

**MINUTES OF MEETING OF BOARD OF DIRECTORS OF  
SPRINGWOODS MUNICIPAL UTILITY DISTRICT**

January 13, 2009

THE STATE OF TEXAS           §  
  §  
COUNTY OF WILLIAMSON       §

The Board of Directors of Springwoods Municipal Utility District met in a meeting at a regular meeting place of the District open to the public on January 13, 2009 at 9117 Anderson Mill Road, 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:

James Buchanan	-	President
Jim Sagnes	-	Vice President
Kelly K. Campbell	-	Treasurer
Michael Weems	-	Secretary
Rodney Hargrave	-	Assistant Secretary and Treasurer

and all of the Directors were present, thus constituting a quorum. Also present at the meeting Autumn Phillips with Municipal Accounts; Bill Burke of Clearwater Management; Mark Maxwell with Max Webbs Co.; Richard Fadal of TexaScapes, Inc.; Margret Wingrove of SWWC Services, Inc.; and Gregg Krumme of Armbrust & Brown, L.L.P.

Director Buchanan called the meeting to order at 6:00 p.m. and announced that the Board would first consider approving the meeting minutes of the December 9, 2008 Board meeting. Director Campbell moved that the Board approve the minutes. Director Weems seconded the motion, which passed unanimously.

Director Buchanan stated the Board would next discuss and consider taking necessary action regarding the District pool, including maintenance, repairs and improvements to the District's pool facilities, including pool re-surfacing and life safety upgrades project, extension of sidewalk around swimming pool frontage and pool operation and maintenance agreement with Clearwater Management, Inc. Bill Burke of Clearwater Management, Inc. addressed the Board and first provided the Board a hand out of the information of the Virginia Graeme Baker Act regarding main drains in swimming pools. Mr. Burke reviewed a summary of the Act and its applicability to the Springwoods pool. Mr. Burke noted that fines for first violation could be \$50,000.00 per day. Mr. Burke stated that the Act mandates replacing drain covers, but that manufacturers are struggling to catch up with drain covers that are in compliance with the Act. Mr. Burke stated they also required sump underneath the drains and a relief valve system. Mr. Burke stated that they would construct these items in response to the Act and in conjunction with the pool renovation. Mr. Burke said that he was endeavoring to have an engineer certify the compliance with the District's custom made drain covers. The Board discussed compliance with

the Act. Mr. Burke stated that the construction contract had been sent off for execution by the contractor and that the pool had been declorinated and was ready to be emptied.

Director Buchanan stated the Board would next receive a report from the District's bookkeeper and discuss and consider taking any necessary action related thereto, including the payment of bills and invoices. Autumn Phillips with Municipal Accounts addressed the Board and directed the Board's attention to her report behind tab 5 of the Board's packet. Ms. Phillips first reviewed the bills and invoices of the District with the Board and stated that the Board needed to add two checks to those listed on Page 2 of her report, attached hereto as **Exhibit "B"**: Check No. 14067 to Poke E Joe's in the amount of \$94.28 and Check No. 10468 to Jim Buchanan in the amount of \$138.52. Ms. Phillips next reviewed the fund balance with the Board and discussed the District's investments with the Board, noting that some of the CD's were maturing. The Board directed Ms. Phillips to discuss reinvestment of excess proceeds and laddered CD's with the Board's bookkeeping services committee. Ms. Phillips also reviewed the budget comparison and the pledge security report and requested fund transfers. Director Campbell moved that the Board approve the payment of the bills and invoices, the fund transfer requested and reinvestment in CD's as recommended by the bookkeeping services committee. Director Hargrave seconded the motion, which passed unanimously.

