

Brian T. Hardin - Treasurer

Rhonda Henry - Assistant Secretary/Treasurer

All the Directors were present with the exception of Directors Hawk and Hardin, 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; Jimmy Nees and Chris Kjar with Waste Management; and District residents Chris Rocco of 1803 Lobelia, Henry and Susan Schuessler of 3003 Cat Claw Cove, Shawn Gamble of 1805 Old Mill Road, Pam Ross of 2605 Beechnut Trace, Lila Lyckman of 2101 Windy Oaks Cove, Derrin Shriner of 2800 Beechnut Trace, and John Chadwell of 2814 Buckeye.

Director Nasky called the meeting to order at 6:05 p.m. and stated that the Board would first consider Agenda Item 1: Minutes from the June 15, 2005 meeting. On a motion by Director Davies seconded by Director Henry, the Board unanimously approved the minutes from the June 15, 2005 meeting with the following corrections:

- The 4th paragraph on page 5 should read “The May minutes were amended . . .”
- The 2nd sentence of Agenda Item 8 on page 7 should read “Director Nasky said he and Director Davies had a meeting . . .”

Director Nasky then called for Agenda Item 2: Report from the District’s engineer. Mr. Bayes said his only directive was to review any information received on the drainage issue affecting several homes on Old Mill Road. The residents were to submit a plan to Mr. Bayes for review, but he has not received anything yet.

Mr. Bayes then discussed a problem with the wall at 2814 Buckeye, which was constructed under Phase

1 of the project. He said it is displacing vertically 1/8" to 1/4", probably as a result of an insufficient number of expansion joints. The District is responsible for any repairs on Phase 1. Director Henry said the same problem exists at 2400 Hunters Creek Cove. STES will have Libby look at both locations and get a price for repairs. Mr. Bayes said it should be less than \$500.

Director Nasky then called for Agenda Item 21: *Report from District's landscape contractor and related action*. Mr. Vinella and Mr. Caldwell presented a proposals for a hike and bike trail system in Sunchase Park and for additional plantings for the entryway beds. Both of these proposals were referred to the Parks Committee.

Eco Systems then presented a proposal for mowing the grass strips along the sidewalks at the detention ponds twenty times a year. On a motion by Director Henry, seconded by Director Davies, the Board voted unanimously to have Eco Systems begin mowing the strips.

Director Nasky then called for Agenda Item 15: *Citizens' communications*.

Mr. Schuessler said he takes great pride in his yard and is working to make it beautiful. He received a letter the first of June stating he needed to mow the yard, clean the plant beds, and edge the curb. He received another letter in mid-June saying the same thing. His wife called Ms. Nolte and was told the plant beds needed weeding. Ms. Nolte explained to her that she doesn't get out of her vehicle when doing inspections. Ms. Schuessler asked Ms. Nolte to come to her home and show her what needed to be done, but she said Ms. Nolte was rude and told her STES doesn't do that. Director Nasky apologized for any rudeness on Ms. Nolte's part. Director Henry explained that the Deed Restriction Committee has asked each Architectural Control Committee to submit guidelines for their area. Director Henry said she would notify Ms. Nolte that the Schuesslers have appealed.

In the future, if a resident requests someone come to their home and point out the infraction, STES will have a representative do so. If the resident is unsatisfied with the service given by STES, the issue will be turned over to the DR Committee. This new procedure should be included in the SOP manual.

Mr. Gamble received a lawn maintenance letter. He acknowledged that his lawn had been in bad shape, but said he has now weeded the beds, added mulch, and removed a dead tree. He notified Ms. Nolte and sent her a picture of the work done. She agreed it was okay, but three weeks later he got another letter regarding the beds, the tree, and edging. Mr. Gamble said letters are coming addressed to the homeowner, Don Gamble, and being forwarded to him in Italy. STES needs to make sure any letters are also sent to Shawn Gamble at the Old Mill address. Director Henry said she passes by his home daily and it is evident he needs to edge on a regular basis. Mr. Gamble assured the Board that the lawn would be maintained from now on. Mr. Flickinger said any action taken on this issue would need to be under Agenda Item #16.

