary investments of more than \$250,000, the District will submit an annual report to the Special Purpose District Public Information Database maintained by the Texas Comptroller of Public Accounts within 90 days of receiving the notice to provide the required information.

ARTICLE VI

TRAVEL EXPENDITURES AND FEES OF OFFICE

6.01. Fees of Office. A Director is entitled to receive fees of office of not more than \$150 per day for each day the Director actually spends performing duties as a Director. Total fees of office payable to any Director may not exceed the sum of \$7,200 per District fiscal year. This maximum will be determined based on the date the fee of office is earned and not on the date of payment. No Director may receive fees of office if the Director owes any sum of money to the District. Fees of office will be paid only for called meetings of the Board or, upon prior approval of the Board, for subcommittee meetings, approved conferences, or other special projects requested by the Board. In this section, "performing the duties of a Director" means substantive performance of the management or business of the District, including participation in Board and committee meetings and other activities involving the substantive deliberation of District business and in pertinent educational programs. The phrase does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

6.02. Reimbursement of Expenses. Reimbursement for travel expenditures and other expenses incurred by a Director on behalf of the District is subject to approval by the Board.

6.03. Verification. In order to receive fees of office and to receive reimbursement for expenses, each Director must present a verified statement of attendance to the Board indicating the date(s) spent performing the duties of a Director and a general description of the duties performed on each such date, together with all supporting receipts and invoices.

6.04. Conference and Seminar Policy. Directors may attend conferences and meetings at the District's expense only if deemed appropriate by the Board. Unless otherwise approved by the Board, each Director attending a conference or meeting must attend all blocks of educational sessions in order to qualify for reimbursement. Subject to prior Board approval and compliance with the other requirements of this Policy, each Director who attends a conference, business meeting, or seminar related to the District business may be reimbursed for travel, lodging, and meal expenses associated with that attendance, as follows:

A. Travel Expenses. Transportation costs, including but not limited to airfare, car rental, taxi fare, and parking incurred while on official District business, will be reimbursed based upon the costs actually incurred by the Director; however, reimbursement for transportation on a common carrier will be limited to tourist/coach rates. Mileage reimbursement for transportation by personal automobile will conform to Internal Revenue Service regulations.

B. Lodging Expenses. Lodging expenses will be reimbursed based upon costs actually incurred by the Director and will not exceed the amount of lodging expense determined to be reasonable and necessary.

C. Meal Expenses. Meal expenses will be limited to the amount determined to be reasonable and necessary.

D. Excluded Expenses. The cost of alcoholic beverages, hotel movies, gifts, laundry and dry cleaning, entertainment, family attending with the Director, personal telephone calls and all other expenses that are of a personal nature or are not reasonable or necessary to District business will not be paid or reimbursed by the District.

ARTICLE VII

PROFESSIONAL SERVICES; BONDS

7.01. Selection. Consultants and Employees retained to provide professional services to the District, including, but not limited to, legal, engineering, management, accounting and tax collection services, will be selected based upon their demonstrated competence and qualifications to perform the services for a fair and reasonable price, and by majority vote of the Board. In selecting attorneys, engineers, auditors, financial advisors or other professional consultants, the District will follow the procedures required by the Professional Services Procurement Act.

7.02. Interested Parties. If required to do so by Section 2252.908, Texas Government Code, attorneys, engineers, auditors, financial advisors, or other professional consultants entering into a contract, renewal, amendment, or extension of a contract with the District will (i) complete a Certificate of Interested Parties ("Form 1295") and electronically file it with the Texas Ethics Commission (the "TEC"); and (ii) submit to the District the signed and notarized Form 1295 including the certification of filing number of the Form 1295 with the TEC, at the time the executed contract is submitted to the District. Any contract that requires a Form 1295 will not be effective until the requirements listed above are satisfied and any award of a contract by the District is expressly made contingent upon compliance with such requirements.

7.03. Bond or Insurance. In order to protect the District against loss of District funds, the District will, in accordance with Section 49.057(e), Texas Water Code, require any Employee who routinely collects, pays, or handles District funds to either (i) provide the District with a

bond payable to the District in an amount determined by the Board to be sufficient to safeguard the District; or (ii) obtain and thereafter maintain a policy or policies of insurance, the coverage of which, in the Board's determination, adequately protects the interests of the District.

7.04. Review. The performance of all Employees providing professional services to the District will be regularly monitored and reviewed by the Board. An Employee's performance may be formally reviewed and evaluated by the Board at any time, upon the request of any Director.

ARTICLE VIII

COMPLAINTS AND PROCEDURES FOR VIOLATIONS

8.01. Complaints. All complaints or allegations of violations of this Policy must be made in writing, sworn to before a notary public and filed with the District's attorney. A complaint must describe in detail the act that is complained of, and the specific sections of this Policy alleged to have been violated. A general complaint, lacking detail, will not be sufficient to invoke the procedures in this section, and anonymous complaints will not be considered.

