

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

May 12, 2009

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

The Board of Directors of Springwoods Municipal Utility District met in a regular meeting at a regular meeting place of the District open to the public on May 12, 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 were resident Valerie Guilbeau, Mark Maxwell of MaxWebs Co.; Richard Fadal of TexaScapes, Inc.; Ben Whaley of Emerald Security; Andrew Hunt of SWWC Services, Inc.; Autumn Phillips of Municipal Accounts & Consulting, L.P.; 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 citizens' communications. Valerie Guilbeau addressed the Board and stated that she had been looking at her property tax appraisal and noticed that it included Austin Community College. Director Weems informed her that the residents of the District had been added to the Austin Community College District without a vote in the matter. The Board also discussed the upcoming annexation with Ms. Guilbeau.

Director Buchanan stated the Board would next consider approving the meeting minutes of the April 14th and April 28, 2009 Board meetings. The Board discussed some corrections. After corrected, Director Hargrave moved that the Board approve the minutes. Director Campbell seconded the motion, which passed unanimously.

Director Buchanan stated that 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 thereto. Richard Fadal of TexaScapes, Inc. addressed the Board and reported to the Board as follows: (i) landscape maintenance is on schedule; (ii) the composting program is going well; (iii) the composting site is back in full operation; (iv) meetings about the future of the compost program have started; and (v) discussions with the Park Committee regarding maintenance options for the park have started. Mr. Fadal stated that they will stick with the current level of maintenance for the park through the rest of the year, but would implement some different options thereafter. Finally, Mr. Fadal discussed the irrigation system in the park and reported that the irrigation system plan has been completed.

Director Buchanan stated that the Board would next discuss and consider taking necessary action regarding the District pool, including maintenance, repairs and improvements to the District pool facilities, including extension of the sidewalk along swimming pool frontage. Director Buchanan reported that he and Richard Fadal had discussed different proposals for the extension of the sidewalk and got a bid from a contractor who had a flier in the neighborhood. Director Buchanan stated that this contractor had agreed to perform Phase I at a cost of \$4,580 and Phase II at a cost of \$5,674, and at a discount if both were accepted. Director Buchanan stated that the contractor is not, however, bonded and a city permit is required for the project. Director Buchanan reminded the Board that the developer of the condominium complex next door had agreed to contribute \$2,500 for Phase I.

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. Andrew Hunt of SWWC Services, Inc., addressed the Board. Mr. Hunt directed the Board's attention to the Restrictive Covenant Enforcement report contained in his report behind Tab 4 of the Board's packet. The Board discussed various restrictive covenant enforcement items. Director Sagnes noted issues on Tree Line and Turtle Rock. Mr. Hunt agreed to check into those. Mr. Hunt next directed the Board's attention to the reservation calendar included on page 4 of his report and the water leak repair information contained on page 5 of the report. Mr. Hunt next reported that the baseball sign had been erected in the park and a grate had been repaired as directed by the Board. Mr. Hunt also reported to the Board that they had further discussions with SWWC and they were ready to offer a base fee of \$6,000 when the District converts to a limited district by reallocating overhead attributable to the District. Finally, the Board discussed janitorial services and spring cleaning for the District office.

Director Buchanan stated the Board would next receive a report from the District's bookkeeper, and discuss and consider taking any necessary action relating thereto, including payment of the bills and invoices. Autumn Phillips of Municipal Accounts addressed the Board and directed the Board's attention to her bookkeeper's report behind tab 5 of the Board's packet. Ms. Phillips reviewed the bills and invoices with the Board, as well as the requested money transfers. Director Weems moved that the Board approve the bills and money transfers, as set forth on Exhibit "B". Director Hargrave seconded the motion, which passed unanimously. Ms. Phillips next provided the Board with a quarterly investment report for its review, a copy of which is attached hereto as Exhibit "C". Ms. Phillips next reported to the Board that J.P. Morgan Chase Bank had instituted a new policy that allowed wire transfers to be ordered only online and at a monthly fee of \$25. Ms. Phillips said that this created some challenges for the Board, and provided the Board with a handout of some other banking options, a copy of which is attached as Exhibit "D". After discussion, Director Weems moved that the Board change their business to Ironstone Bank. Director Campbell seconded the motion, which passed unanimously.

Director Buchanan stated that the Board would next receive a report from the District's attorney, and discuss and consider taking any necessary action relating thereto, including legal action regarding restrictive covenant enforcement. Director Buchanan stated that he believed that restrictive covenant enforcement is an important service to the District and that he and Director Sagnes were looking at options for the provision of this service. After discussion, Director Sagnes made a motion for Mr. Krumme to prepare a Request for Proposal for restrictive

covenant enforcement services for consideration at the next meeting. Director Hargrave seconded the motion, which passed unanimously.