Ms. Ross said she received notices in the past for keeping a boat in her yard as well as a motorcycle, which she kept covered, and a B-B-Q grill. Ms. Ross said she does not normally look at her mail, but pays the District \$50 each month, frequently building up a large credit balance. She has now been fined \$500 for the infractions. She has spoken with Ms. Nolte and has removed the items from view. Director Henry said she will need to investigate this issue because the report in the packet does not show a fine being assessed. Director Henry will get back with Ms. Ross about the matter.

Ms. Lickman said she would like clarification of the wording of the letter sent to a resident on Hunter's Creek Cove asking him to remove an unsightly item immediately. She said the item is not visible from the street, but has not been removed from the vehicle itself. Director Henry said interpretation is up to the ACC.

Director Henry said she wrote up all issues discussed at the last DR meeting and sent them to Director Nasky, who has concurred with all actions taken. She then reviewed the actions with Director Davies. On a motion by Director Davies, seconded by Director Nasky, the Board voted unanimously to ratify all ratify action listed on the memo presented and described by Director Henry.

Director Davies will fill in for Director Nasky at the next DR meeting.

Director Nasky then called for Agenda Item 16: *Report from the DRC and act on restrictive covenant enforcement*. On a motion by Director Henry, seconded by Director Davies, the Board voted unanimously to reduce Mr. Gamble's fine to \$50 to cover administrative costs.

A letter was sent to Director Hawk from Mr. Hatfield's attorney regarding his birdbaths. The Board authorized Mr. Flickinger to act on this matter and then get back with the ACC committee.

Director Davies asked Mr. Fry to check the paint job on two fire hydrants between his home and The Park at Lakeline Oaks.

Following a short break, Director Nasky called for Agenda Item 18: *Proposal for Architectural Control Committee Services from Anderson Mill West Neighborhood Association and Chris Rocco*. Mr. Rocco introduced himself as the ad hoc president of Anderson Mill West Neighborhood Association. He said Director Hardin notified him that Mr. Baumgart had resigned from the ACC committee. He said the Association still has officers, but has only been operating on an as-needed basis, being more social than anything else. Membership is voluntary and dues are \$24 a year. Mr. Rocco said it is his goal to create a deed restriction standard so enforcement would be more routine. The ACC committee would be comprised of Association members, including Mr. Csahanin. Mr. Rocco thinks Association officers would be willing to serve on the committee or to help find others. Director Henry said the bylaws call for three members on the committee. Director Nasky asked STES to set up a meeting with all ACC's within the District. It should be scheduled during the September DR meeting and be posted as a special meeting. The District will furnish pizza.

Director Nasky then called for Agenda Item 19: *Funding for homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions*. There was no discussion under this agenda item, but it should be left on the agenda.

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*
- o. review changes made to Standard Operating Procedures (SOP) Manual*

Mr. Fry said he and Ms. Nolte met with Jimmy Nees, Chris Kjar, and Jimmy Esparza of Waste Management. They went through the fining structure, contract, and revised complaint form. Mr. Nees said part of problem was communication while Mr. Esparza was on vacation. He also said ACCO Waste, their recycling handler, could present a program for residents. This was tentatively scheduled for the morning of Saturday, October 15, in The Park at Lakeline Oaks, pending agreement by ACCO Waste. It will be posted as a Board meeting. Information will be included in the next newsletter and put on the bottom of the bill.

Mr. Kjar said if the employees on the truck notice hydraulic fluid or garbage juice leaking, they try to

clean it up then. In cases of a major spill, a third party is called in to clean it up. Director Davies said they should maintain their trucks and be their own quality-control group. Mr. Kjar said the driver is supposed to report any leaks immediately. Preventative maintenance is performed on all vehicles and pulling trucks. An additional PM will be performed on those that run in this area due to two recent spills.

The amount shown on the garbage complaint log will be deducted from the Waste Management bill.

