

MINUTES OF MEETING OF THE BOARD OF  
DIRECTORS OF WILLIAMSON-TRAVIS COUNTIES  
MUNICIPAL UTILITY DISTRICT NO. 1

June 15, 2005

THE STATE OF TEXAS

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COUNTIES OF WILLIAMSON AND TRAVIS §

A regular meeting of the Board of Directors of Williamson-Travis Counties Municipal Utility District No. 1 was held at 6:00 p.m. on June 15, 2005, at the District office at The Park at Lakeline Oaks, 1000 Old Mill Road, Cedar Park, Texas 78613. 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".

Director Nasky called the roll of the members of the Board:

Barry D. Hawk - President

Brian Nasky - Vice President

Steve Davies - Secretary

Brian T. Hardin - Treasurer

Rhonda Henry - Assistant Secretary/Treasurer

All the Directors were present with the exception of Directors Hawk and Nasky, thus constituting a quorum. Also present at the meeting were Bill Fry, Wyatt Misenheimer, Becky Stathos, Linda Nolte, and Kristi Shanks with Severn Trent Services; Don Bayes with Gray-Jansing & Associates; Bill Flickinger with Willatt & Flickinger; Greg Vinella and Rich Caldwell with Eco Systems; Linda Dunbar with TML Insurance; Dale Vannoy with the Constable's office; and District residents Evelyn and Mike Long of 1008 Old Mill Road, Christa Meck of 1100 Old Mill Road, Gail Grussendorf of 1010 Old Mill Road, George Cshahanin of 2712 Aster Pass, and Darren Lowitt of 2812 Cashell Wood.

Director Davies called the meeting to order at 6:02 p.m. and stated that the Board would first consider Agenda Item 1: Minutes from the May 18, 2005 meeting. Director Davies asked that the following corrections be made:

- The last sentence at the bottom of Page 3 should read “. . . stepped up to the point that they have gone beyond what should be done and that the Board is tasked with interpreting verbiage such as ‘unsightly’ and that the current enforcement is beyond his comfort level and beyond what he thinks is reasonable.”
- The second paragraph under Agenda Item 18 should read “Director Davies thinks letters should be sent every ten days, but STES should back off just a little on the number of items taken up with letters.”

On a motion by Director Hardin seconded by Director Henry the Board unanimously approved the minutes from the May 18, 2005 meeting as corrected.

Director Davies then called for Agenda Item 2: Report from the District's engineer. Mr. Bayes said he

did not include a written report in the packet because there are no construction projects currently underway.

Mr. Bayes said he received a call from the party Ms. Long bought her home from, wanting to know what they need to do. He explained that he represents the District and they would need to talk to their own representative.

Mr. Bayes also said that Eco Systems has proposals for a bench in Anderson Mill West Park as well as improvements in Sunchase Park.

Director Davies then called for Agenda Item 9: *Residential drainage problems on lots on Old Mill Road*.

Director Nasky entered the meeting at this time.

Mr. Flickinger said he sent letters to the residents on Old Mill Road affected by the drainage problem.

Ms. Long's son, Michael, addressed the Board regarding his mother's backyard. Following a lengthy discussion, Director Nasky asked that the owners of the six lots involved get together and develop a plan for restoring sufficient drainage through their back yards. The District engineer will then review the plan.

Director Nasky then called for Agenda Item 18: *Citizens' communications*. Mr. Lowitt told the Board he was being overcharged for residential water and that it was impossible for anyone to be reading his meter due to the dirt covering the face of the meter. After hearing Mr. Lowitt's concerns, this issue was turned over to the Meter Reading & Communication Issues Subcommittee for review.

Mr. Csahanin, who is now serving on the Architectural Control Committee for Anderson Mill West and Park Forest, said he was just at the meeting to observe.

Director Nasky then called for Agenda Item 3: *Report from the District Manager and Affected Persons, including payment of bills and invoices and transfer of funds:*

- a. review and discussion of pending Board directives to Manager, attorneys, Board members and sub-committees*
- b. water and wastewater system report*
- c. billing report and financials*
- d. security issues and vandalism*
- e. security measures for the water system*
- f. builder and aged receivables*
- g. detention pond and related issues*
- h. fire hydrant survey*
- i. RBC Dain Rauscher*
- j. solid waste collection and disposal service*
- k. marquees*
- l. Consumer Confidence Reports*
- m. customer and resident complaints*
- n. adjustment of delinquent accounts*

Mr. Fry reported on directives from the May meeting.

