

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9**

November 29, 2010

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Williamson County Municipal Utility District No. 9 was held on November 29, 2010, at the offices of Gray • Jansing & Associates, Inc., 8217 Shoal Creek Blvd., Suite 200, Austin, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as Exhibit "A".

The roll was called of the members of the Board:

Douglas Mink	-	President
Allen Douthitt	-	Vice President
Mike Asbury	-	Secretary
Leslie Alger	-	Assistant Secretary/Treasurer
Keith E. Young	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Scott Spidle of SWWC Services, Inc., the District's general manager and utility operator; David Gray of Gray • Jansing & Associates, Inc., the District's engineer; and John W. Bartram of Armbrust & Brown, PLLC.

Director Mink called the meeting to order at 12:00 p.m., and stated that the Board would first receive citizens' communications and Board member announcements. There being none, Director Mink then stated that the Board would consider taking action regarding general management and operations services. Mr. Spidle introduced himself and stated that it was public knowledge that SWWC Services, Inc. ("SWWC") was getting out of the services business in the Austin market. He stated that his company would prefer to negotiate an early termination of its contract with the District but was prepared to perform under the agreement if an acceptable arrangement could not be reached. He stated that, currently, billing and meter reading was performed by staff out of the company's Houston office, but that customer service was being handled in Austin. Mr. Spidle stated that Jeff Garrett, a salaried employee of SWWC, had replaced Andrew Hunt as the contract manager for the District and that Henry Ochoa and other field staff would handle operations. He acknowledged that, due to the decrease in staff in Austin, certain routine maintenance work was being subcontracted out. Director Douthitt questioned who was monitoring the 24/7 dispatch service. Mr. Spidle stated that the main dispatch line was answered in Houston and that District-related calls were then transferred to the lead operator. Director Mink asked about Mr. Garrett's work load, and Mr. Spidle stated

that, due to previous contract terminations, Mr. Garrett had fewer responsibilities than Mr. Hunt at the time of his departure from the company. Director Asbury asked if any of the Austin employees of SWWC would be moving to Houston. Mr. Spidle stated that the remaining employees were not interested in moving to Houston, but that SWWC was planning to retain staff in Austin to service the company's remaining contracts. However, Mr. Spidle acknowledged that, at some point, the intention was to transition the remaining districts over to the utility side of the business, at which point the staff on the services side of the business would be let go. He assured the Board that SWWC was committed to providing quality service as its business in Austin was winding down so as not to tarnish the reputation of the company in other markets. Director Mink asked if Mr. Spidle was involved in the negotiations for an early termination of the District's contract and if he had authority to bind the company in this regard. Mr. Spidle confirmed that he was and that he did. Mr. Bartram recommended that the Board receive legal advice regarding the negotiations for an early termination of the existing operations contract with SWWC as well as a new contract with a replacement operator in executive session before taking action. The Board agreed, and Director Mink stated that an executive session for this purpose would be deferred until later in the meeting.

Director Mink then stated that the Board would consider taking action regarding an amendment to the wholesale Water and Wastewater Agreement with the City of Round Rock. Mr. Bartram reported that the City was prepared to move forward with an amendment to the contract to revise the wastewater billing methodology from metering, which was historically inaccurate, to a system whereby wastewater would be billed based on 70% of the then-current water usage. He stated that the City would prefer to amend and restate the wholesale agreement in its entirety but would also consider a separate amendment if preferred by the District. Mr. Gray noted that several provisions of the original agreement were no longer applicable and that an amended and restated contract would be simpler and would clean things up. The Board generally concurred and directed Mr. Bartram to proceed with review of an amended and restated agreement. Director Mink asked where the 70% number had come from, and Mr. Gray stated that this was the result of a study performed by an outside consultant engaged by the City. Mr. Douthitt stated that the 70% methodology was the City's new standard and had already been implemented with numerous other districts. Discussion regarding retail wastewater billing ensued. Director Mink noted that concerns about the 70% methodology had been posted on the homeowners association's message board. The Board discussed how best to respond to resident questions and concerns and directed Director Mink to prepare an informational statement on the changes and circulate that to Messrs. Gray and Bartram for review. Director Mink recalled that SWWC had previously prepared a utility bill insert on this issue and requested a copy from Mr. Spidle. Mr. Spidle stated that he would track down and email a copy of the insert to Mr. Bartram. Director Mink stated that at least one resident had complained about not being able to reach SWWC customer service representatives with questions on billing matters and asked if residents would be able to reach Mr. Garrett in the future by calling customer service. Mr. Spidle stated that, depending on the nature of the call, if customer service representatives were unable to answer certain questions, the calls would be routed to the contract manager. Director Alger asked if Mr. Garrett was up to speed

and prepared to field questions from residents about the District. Mr. Spidle stated that he would be.