Mr. Fry said that the meter readings sent by the City of Cedar Park were off by 5,000,000 gallons. Mr. Manuel reread them and then notified the City that multipliers were not being applied properly. They recalculated all their bills from March, 2004 forward. Their next bill will show a water adjustment of \$111,396.51 and a sewer adjustment of \$59.36. In the future, STES and the City will read meters on the same day. Director Davies said he would like a City representative to come before the Board to discuss the meter reading because it has caused audit and bookkeeping problems. Mr. Fry said he would have a pre-meeting with a representative to discuss the responsiveness issue and will ask that they have someone present at the next Board meeting.

On a motion by Director Davies, seconded by Director Nasky, the Board voted unanimously to write off account #982-0923-03 in the amount of \$5.32.

The letters are ready to be mailed to delinquent tax payers. Mr. Flickinger said letters should be sent both by regular mail as well as certified, and that anything under a certain amount might not be cost effective. The Board directed STES not to send letters if less than \$10 is owed.

Director Henry said she has informed Mr. Lowitt that his meter is accurate. STES will verify that his bill has been paid.

Mr. Fry met with Linda Dunbar of TML and completed the rerate worksheet. Ms. Dunbar will make the necessary changes.

Mr. Fry then made the following report on current directives:

The minutes were corrected as directed.

\$400 was deducted from the Waste Management invoices.

A fining column has been added to the garbage complaint log.

Director Hardin was furnished with the name of the Constable who worked the recent event where alcohol was served.

Mr. Fry met with Ms. Dunbar about the 2005 rerate.

A copy of the budget was e-mailed to Ms. Dunbar.

STES ordered the computer and it was installed by Director Davies.

Documents on Hunters Glenn #2 were sent to Mr. Flickinger.

An item has been added to the manual regarding not citing deed restrictions requiring ACC approval if there is not a valid ACC to consider the issue.

Three accounts were written off.

The original violation issue is now being shown in the DR minutes.

STES is now making a note on the 1st lawn issue and then re-checking on the next inspection. Violations still existing at that time (based on ACC guidelines) will be sent a letter.

All debt service accounts have now been closed and funds transferred to Dain Rauscher.

STES is in process of purchasing QuickBooks for payroll.

No fireworks signs were made and installed. Director Davis said he would like an item added to next month's agenda regarding signs in District. He would also like the red barricade gates moved behind the fence. STES was directed to inventory all signs prior to the next meeting.

No response has been received from TCEQ regarding the surplus funds. When the funds were transferred to Dain Rauscher, they were all combined into one account. Ms. Shanks is working on identifying which funds came from which bond issue account.

Habitat for Humanity does not reconstruct playground equipment. Goodwill will take the equipment, but it needs to be bundled. STES will take care of bundling it.

STES has not checked on repairs needed to the building

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

A copy of the District audit will be sent to Merritt Research.

Mr. Fry talked with Deborah Hunt at the CASE conference and will set up a meeting with her.

The aging report and developers' receivables are still pending. Mr. Fry and Ms. Shanks are going to investigate these.

Ms. Shanks still needs to get with Director Hardin about creating a new accounting area for the transfer of surplus bond proceeds each year.

Letters to delinquent taxpayers will be sent out tomorrow.

Checks for the operating account now have three signature lines.

STES is making on-going changes to the manual as needed.

Mr. Fry thinks purchasing of a District camera is a dead issue but will leave it on the directives pending input from Director Hardin. Director Nasky said he is concerned about the Aster Pass line.

Creation of a sub-ledger to make yearly process of transferring funds easier should be combined with creation of a new accounting area for the transfer of surplus bond proceeds.

Decomposed granite is being replaced on the walking trail as needed.

Putting a notice on the bottom of the bill about constable patrol is a dead issue.

Monthly figures are being given to Waste Management for billing purposes. Of the total 1,862 billed, there were 57 seniors.

The Board was e-mailed a breakdown of beautification funds.

Deductions are being made to the Waste Management invoices if necessary

The only outstanding current directive for Board members is for Director Hardin to work with Ms. Shanks on calculating payroll through QuickBooks.

The Park Rental Committee will now consist of Directors Henry and Hardin. Director Hardin will be a permanent member.

Mr. Fry will notify Cool Water Pools that it is okay to utilize the District property but he must restore it to prior condition and put up a deposit to cover the restoration. Mr. Fry will consult with Eco Systems as to the amount of the deposit. Cool Water Pools should stop using the property until the deposit is received.