Director Buchanan stated the Board would next receive a report from the District's drainage channel, park maintenance and composting contractor and discuss and consider taking necessary action related thereto including discussion and necessary action regarding the fire at the compost site. Richard Fadal of TexaScapes, Inc. addressed the Board and directed the Board's attention to his report set forth behind tab 3 of the Board's packet. Mr. Fadal noted to the Board that composting participation remained high even in the face of the current drought. Mr. Fadal discussed the fire at the compost site with the Board and noted that reports in the media regarding the fire were inaccurate. Mr. Fadal stated that he believes that the fire caught in a dry brush pile at the edge of the compost site and not in the actual composting rows themselves. Mr. Fadal also reported that they were addressing complaints they had received in the District regarding use of composting buckets only. Mr. Fadal stated they were accepting compost in paper bags, but merely emptying them into the truck and leaving the folded bag by the curb. Mr. Fadal stated they wanted to keep doing that as long as it worked out and made the customers happy. Mr. Fadal provided the Board with a trickle channel upgrade Proposal No. 7348, a copy of which is attached hereto as **Exhibit "C"**. The Board discussed this proposal and the Chester Forrest trickle channel. After discussion, Director Weems moved that the Board approve the proposal. Director Hargrave seconded the motion. The Board discussed the merits of the proposal and passed it unanimously. The Board directed Mr. Krumme to put park improvements on the February agenda, and Mr. Krumme agreed to do so.

Director Buchanan stated the Board would next discuss and consider taking necessary action regarding extension of the landscape maintenance agreement with TexaScapes, Inc. The Board discussed the extension of the TexaScapes contract. Director Buchanan stated that he wanted to look at some cost saving measures that the District could test in landscaping before 2010 to see how they would work out. Mr. Fadal agreed to pull together some proposals and will work with Director Campbell. Director Buchanan agreed to meet with Director Campbell and Mr. Fadal regarding these items.

Director Buchanan stated the Board would next discuss and consider taking necessary action regarding the Turtle Rock drainage channel improvements project with Wells Branch Municipal Utility District. Mr. Fadal reported that Wells Branch has made good progress on this project, but there are a few items remaining that need to be addressed. Director Buchanan noted that it took the City two weeks to repair the water leak into the channel, which delayed the work. Director Buchanan stated that there was probably three more days of work remaining on the project. The Board directed that Mr. Fadal, Director Sagnes and Director Buchanan walk the project when complete. Mr. Fadal agreed to schedule the walk through.

Director Buchanan stated the Board would next receive a report from the District's General Manager and discuss and consider taking necessary action related thereto. Margret Wingrove of SWWC Services, Inc. addressed the Board and directed the Board's attention to her report and first reviewed the Restrictive Covenant Enforcement Report therein. The Board reviewed various restrictive covenant matters. Mr. Krumme agreed to look into the permissibility of flag poles at the curb. Ms. Wingrove next directed the Board's attention to a proposal from Kraftsman Playground and Waterpark Equipment, set forth on pages 8-10 of her report, a copy of which is attached hereto as **Exhibit "D"**. The Board discussed these proposals. After discussion Director Weems moved that Board approve the proposals. Director Campbell seconded the motion, which passed unanimously.

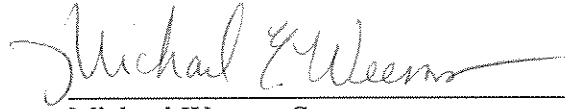
Director Buchanan stated the Board would next receive a report from Max Webbs Co. regarding the District website, newsletter and other District communications and discuss and consider taking necessary action related thereto. The Board discussed contents of newsletters and submission of requests to Max Webbs Co. for inclusion to newsletters.

Director Buchanan stated the Board would next discuss and consider a revision to the District Information Form and Notice to Purchaser. Mr. Krumme explained that this form needed to be revised to reflect that the District had paid off all current bond debt. After discussion, Director Campbell moved that the Board approve the District Information Form. Director Weems seconded the motion, which passed unanimously.

Director Buchanan stated the Board would next discuss and consider taking necessary action relating to the Strategic Partnership Agreement with the City of Austin regarding annexation of the District and continuance of the District as a limited district, including planning for additional special meetings. The Board discussed a special meeting for January and the topics to be discussed, including District management and legal services. Director Campbell stated she was working on a budget analysis. The Board discussed the budget analysis and directed Mr. Krumme to post the special meeting.

Ms. Wingrove stated that the District had received a request from the Girl Scouts to use the park again this year. Director Weems moved that the Board approve the use of the park by the Girl Scouts. Director Sagnes seconded the motion, which passed unanimously.

There being no further business to come before the Board, upon motion by Director Weems and second by Director Hargrave, the meeting was adjourned at 8:18 p.m.



---

Michael Weems, Secretary  
Board of Directors