

**MINUTES OF MEETING OF BOARD OF DIRECTORS OF
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1**

MAY 29, 2009

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

A special meeting of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on May 29, 2009, at the Rattan Creek Community Center, 7617 Elkhorn Mountain Trail, 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:

Alan McNeil	-	President
Donald G. Conklin	-	Vice President
Jo Jones	-	Secretary
Keith Collins	-	Treasurer
John Lenz	-	Assistant Secretary

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were Matt McKensie and Tim McIntyre of T. F. Harper; Steve Held and Gary Spoons of Crossroads Utility Services; and Sharlene Collins and Jeff Hobbs of Armbrust & Brown, L.L.P.

Director McNeil called the meeting to order at 12:30 p.m. and stated that the Board would first consider general manager services. Director McNeil requested that Board members give their comments regarding the proposed general manager's contract with Crossroads Utility. The Board discussed terms and conditions to be included in the contract.

At 12:45 p.m. Director McNeil stated that the Board would continue discussions regarding general manager services after an executive session with Mr. Hobbs and Ms. Collins pursuant to Government Code Section 551.071 regarding pending litigation with A+ Playgrounds. At 1:15 p.m. the Board reconvened in open session. Director McNeil noted that no action had been taken. The Board briefly discussed the replacement of the playscape. At 12:50 p.m. Director McNeil stated the Board would reconvene in executive session pursuant to Government Code Section 551.071 to continue discussions with the District's attorneys regarding the litigation over the playscape. At 1:55 p.m. the Board reconvened in open session. Director McNeil stated that no action had been taken.

The next item to come before the Board was to discuss and consider any necessary action regarding the District playscape. An update was presented by Mr. McKensie and Mr. McIntyre. No action was taken.

Director McNeil stated that the Board would return to the discussion regarding general manager services. He acknowledged the arrival of Mr. Held and Mr. Spoons. Mr. Spoons and Mr. Held discussed the services that Crossroads Utility Services can provide to the District. After

discussion, Director McNeil moved to give notice of termination to Southwest Water Company effective June 30, 2009 and to hire Crossroads Utility Services effective June 15 as the District's manager. Mr. Held noted that his company was willing to provide services during the month of June for a fee of \$9,250. Director McNeil amended his motion to hire Crossroads effective June 1 with a fee of \$9,250 for June, 2009, with the full fee of \$18,500 beginning July 1, 2009. Director Collins seconded the motion and it was approved unanimously. The Board noted that it would like to have Crossroads do the meter readings for the month of June. Ms. Collins stated that she would finalize the draft contract for execution. The Board requested that Ms. Collins send the notice of termination to Southwest Water Company today. She stated she would do so.


The next item to come before the Board was to discuss and consider amendments to the District's rate order. Ms. Collins noted that the fee for reconnection of service after termination would need to be increased from \$40 when the meter had not been removed to \$45. Upon motion by Director Conklin and second by Director Jones, the Board unanimously approved the amendment to the Rate Order, a copy of which is attached hereto as Exhibit "B".

Director McNeil inquired as to whether there were any further items to come before the Board. There being none, the meeting was adjourned at 4:15 p.m.

(SEAL)

Date: _____

6/24/09



Jo Jones, Secretary
Board of Directors