Ms. Nolte explained that the Waste Management contract allows the District to access a \$200 per day fine when a truck leaks oil, hydraulic fluid, or other substances. After a discussion, Ms. Nolte was directed to deduct \$400 from the Waste Management invoice and send them notification of the reason for the deduction. She will also add a fining column to the garbage complaint log.

Director Nasky then called for Agenda Item 28: *Security system and/or additional patrol service for District office*. The contract with the Constable's office is on the June 28<sup>th</sup> agenda for the Commissioners Court date and Director Henry is planning to attend. There was a discussion about the fee charged for a recent party where alcohol was served. Director Henry said in previous conversations Constable Vannoy said the charge would be \$30 per hour for such services, but the Constable's office quoted Ms. Nolte a fee of \$35 per hour. Constable Vannoy said they would be willing to provide services for \$30 an hour, with a two hour minimum so long as they work the complete party and not just that portion during which alcohol is served.

On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to cut a check in the amount of \$385 for the constable who worked the recent party. This amount covers from noon until 11:00 p.m. at a rate of \$35 per hour. Director Hardin will hold the check until Ms. Nolte notifies him of the name of the constable.

Director Henry said she would like to put the contract on hold so she can reread it. Constable Vannoy said they can work parties where alcohol is being served without a contract. Director Henry is the contact for all dealings between the Constable's office and the District.

Following additional discussion, Director Henry said she would like to send the contract back to the subcommittee. Constable Vannoy said he would be happy to help the Board find a service provider for patrol services, but he doesn't feel comfortable facilitating a vendor/customer contract with the District for a year.

Following a short break, Director Nasky called for Agenda Items 13, 14, 15, and 16: 2004 Liability-Property Rerate Exposure Summary, 2005 Liability-Property Rerate Exposure Summary, TML Building Valuations, Real & Personal Property Coverage, and TML Insurance. Ms. Dunbar said the 2004 rerate is complete. She received the fixed asset list, but couldn't match up the properties. Ms. Dunbar said the 2005 questionnaire has been mailed out and is due in September. Rates did not change. She and Mr. Fry will do the legwork and bring a copy to the next meeting. Ms. Dunbar also requested a copy of the current budget.

Ms. Dunbar said since the building is on the property schedule, the District could recover money for damages to the building even if the damages occur at a party where alcohol is served. Coverage also includes "host liquor liability" which would provide defense for the District in the event of related lawsuits.

Ms. Dunbar said the District will receive a return on liability contributions under certain conditions.

The only TML related item on the July agenda should be 2005 Liability-Property Rerate Exposure Summary.

Director Nasky then returned to Agenda Item 3.

Mr. Fry continued his report on directives from the May meeting.

Putting a notice on the bottom of the bill about constable patrol will be put on hold.

Additional memory could not be loaded on the computer in the District office. Mr. Fry

recommended the District purchase a computer and said they could have the keyboard and monitor currently in place. On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to authorize Mr. Fry to spend up to \$700 for a computer for the District. Director Davies will search the Dell website and let Mr. Fry know what is needed.

Eighty-four fire hydrants have been painted on one has been raised. The cost will be added to the list of 2005 items to be reimbursed by surplus bond funds.

A punch list of needed park repairs is in the packet.

The park inspection report has been included in the procedures manual. Litter is being picked up daily and if an issue shows up more than once on a park report, the supervisor is notified.

Pavilion outlets are working. The GFI receptacle has been painted red. A sign posted above it and another in the front window of the building. Electrical procedures are being added to the manual.

STES has done everything they can on the audit.

STES estimates it will cost \$1,700 to get water moving through the Sunchase channel.

DR letters will not be sent in Park Forest or Anderson Mill West until an ACC is in place.

Ms. Nolte sent Mr. Flickinger a copy of correspondence on unsightly items and temporary structures. There is a question about ACC for Hunters Glenn #2. STES will send these documents to Mr. Flickinger also.

Mr. Moore's water has not been cut off for his basketball goals. Fines are currently on hold pending discussion.