8.02. Initial Determination. Within five business days of receipt of a complaint, the District's attorney will determine if the facts of the complaint, if true, would constitute a violation of this Policy. If the District's attorney determines that the complaint does not contain facts that constitute a violation, the District's attorney will so advise the Board at its next regular meeting.

8.03. Report to the Board. If the District's attorney determines that the complaint contains facts that, if true, would constitute a violation, the District's attorney will present a report to the Board. A majority of the Directors not implicated by the complaint will determine whether the complaint should be considered or rejected.

8.04. Consideration by the Board. To consider a complaint, the Board may convene in executive session as permitted by the Texas Open Meetings Act. The Board member implicated by the complaint will have the right to a full and complete hearing, with the right to call witnesses and present evidence. Any final action, decision or vote will be made in open meeting.

8.05. Reprimand. The failure of a Director to comply with the provisions of this Policy will constitute grounds for a reprimand by the other Directors.

EXHIBIT "A-1"
AUTHORIZED INVESTMENTS

1. The following obligations of governmental entities and obligations guaranteed by governmental entities are allowed:
 - a. Obligations of the United States or its agencies and instrumentalities;
 - b. Direct obligations of the State of Texas or its agencies and instrumentalities;
 - c. With prior approval of the Board, collateralized mortgage obligations directly issued by the federal government, the underlying security for which is guaranteed by the United States with certain exceptions set forth in the Public Funds Investment Act;
 - d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas, the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States;
 - e. With prior approval of the Board, obligations of states, agencies, counties, cities and other political subdivisions having not less than an "A" rating from a nationally recognized investment rating firm;
 - f. Bonds issued, assumed, or guaranteed by the State of Israel;
 - g. Interest-bearing banking deposits that are guaranteed or insured by: (A) the Federal Deposit Insurance Corporation or its successor; or (B) the National Credit Union Share Insurance Fund or its successor; and
 - h. Interest-bearing banking deposits other than those described by 1.g. if (A) the funds are invested by the District through (i) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the Board as required by the Public Funds Investment Act, or (ii) a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Board; (B) the broker or the depository institution selected by the Board arranges for the deposit of the funds in banking deposits in one or more federally insured depository institutions, wherever located, for the account of the District; (C) the full amount of the principal and accrued interest of each of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the Board appoints as custodian for the District with respect to the banking deposits issued for the account of the District (i) the bank or savings and loan association selected by the Board under (A); (ii) one of the following entities approved by the Board: a state or national bank that is designated by the Texas Comptroller of Public Accounts as a state depository, has its main office or a branch office in the State of Texas, and has a capital stock and permanent surplus of \$5 million or more; the Texas Treasury Safekeeping Trust Company; a Federal Reserve Bank or a branch of a Federal Reserve Bank; a federal home loan bank; or a financial institution authorized to exercise fiduciary powers that is designated by the Texas Comptroller of Public Accounts as a custodian pursuant to Section 404.031(e), Texas Government Code; or (iii) a

clearing broker-dealer registered with the Securities and Exchange Commission (SEC) and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).

2. With prior approval of the Board, fully collateralized repurchase agreements with a defined termination date; secured by a combination of cash and obligations set forth in 1; requiring the securities being purchased by the District or cash held by the District to be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the Board; and placed through a primary government securities dealer or a financial institution doing business in the State of Texas.
3. With prior approval of the Board, bankers' acceptance with a stated maturity of 270 days or less that will be liquidated in full at maturity and meet other credit requirements established by the Board.
4. With prior approval of the Board, commercial paper with a stated maturity of 270 days or less and meeting other credit requirements established by the Board.
5. With prior approval of the Board, money market mutual funds that are no-load and:
(a) are registered with and regulated by the SEC; (b) have provided the District with a prospectus and other information required by the Securities Exchange Act of 1934 and the Investment Company Act of 1940; (c) have a dollar weighted average maturity of 90 days or fewer; and (d) have an investment objective of maintaining a stable net asset value of \$1 per share.
6. Other types of mutual funds which are no-load and: (a) are registered with the SEC; (b) have an average weighted maturity of less than 2 years; (c) are invested exclusively in obligations approved by the Public Funds Investment Act; (d) are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and (e) meet certain requirements of investment pools, as set forth in the Public Funds Investment Act.
7. Public funds investment pools that (a) meet the criteria as set forth in the Public Funds Investment Act, (b) maintain a rating of not lower than AAA or an equivalent rating by at least one nationally recognized rating service, and (c) have an investment objective of maintaining a stable net asset value of \$1 per share.

EXHIBIT "A-2"
QUALIFIED REPRESENTATIVE'S
CERTIFICATION OF RECEIPT
AND
REVIEW OF INVESTMENT POLICY

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

I, the undersigned _____, a qualified representative of _____ [business organization], do hereby certify that I have been presented a copy of North Austin Municipal Utility District No. 1's (the "District's") Code of Ethics and Financial Investment, Travel and Professional Services Policy (the "Investment Policy"). I have thoroughly reviewed the Investment Policy and acknowledge that _____ [business organization] has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and _____ [business organization] that are not authorized by the Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

WITNESS MY HAND THIS the _____ day of _____, 20_____.