Director Mink then stated that the Board would consider taking action regarding garbage collection services. Mr. Bartram noted that the District received solid waste collection services through the City of Round Rock under the wholesale contract with the City and that the City had recently notified the District of a rate increase and changes in the collection schedule. However, he stated that the proposed draft of the amended and restated wholesale contract omitted the requirement that the District obtain solid waste collection services through the City, and he questioned whether the Board desired to maintain service through the City or wished to explore other alternatives. The Board reviewed the upcoming changes in the City's service and generally agreed that the District's residents would perceive once-per-week collection as a decrease in the level of service. After discussion, the Board directed Mr. Bartram to contact the City's attorney to determine whether the omission of garbage collection from the draft amended and restated wholesale agreement was an oversight or if the City was proposing to allow the District to opt out of solid waste collection service through the City.

Director Mink then questioned whether there were any future agenda items or further business to come before the Board prior to convening in executive session. Director Alger asked about the status of the District's name change application to the Texas Commission on Environmental Quality. Mr. Bartram stated that he had been advised by Commission staff that the application had been received and was under review but that no commitment as to timing could be given. Mr. Bartram then asked about the Board's historical procedures for posting agendas within the District, noting that, in the past, an SWWC employee had posted the agenda in the informational box within the District. After discussion, the Board reached a consensus that, going forward, all postings would be handled by Mr. Bartram's office. Mr. Spidle then reiterated his company's desire to negotiate an early termination of the District's existing contract with SWWC. He confirmed that SWWC had offered to pay the District an early termination fee of \$5,000 in order to do so, but stated that SWWC would go no higher. Mr. Spidle stated that, in the spirit of full disclosure, he wanted the Board to be aware that, if an early termination could not be negotiated, at some point the responsibility for the District would be turned over the utility group, which would involve another personnel change.

At 1:10 p.m., Director Mink announced that that Board would convene in executive session in order to receive legal advice regarding the early termination of the operations services contract with SWWC and negotiation of a new contract with Crossroads Utility Services, LLC ("Crossroads"), as permitted by Section 551.071 of the Texas Government Code. Director Young left the meeting at 1:30 p.m. At 1:41 p.m., the Board reconvened in open session, and Director Mink announced that no action had been taken during executive session.

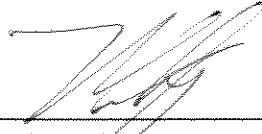
Mr. Spidle then rejoined the meeting and stated that he had confirmed, while the Board was in executive session, that the utility bill insert regarding the changes to the retail wastewater rates had been included with the utility bills mailed on October 6th, and he stated that he would forward a copy to Mr. Bartram. With respect to SWWC's request for an early contract termination, Director Mink stated that there seemed to be a contradiction between

SWWC's words and actions, noting that SWWC had offered to pay only a small portion of the costs that would be incurred in connection with the transition to a new operator. Mr. Spidle reviewed the basis for his company's \$5,000 offer and stated that he did not have the authority to negotiate any higher. Director Asbury stated that, as a resident, he felt that SWWC was leaving the District in the lurch and would wind up paying more as a result. Mr. Spidle stated that it had become clear over the last year that SWWC was not wanted in the Austin market and that SWWC had, as a result, determined to get out of the business. Director Mink asked Mr. Spidle to confer the Board's extreme displeasure at SWWC's refusal to pay at least the difference in cost between the SWWC's base fee and the base fee proposed by Crossroads. Director Mink also raised a concern about Mr. Spidle's admission that routine maintenance would be subcontracted in violation of the existing agreement. He stated that he would be tempted to remain with SWWC but had already begun to see a degradation in the level of service. After further discussion, Director Douthitt moved that the Board accept SWWC's offer to pay the District \$5,000 for an early contract termination, subject to preparation and approval by the subcommittee of the appropriate paperwork, and subject to negotiation and execution of an operations contract with Crossroads. Upon second by Director Asbury, the motion passed unanimously. Mr. Spidle thanked the Board and stated, on behalf of his company, that SWWC had appreciated working with the District. Mr. Spidle then left the meeting. Director Asbury moved that, in the interest of time, the Board reconfirm the subcommittee's authority to negotiate and execute an operations contract with Crossroads. Upon second by Director Alger, the motion carried unanimously.