The new drought contingency plan has been added to the procedures manual.

The May minutes were amended to include more information on directives.

Ms. Shanks will e-mail the Board a breakdown of beautification funds by HOA.

It was determined that a conference call with Linda Dunbar was not necessary. She was in attendance at tonight's meeting.

An item should be added to the manual stating that citing of deed restrictions requiring ACC approval from any of the HOAs in the District should be put on hold if there is not a valid ACC to consider the issue.

Director Henry will contact Mr. Baumgart regarding appointing Mr. Csahanin to the ACC for Anderson Mill West and Park Forest.

Mr. Fry then gave the following report on directives from prior meetings:

A meeting with Goodwin Management is scheduled at the MUD office for Monday at 6:00 p.m. to

discuss the possibility of the MUD enforcing deed restrictions in Volente Hills.

Talking with Travis and Williamson Counties Tax Assessor/Collectors is still pending.

Ms. Dunbar has all she needs for the 2004 rerate.

The aging report is still pending.

Before financials were switched back to QuickBooks, Director Hardin and Ms. Frey discussed creating a new accounting area for transfer of surplus bond proceeds each year. He will now work with Ms. Shanks on this matter.

STES will still pursue writing letters to delinquent taxpayers and adding the delinquent amount to their water bills.

Ms. Shanks has ordered checks with three signature lines.

STES will make necessary changes to the SOP manual each month. Director Hardin suggested Directors review those portions of the manual related to subcommittees they serve on. Specific sections will be sent out to subcommittee members who will initial them and send them back to STES. The July agenda should include an item to review changes made to the manual at the last meeting. Every procedure should belong to a subcommittee. The draft of a new procedure will be sent to the subcommittee for review and approval prior to insertion into the manual. A new subcommittee comprised of Directors Nasky and Henry will consider issues dealing with the infrastructure.

Director Hardin and Mr. Fry need to revisit generation of a business plan for rental of a camera.

Decomposed granite will be replaced on the walking trail as needed.

Research of all developer receivables is still pending.

On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to write off three accounts: 982-1564-04 (\$8.69), 982-1278-02 (\$0.27), and 982-1298-02 (\$12.32).

Mr. Fry called the Board's attention to an anonymous letter regarding a boat on Cortez Dr. A letter has been sent to the boat's owner.

The Park Maintenance List was turned over to the Parks subcommittee for a recommendation.

STES is requesting clarification as to what files need to be kept in order to reduce the number of boxes being stored. Mr. Flickinger explained that the Texas State Librarian has made recommendations for levels of records retention. The Board last revised their records retention policy in 1991, so Mr. Flickinger will bring a revised order to the next meeting. TCEQ has no direct authority concerning records retention. The attorney's office does not have items such as billing records, but does have all official contracts going back to the 1980's.

Mr. Fry pointed out that the minutes from the June DR meeting are included in the packet. STES will continue to include the current month's DR minutes in the packet. The posting of the DR meeting does not indicate subcommittee but Mr. Flickinger said that is not an issue. STES was requested to note the original violation issues in the DR minutes.

Mr. Fry responded to the issue of phone calls not being returned in a timely manner and said some homeowners feel this may be the reason fines have been imposed. A new phone system which prevents mailbox overloads will be installed soon.

Mr. Fry said a letter was received indicating inspections are too intense, should be scaled down, not be so picky especially with lawn issues. STES will make a “note” on the first time a home has lawn issues and re-check it on the next inspection. If the violation still exists, a letter will be sent. Director Davies asked Mr. Csahanin to create guidelines for acceptable lawn issues and send them to Director Davies within 30 days. With guidelines in place, there will be more consistency in the inspections performed by STES.

Ms. Shanks distributed a revised copy of the cash management report. She asked if the Bills & Invoices Subcommittee would be interested in meeting prior to the packet going out to avoid revised handouts at each Board meeting, but committee members said they would prefer to continue meeting on the Monday before the Board meeting.

Invoices and per diems not received by the end of day on the first Friday of each month will not be paid until the next month.

The remaining Debt Service account needs to be closed completely and the funds moved to Dain Rauscher.

Ms. Shanks pointed out that the City of Cedar Park was paid twice in September or October and they have reimbursed the District \$24,000.

Two months of customer refunds are included in this month’s checks.