Name: _____

Title: _____

EXHIBIT "B"
INVESTMENT STRATEGIES

Investment Strategies in order of priority:

A. Investment Requirements by Fund.

1. Operating Funds. The District will maintain funds in the operating checking account at its depository, TexPool or any qualified money market fund to cover approximately two months of operating needs. The remaining operating funds will be invested in acceptable investments to meet the operating requirements of the District, as determined by the annual operating budget adopted by the Board, not to exceed a maximum maturity of one year.
2. Tax Collections. Tax collections will be deposited into the District's tax account at its depository. The balance will be checked monthly, except during December and January, when the balance will be checked on a weekly basis. Tax receipts will be allocated according to the Order Levying Taxes, then transferred to the operating and debt service accounts.
3. Debt Service Funds. The District will maintain a balance of approximately \$1,000 in the debt service account at its depository. This balance will cover any minimal debt service expenses that may occur. The remaining funds will be invested to mature three to seven days prior to the next bond payment dates.
4. Construction Funds. The District will maintain a balance of approximately \$3,000 in the construction account at its depository. The remaining construction funds will be invested in acceptable investments not to exceed a maximum maturity of one year. Escrowed construction moneys will be maintained in a separate interest-bearing account.

B. Suitability. The District's Investment Officer(s) must understand the District's financial requirements. Appropriate investments will be made to meet the needs of the District. TexPool or a qualified money market fund will be considered acceptable investments if approved by the District's Investment Officers in accordance with these strategies.

C. Preservation of Capital. A safe investment will allow the District to recover every dollar invested.

D. Liquidity. The District's Investment Officer(s) must invest in securities that are easily and rapidly converted into cash without a substantial loss of value.

E. Investment Marketability Requirements. All investments must be "marketable" in case the need arises to liquidate an investment before maturity.

F. Maximum Maturities. To the extent possible, the District will match its investments with anticipated cash flow requirements. As required by the Public Funds Investment Act and the District's Policy, certain investments will have maturity limitations.

G. Diversification. There will be no defined level of investment diversification as long as all funds of the District are invested in accordance with these strategies.

H. Yield. District funds must be invested to obtain the maximum yield for each time frame taking into consideration the priority of preservation and safety of the principal and the liquidity of the investment.

I. Annual Review of Investment Strategies. The Board will review these strategies at least annually. Any changes deemed necessary by the Board at the time of each review will be reflected in an amendment to these strategies.

EXHIBIT "C"
LIST OF QUALIFIED BROKERS

ABC Bank	Legacy Texas Bank
Allegiance Bank	Logic
Amegy Bank of Texas, N.A.	Lone Star Bank
BancorpSouth	Lone Star Investment Pool
Bank of America N.A.	Memorial City Bank
Bank of Houston	Merchants Bank
Bank of New York – Mellon	Metro Bank, N.A.
Bank of Texas N.A.	Moody National Bank
Bank of the West	New First National Bank
BBVA Compass Bank	North Houston Bank
BOSC, Inc.	Northstar Bank of Texas
Broadway Bank	Omni Bank, N.A.
Capital Bank	Pioneer Bank
Capital Markets of Dallas	Plains Capital Bank
Capital One	Patriot Bank
Central Bank	Plains State Bank
Chasewood Bank	Post Oak Bank
Citibank N.A.	Prosperity Bank
Classic State Bank	RBC Capital Markets
Comerica Bank	R Bank
Comerica Securities	Regions Bank
Commercial State Bank	Roscoe State Bank
Community Bank	Security State Bank
Community State Bank	Sovereign Bank
Community State Bank Austin	State Bank of Texas
Coastal Securities	State Street Bank & Trust Co.
Crockett National Bank	Sterling Bank
Encore Bank	Sterne Agee & Leach
Enterprise Bank	Stifel Nicholas
First Bank of Conroe	Tex Star Investment Pool
First Bank of Texas	Texas Capital Bank N.A.
First Bank & Trust	Texas Class
First Citizens Bank	Texas Citizens Bank
First Community Bank	Texas Community Bank
First National Bank of Bastrop	Texas First Bank
First National Bank of Texas	Texas Independent Bank
First State Bank	Texas Savings Bank

First State Bank Central Texas
First Texas Bank
Frost Bank
Green Bank
Herring National Bank
Hilltop Securities
Hometown Bank, N.A.
Horizon Bank
Houston Community Bank N.A.
Independent Bank
International Bank of Commerce
Inter National Bank
Ironstone Bank
JP Morgan Chase

Texpool/Texpool Prime
The Bank of River Oaks
The Right Bank for Texas
Tradition Bank
Trustmark National Bank
Union Planters Bank, N.A.
United Bank of el Paso del Norte
Unity National Bank
U.S. Bank
US Capital Advisors
Wells Fargo Bank, N.A.
Wells Fargo Brokerage Service, LLC

March 2018