There being no further business to come before the Board, the meeting was adjourned at 1:58 p.m.

(Signature page follows.)

(SEAL)



Mike Asbury
Secretary, Board of Directors

Date: December 13, 2010

CERTIFICATE OF POSTING FOR
WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
AT
THE WILLIAMSON COUNTY COURTHOUSE ANNEX
WILLIAMSON COUNTY CLERK'S OFFICE
405 MLK (4th & MLK)
GEORGETOWN, TEXAS 78626-5703


THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

I, PENNY VOELKEL, hereby certify that at 11:00 A.m. on 11/23/
2010, I delivered three (3) copies of the attached notice of meeting of the Board of Directors of
 Williamson County Municipal Utility District No. 9 to the Williamson County Clerk in the
 Williamson County Courthouse Annex for subsequent posting in the Williamson County
 Courthouse.

I understand that the notice was posted in order to comply with the Open Meetings
 provisions of Chapter 551 of the Government Code and that the Board of Directors of the
 District will rely on this certificate in determining whether the provisions of Chapter 551 of the
 Government Code have been satisfied.

Witness my signature this 23 day of NOVEMBER, 2010.



 Printed Name: _____

Company: _____

FILED FOR RECORD

WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 9

NOV 23 2010

November 29, 2010

Nancy E. Ruster
County Clerk, Williamson Co TX

TO: THE BOARD OF DIRECTORS OF WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9 AND ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Williamson County Municipal Utility District No. 9 will hold a meeting at 12:00 noon on Monday, November 29, 2010 at the offices of Gray • Jansing & Associates, Inc., 8217 Shoal Creek Blvd., Suite 200, Austin, Texas. The following matters will be considered and may be acted upon at the meeting.

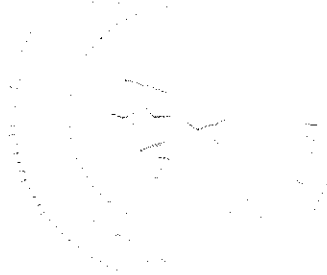
PUBLIC COMMENT

- 1. Citizens' communications and Board member announcements;

DISCUSSION/ACTION ITEMS

- 2. General management and operations services, including:
 - (a). Termination of Professional Services Agreement with SWWC Services, Inc.;
 - (b). Operations Services Agreement with Crossroads Utility Services LLC;
- 3. Amendment to wholesale Water and Wastewater Agreement with City of Round Rock;
- 4. Garbage collection services, including rate order amendment;
- 5. Future agenda items.

The Board of Directors is authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code, to convene in closed or executive session for certain purposes, including receiving legal advice from the District's attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073), discussing personnel matters (Section 551.074); and discussing security personnel or devices (Section 551.076). If the Board of Directors determines to go into executive session to discuss any item on this agenda, the presiding officer will announce that an executive session will be held and will identify the item to be discussed and the provision of the Open Meetings Act that authorizes the closed or executive session.



John W. Bantman
Attorney for the District

Williamson County Municipal Utility District No. 9 is committed to compliance with the Americans with Disabilities Act. Reasonable accommodations and equal access to communications will be provided upon request. Please call Armbrust & Brown, PLLC at (512) 435-2300 for additional information.

**CERTIFICATE OF POSTING FOR
WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
IN-DISTRICT POSTING LOCATIONS**

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

I, Brian K. Gilbert, hereby certify that at 2:50 p.m. on Nov. 23, 2010, I posted a copy of the attached notice of meeting of the Board of Directors of Williamson County Municipal Utility District No. 9 within the boundaries of the District at a place readily accessible and convenient to the public at the District's two designated posting locations:

1. the mail center at the Northeast corner of the intersection of Vista Hills Blvd. and FM 1431, Round Rock, Texas; and
2. the Southeast corner of the intersection of Royal Vista Blvd. and Vista Isle Blvd., Round Rock, Texas.

I understand that the notice was posted in order to comply with the Open Meetings provisions of Chapter 551 of the Government Code and that the Board of Directors of the District will rely on this certificate in determining whether the provisions of Chapter 551 of the Government Code have been satisfied.

Witness my signature this 23 day of November, 2010.

Brian K. Gilbert

Printed Name: Brian K. Gilbert

Company: Capitol Courier

WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 9

November 29, 2010

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Attorney for the District

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