Director Buchanan stated the Board would next receive a report from Maxwebs Co. regarding the District's website, newsletter and other District communications and discuss and consider taking necessary action related thereto. Mark Maxwell of Maxwebs Co. addressed the Board. Director Hargrave asked about the newsletter. Mr. Maxwell stated that he would have a draft this week. The Board discussed the topics for the newsletter. Director Sagnes raised the issue of news items for the pool. The Board discussed a July 4th pool party and that it be an open party to all residents of the District and advertised in the District newsletter. Director Sagnes moved that the Board approve the pool party as an open party for all residents. Director Hargrave seconded the motion, which passed unanimously.

Director Buchanan stated that the Board would discuss and consider taking action regarding the Lease Agreement with Providence Management, Inc. and would discuss and consider taking action regarding the Janitorial Maintenance Services Agreement. Mr. Krumme summarized the lease negotiations to the Board for the extension of the Providence Management lease. Mr. Krumme stated that some of the principal terms are rent at \$800 a month, the District would have use of one-half of the garage, the District would approve the current subtenants but would have the right to approve future subtenants and the tenant would provide proof of insurance. The Board discussed janitorial services and the problems that had occurred in the past and directed that the tenant not be responsible for the payment of passed through expenses for janitorial services provided by the District. Mr. Krumme agreed to finalize the lease amendment for execution by the tenant.

Director Buchanan stated that the Board would discuss and consider taking action regarding the District pool and maintenance, repairs and improvements to the District pool facilities, including extension of sidewalk along swimming pool frontage. The Board discussed the sidewalk work. Director Weems moved that the Board approve the new proposal for both segments. Director Sagnes seconded the motion, which passed unanimously. Director Buchanan stated that the District would need to work through the permit process and the lack of insurance by the contractor. The Board discussed the payment issue. Director Weems directed that payment be one-half on completion of the forms and one-half on final completion of the project. Mr. Krumme agreed to have a land planner at his office check on the process for the permit. Director Weems moved that the Board approve signs be erected for the pool party. Director Sagnes seconded the motion, which passed unanimously.

Director Buchanan stated that the Board would discuss and consider taking action regarding Resolution Adopting Code of Ethics, Investment Officer, Investment Policies, Investment Strategy and Related Matters, including director per diem policy. Mr. Krumme directed the Board's attention to this item and the Fees of Office section. Director Campbell left the meeting at 8:10 p.m. The Board discussed Fees of Office and the forms required for claiming Fees of Office.

Director Buchanan stated that the Board would discuss and consider taking action regarding Order Establishing Rules and Regulations Governing Recreational Facilities and Fees and Charges for Use Thereof, including pavilion rules and regulations. Mr. Krumme provided the Board with copies of the rules for the Block House MUD and the District for comparison.

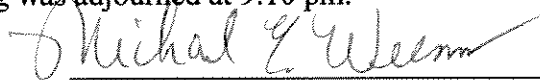
The Board discussed allowing reservations on holidays, including Block House type provisions regarding large organizations using the facilities and deleting references to the BMX bike track. Mr. Krumme agreed to revise the park rules for the Board's consideration.

Director Buchanan stated that the Board would discuss and consider taking action regarding maintenance, repairs and improvements to the District park. Director Buchanan reported that they were getting bids for the District office roof. Mr. Krumme stated that they should make sure and get some bids for asphalt shingles so that they know they've gotten the right insurance settlement. Director Buchanan agreed. Director Sagnes stated that they needed to prohibit trailers from accessing the compost on-site. The Board agreed and directed Mr. Hunt to erect some signs prohibiting trailers.

Director Buchanan stated that the Board would discuss any such other matters as may come before the Board. Director Hargrave reminded the Board that the Hunter's Chase HOA annual meeting was this Saturday and that he and Director Sagnes would attend.

Director Buchanan stated the Board would adjourn into executive session at 8:50 pm to discuss legal matters with the District's attorney pursuant to Section 551.071 of Local Government Code. The Board adjourned from executive session and reconvened the regular meeting at 9:03 p.m. No official action was taken during executive session. The Board discussed a Request for Proposal for general management services. Director Sagnes moved that the Board approve and that Mr. Krumme prepare a Request for Proposal for general management services for consideration at the next meeting. Director Hargrave seconded the motion, which passed unanimously. Director Sagnes moved that the Board approve a 60-day notice to SWWC terminating the current contract. Director Hargrave seconded the motion, which passed unanimously. The Board directed that Mr. Krumme post a special meeting for May 26, 2009 to discuss both Requests for Proposal, and Mr. Krumme agreed to do so.

There being no further action to come before the Board, upon motion by Director Weems and second by Director Sagnes, the meeting was adjourned at 9:10 pm.



Michael Weems, Secretary
Board of Directors