

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

January 27, 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 27, 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 except Director Weems, thus constituting a quorum. Also present at the meeting were Mark Maxwell with Max Webbs Co; 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 taking necessary action regarding the District pool, including maintenance, repairs and improvements to the District's pool facilities, including a proposal for replacement and additional pool lights in connection with the pool re-surfacing and life safety upgrades project.

Director Buchanan reviewed the pool renovation report from Mr. Burke that recommended a change order for replacement of the lights at a total cost of \$3,450.00. After discussion, Director Buchanan moved that the Board approve the change order. Director Hargrave seconded the motion, which passed unanimously. The Board also discussed the new pool drain law and compliance issues in the renovation.

Director Buchanan stated the Board would next discuss and consider taking necessary action relating Management Services Agreement with SWWC Services, Inc. with regard to the possibility of continuing as a limited district after annexation and discussed and considered taking necessary action relating to the District costs and procedures relating to the enforcement of restrictive covenants. Ms. Wingrove provided the Board with a breakdown of manager duties for the park and other recreational facilities. The Board and Ms. Wingrove reviewed the existing Management Services Contract and the scope of services being performed thereunder. The District and Ms. Wingrove discussed selected services that were no longer needed and would not be needed when the District is converted to a limited district. The Board also discussed with Ms. Wingrove and Mr. Krumme costs for restrictive covenant patrols and enforcement. Mr. Krumme

stated that he believed that the budget for legal services for restrictive covenant enforcement could be cut in half as a limited district and so he suggested that the District may want to provide a sinking fund at conversion to be used in the event there is a hotly contested litigation case in restrictive covenant enforcement. Director Campbell stated that she believed that restrictive covenant enforcement was an important District service and wanted to be careful about cutting it too much.

Director Buchanan stated the Board would next discuss and consider taking necessary action relating to the District legal services provided by Armbrust & Brown, L.L.P., with regard to the possibility of continuing as a limited district after annexation. Mr. Krumme discussed the different legal services budgets and the District's budget and recommended that the restrictive covenant budget be cut in half and that the special projects budget be eliminated. Mr. Krumme stated that he didn't believe that the District would have as many special project items, once it converted to a limited district. Mr. Krumme and the Board also discussed efficiencies and limited meetings as a limited district and noted that the general limited services budget would need to be reduced. Mr. Krumme suggested that they start with a goal of reducing it to \$45,000-50,000 but that if the budget required, the District could look at further reductions. The Board discussed the budget as a limited district and possible applicable tax rates. After discussion, Director Sagnes moved that the Board approve a per diem for Director Campbell for her work in the budget analysis. Director Hargrave seconded the motion, which passed unanimously.

Upon motion by Director Hargrave and seconded by Director Sagnes, the meeting was adjourned at 7:50 p.m.



Michael Weems, Secretary
Board of Directors