

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

August 11, 2009

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

The Board of Directors of Springwoods Municipal Utility District met in a special meeting at a regular meeting place of the District open to the public on August 11, 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 David Williams a resident of the District; Margret Wingrove of Crossroads Utility Services LLC; Kimberly Chapman and Steve Peña of Peña Swayze & Co.; Don May of D & J Company; Nathan Krupke of Belt Harris and Associates; Mike McCall of McCall Gibson Swedlund Barfoot PLLC; Ben Whaley of Emerald Security; Mark Maxwell of MaxWebs Co.; Bill Burke of Clearwater Management, 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 stated that the Board would first consider approving the meeting minutes of the July 14th, July 22nd, and July 26th Board meetings. Director Campbell moved that the Board approve the meeting minutes for July 14th. Director Sagnes seconded the motion, which passed unanimously. Director Hargrave moved that Board approve the meeting minutes for the July 22nd and July 26th meetings. Director Weems 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 relating thereto, including proposal no. 7535 for Fall overseeding. Director Buchanan stated that Richard Fadal had a conflict and could not attend the meeting. Director Sagnes stated that he had spoke with Mr. Fadal about overseeding in the parks coming up and suggested the Board should consider this with regard to the budget. Director Sagnes stated that Mr. Fadal also stated that they continue to deal with the heat issue on landscaping.

Director Buchanan stated that the Board would next discuss and consider District auditing services for fiscal year September 30, 2009 and review a proposals from auditing firms. Director Buchanan stated that the Board would entertain presentations from each auditing firm that had submitted a proposal to the District and that they would start with Nathan Krupke of

Belt Harris. Nathan Krupke addressed the Board and discussed his proposal and the firm's experience. Mr. Krumme asked about the depreciation and the GASB schedules. Mr. Krupke stated that they were included in the bid as being performed by the auditing firm. Mike McCall of McCall Gibson Swedlund Barefoot, PLLC addressed the Board and discussed his firm's proposal. Mr. McCall stated that if the Board chose for a municipal council do the depreciation and GASB schedules, then they could deduct \$1500 from his bid. The Board discussed his proposal. Kimberly Chapman of Peña Swayze & Co. addressed the Board and the discussed with the Board her experience with the District and its local Round Rock location and further discussed the Peña Swayze & Co. proposal. Ms. Chapman stated that their proposal included \$1500 for the depreciation schedule and GASB. Ms. Chapman stated their bid was impacted due to the change in management, since more internal document control work is required when the District changes managers. The Board thanked all the presenters for their proposal.

Director Buchanan stated that the Board would next receive citizens' communications and consider taking any necessary action related thereto. David Williams, a resident of the District, addressed the Board and discussed some restrictive covenant violations in the District including vehicles parking on grass and commercial vehicles. The Board introduced Mr. Williams to the District's new restrictive covenant enforcement officer, Don May, who agreed to help solve the problems.

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 and approval of new depository resolution of the general manager's account. Autumn Phillips of Municipal Accounts addressed the Board and reviewed the financial report with the Board. Ms. Phillips directed the Board to the bills and invoices set forth on the report and supplemented with a hand out, supplemental register, a copy of all of which is attached hereto as **Exhibit "B"**. Ms. Phillips noted that the District had a certificate of deposit maturing on August 15, 2009 and Ms. Phillips recommended that it be moved to the Texpool account. Director Weems moved that the Board approve that transaction. Director Hargrove seconded the motion, which passed unanimously. Ms. Phillips also directed the Board's attention to the three wire transfer letters included in her report. Director Campbell moved that the Board approve the bills and invoices as set forth on **Exhibit "B"** and the wire transfers. Director Weems seconded the motion, which passed unanimously.

Director Buchanan stated that the Board would next discuss and consider District auditing services for fiscal year September 30, 2009 and review and approval of proposals from auditing firms. The Board discussed the proposals from the auditors. After discussion, Director Campbell moved that the Board approve the proposal from Belt Harris. Director Weems seconded the motion, which passed unanimously.

Director Buchanan stated the Board would again receive a report from the District's bookkeeper and discuss and consider taking any necessary action related thereto, including approval of new depository resolution of the general manager's account. Mr. Krumme directed the Board's attention to the depository resolution for the Board's consideration for the establishment of the manager's account due to the change of management for the District. Director Campbell moved that the Board approve the depository resolution with a limit of \$3,000.00 in the account. Director Weems seconded the motion, which passed unanimously.

Director Buchanan stated that the Board would next discuss and consider taking necessary action regarding the District pool and maintenance, repairs and improvements to the District pool facilities including discussing and considering establishing a District dog day at Springwoods pool. Bill Burke of Clearwater Management addressed the Board and provided the Board with a pool report, a copy of which is attached hereto as Exhibit "C". Director Campbell asked about the heating bill and Mr. Burke stated that they would invoice the Stingrays once they worked through it. Mr. Burke reported on the successful pool season and schedule for the closing of the pool. Mr. Burke also agreed to deliver the reimbursement letter for the sidewalk work at the pool to the developer of the condominiums next door to the pool. The Board thanked Mr. Burke for his report.

Director Buchanan stated the Board would next receive a report from the District's security patrols contractor. Ben Whaley asked for clarification on who residents should call for reservations at the park. Ms. Wingrove stated that residents should contact Crossroads and that the new phone numbers were up on the signs in the park. Director Buchanan discussed the reservation report for the fields and the pavilion and asked Ms. Wingrove to provide it periodically to he, Director Sagnes, Director Campbell and Ben Whaley. Ms. Wingrove agreed to do so.