Mr. Hardin pointed out that if the depreciation schedule were removed, there would be very little difference in this year's audit with GASB-34 and last year's audit.

Director Hardin will work with Ms. Shanks on calculating payroll through QuickBooks.

On a motion by Director Hardin, seconded by Director Nasky, the Board unanimously approved payment of all bills and invoices.

Director Henry moved to have STES get signs made for stating no fireworks or fire arms are permitted on the property. The number of signs and their sizes will be left to Mr. Fry's discretion.

A resident constructing a pool has rutted up the detention pond. He will be notified to return the pond to its original condition.

Director Nasky then called for Agenda Item 4: *Audit by Peña Swayze*. There were no suggested changes to the MD&A. A special meeting will probably be called to accept the audit.

Director Nasky then called for Agenda Item 5: *Fire hydrant maintenance/repair*. This was discussed under a previous agenda item and can now be removed from the agenda.

Director Nasky then called for Agenda Item 6: *Refinancing of District's outstanding bonds*. The Official Public Statement is in the draft stage.

Director Nasky then called for Agenda Item 7: *Authorization of transfer of funds from surplus bond proceeds*. Mr. Flickinger said the notice to TCEQ is ready, but when he looked through the STES

material he found some hand\written changes. Once corrected, the notice will be sent to TCEQ. If he has not heard back from them by the end of June, he will authorize STES to make the transfer on July 1

Director Nasky then called for Agenda Item 8: *Emergency response plan*. Director Nasky said he and Director Davies had a meeting in May with two City of Cedar Park officials and gave them additional contact information to be a part of their call tree in the event of emergency.

Director Nasky then called for Agenda Item 10: *Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road*. Director Davies is aware of the timing problem on the alarm. He has tried to reset it, but that hasn't helped.

Director Nasky then called for Agenda Item 11: *District website*. Director Davies is updating the website regularly. A link will be created to the HOAs where possible.

Director Nasky then called for Agenda Item 12: *Cedar Park Fire Protection*. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 17: *District Records Retention*. This was discussed under a previous agenda item.

Director Nasky then called for Agenda Item 19: *Report from the DRC and act on restrictive covenant enforcement*. This was discussed under a previous agenda item.

Director Nasky then called for Agenda Item 20: *Report from ACC*. Mr. Csahanin e-mailed some information back to Ms. Nolte after looking at nine problems on Saturday. The ACC was originally appointed by the developer. It is now necessary for current members to appoint new members Director Henry will contact Mr. Baumgart.

Director Nasky then called for Agenda Item 21: *Appoint Deed Restriction Committee*. Directors Henry and Nasky will remain on the Deed Restriction Committee for this quarter.

Director Nasky then called for Agenda Item 22: *Funding for homeowners associations within the District to facilitate operation of Architectural Control Committees and other HOA functions*. This item should be left on the agenda until more information is found out about Hunters Glenn 2.

Director Nasky then called for Agenda Item 23: *Rules for enforcement of restrictive covenants that include fines and termination of services*. There was no discussion on this agenda item.

Director Nasky then called for Agenda Item 24: *Matters regarding people who are not subject to the Lakeline Oaks deed restrictions*. Director Hardin said Director Hawk does not know when will be back. This item should be removed from the agenda.

Director Nasky then called for Agenda Item 25: *Report from District's landscape contractor and related action*. Director Nasky said Mr. Vinella gave him a preliminary report on Sunchase Park. They can't find anyone willing to put up used playground equipment. On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to direct STES to donate the playground equipment to a non-profit organization, such as Habitat for Humanity or Goodwill Industries.

Director Nasky then called for Agenda Item 26: *Report from the Park Subcommittee regarding park improvements*. All electrical lights have been assessed and repaired. There is a crack in two tiles in front of the building and a leak in the roof. Neither is a warranty issue since it is over a year old. STES will check on other issues.

Director Nasky then called for Agenda Item 27: All matters related to the District's parks, fields and office building. This was discussed under a previous agenda item.

Mr. Fry distributed information on the CASE conference, but none of the directors indicated they would be able to attend.

Director Nasky then called for Agenda Item 29: Adjournment. The meeting was adjourned at 11:15 p.m.

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Steve Davies, Secretary

Board of Directors

Date: \_\_\_\_\_