Director Buchanan stated the Board would next discuss and consider District Restrictive Covenant Enforcement, including a revised Resolution Adopting Amended and Restated Rules Relating to Enforcement to Restrictive Covenants. Don May addressed the Board. Mr. May stated that he is trying to get in touch with Southwest Water to secure restrictive covenant enforcement history in the District. Mr. May also reported that he has been to the District once and noted that Section 3 looks to be a problem. Mr. Krumme stated that the Board would need to consider amendments to the Restrictive Covenant Enforcement Policy at some point and changing to a different consultant for enforcement. The Board discussed procedure with Mr. May.

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 Crossroads Utility Services LLC addressed the Board. Ms. Wingrove reported on transition matters from Southwest Water and also discussed the number of boxes of District files received and the District's retention policy. Mr. Krumme reminded the Board of the records retention policy. Director Buchanan stated that he would like the District to retain Board minutes for the District in the late 80's, early 90's. Mr. Krumme agreed to look into that. Director Hargrove directed Ms. Wingrove and Mr. Krumme to follow the Board's retention policy in shredding the files. Ms. Wingrove stated that she would get an estimate for the shredding. After discussion, the Board agreed that records should be reviewed annually for shredding. Ms. Wingrove stated that all signs in the District had been changed to reflect the change in management, including the new phone numbers. Director Hargrove asked Ms. Wingrove how many parks Crossroads was responsible for maintaining. Ms. Wingrove stated that they were maintaining parks in Block House MUD, North Austin MUD and Springwoods MUD. The Board discussed keys for the garage. Ms. Wingrove agreed to get two extra keys to the garage to the Board. Director Sagnes asked Ms. Wingrove to get an additional key for Ben Whaley so that he could access the garage from the outside to put lost and found materials in the garage. Ms. Wingrove agreed to do so. Ms. Wingrove next provided the Board with pictures of peeling paint in the pavilion. The Board discussed the issue without taking action. Director

Hargrave directed Ms. Wingrove to hold the last check for Southwest Water until the District gets the restrictive covenant enforcement records from Southwest Water.

Director Buchanan stated the Board would next receive a report from the District's attorney, and discuss and consider taking necessary action relating thereto including legal action regarding Restrictive Covenant Enforcement. Mr. Krumme discussed a lack of yard maintenance covenant violation on Flashpan Cove. The Board directed Mr. Krumme to coordinate with Mr. May to determine whether the property is still in violation. Mr. Krumme agreed to do so.

Director Buchanan stated that the Board would next receive a report from MaxWebs Co. regarding the District website newsletter and other District communications. Mark Maxwell addressed the Board and discussed the upcoming newsletter. Director Hargrave stated that they were updating the website with new information, including the change in management and the change in Restrictive Covenant Enforcement officer. Mr. Krumme informed the Board that he had talked to Virginia Collier at the City of Austin and that the City of Austin was considering a mail out to District residents, sometime in the Fall to provide the District residents with notice of the annexation in 2010. Mr. Krumme stated that Ms. Collier agreed to provide him with a copy of the notice before it went out for any comments that he might have to the notice and to give the District a heads up on the timing of the notice. Director Hargrave stated that the Board should consider a separate newsletter for annexation to coincide with the City notice.

Director Buchanan stated that the Board would next discuss the 2009-2010 budget and 2009 tax rate, including reviewing the 2009 certified appraisal value, conducting a work session on the 2009-2010 budget, establishing and taking a record vote on the proposed tax rate, scheduling a public hearing at which the adoption of the 2009 tax rate will be considered, and authorizing publication of Notice of Public Hearing on Tax Rate. Autumn Phillips addressed the Board and provided the Board with a proposed budget, a copy of which is attached hereto as **Exhibit "D"**. Director Buchanan asked the Board to discuss any items that should change on the proposed budget. Ms. Phillips noted that the auditing number needs to come down, due to the proposal by the Board this evening. The Board discussed other revisions to the budget and discussed potential tax rates. After discussion, Director Weems moved that the Board approve a proposed tax rate of \$0.485, schedule a public hearing at the next regular Board meeting, and authorize publication of the Notice. Director Hargrave seconded the motion, which passed 4 to 1, with Director Campbell voting against the motion.

Director Buchanan stated that the Board would next discuss and consider renewal of the security services agreement with Emerald PI, Inc. Mr. Krumme reviewed with the Board the status of the contracts. After discussion, the Board directed Mr. Krumme to contact Emerald Security to get a proposal for renewal until 2010.

Director Buchanan stated that the Board would next discuss and consider taking necessary action relating to the District's MS4 permit, including the annual report and implementation items. Director Buchanan informed the Board that they had scheduled a channel walk on August 13, 2009.

Director Buchanan stated the Board would adjourn into executive session at 8:52 pm to discuss personnel matters under Section 551.074 of the Texas Open Meetings Act. The Board

adjourned from executive session at 9:37 p.m., with no official action being taken in executive session and reconvened the regular meeting. Director Buchanan stated the Board would discuss such other matters as may come before the Board. Director Sagnes stated that he would like to know approximately how much time is spent by the District's general manager personnel in Springwoods park and wants to make sure that the District gets its money's worth for park services. Director Hargrave stated that the Board should start a list of items to be completed in the park. Director Sagnes stated that he would like the picnic tables washed.

There being no further action to come before the Board, upon motion by Director Hargrave and second by Director Sagnes, the meeting was adjourned at 9:50 p.m.



Michael Weems, Secretary
Board of Directors