Mr. Fry gave Director Nasky a proposal from Saf-t-Surfaces to replace the pad at the base of the slide for consideration by the Park Committee.

Ms. Shanks the distributed a revised copy of the P&L's as well as a copy of the check detail.

At the Board's direction, Director Nasky signed a form authorizing Compass Bank to talk to Ms. Shanks regarding the Operating Account.

The Board discussed the possibility of seeing if Mr. Swayze can revise the audit to show the accrual to

the City of Cedar Park for the water and wastewater invoice. Mr. Flickinger advised against that since the audit has already been filed with TCEQ and used in the paperwork for the bond refinancing.

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

Mr. Fry informed the Board that the CCR's were enclosed in the water bills mailed in June.

Mr. Fry asked that any changes to the SOP manual be directed to him as Mr. Misenheimer will be going on vacation. Changes will be encompassed for the next meeting.

Mr. Fry then reported that only one resident of the 402 affected by the two lost deposits has not paid. That one was finalized in May with an outstanding balance of \$119.51.

Director Nasky then called for Agenda Item 4: Audit by Peña-Swayze. Director Davies said Board members reviewed the invoice from Peña-Swayze delivered at the special meeting on the audit. The invoice totals \$41,063.75, of which \$15,742.50 has already been paid, leaving an unpaid balance of \$25,321.25. At the Board's request, Mr. Swayze provided back-up in the form of a listing of the number of hours and billing amount to justify the invoice. When the subcommittee reviewed the back-up, it came approx \$6,066 short of justifying the amount. Mr. Swayze was contacted for clarification. The Committee then received clarification in the form of a pdf document with a new total that was up by about \$6,000, increasing the amount to \$47,970.03. The new document had an additional line item plus rate changes after Mr. Swayze had said he was going to "eat" the billing difference. Mr. Swayze was then asked if he was planning to send a new invoice in the new amount, and he replied with a three paragraph e-mail on how to tie the items together and saying the Committee was welcome to come by their office if additional clarification was needed. The invoice is under further review by the Committee.

Following a discussion, Mr. Fry was asked to provide an estimate of how many hours STES personnel spent on the audit

This item on should be kept on the agenda.

Director Nasky then called for Agenda Item 5: *Fire hydrant maintenance/repair*. This item should be removed from the agenda.

Director Nasky then called for Agenda Item 6: *Refinancing of District's outstanding bonds*. The bonds have been sold and closing is scheduled for August 16. All information has been sent to the Attorney General's office.

Director Nasky then called for Agenda Item 7: *Authorization of transfer of funds from surplus bond proceeds*. This was discussed under a previous agenda item.

Director Nasky then called for Agenda Item 8: *Emergency response plan*. There was no discussion on this agenda item.

Director Nasky then called for Agenda Item 9: *Residential drainage problems on lots on Old Mill Road*. This item was discussed under the engineer's report. Mr. Flickinger will send the residents a reminder that deadlines have passed, and inquire as to the status.

Director Nasky then called for Agenda Item 10: *Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road*. Director Davies said the whole system is running now and he will call the sales representative to ask for the remaining invoice, which we has not been received to date.

Director Nasky then called for Agenda Item 11: *2005 Liability-Property Rerate Exposure Summary*. Mr. Fry said the formal rerate is expected soon.

Director Nasky then called for Agenda Item 12: *District website*. Director Davies is updating the website regularly.

Director Nasky then called for Agenda Item 13: *Cedar Park Fire Protection*. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 14: *District Records Retention*. Mr. Flickinger explained that the Board first needs to adopt a policy and then appoint a Records Management Officer to look at the procedures. On a motion by Director Henry, seconded by Director Nasky, the Board unanimously approved an amended order establishing a records management program and designating the Secretary of the Board of Directors (currently Director Davies) as the Records Management Officer. Mr. Flickinger will work with Mr. Davies on this project.

Director Nasky then called for Agenda Item 17: *Report from ACC*. There was no discussion on this agenda item.

Director Nasky then called for Agenda Item 20: *Rules for enforcement of restrictive covenants that include fines and termination of services*. Director Henry reported that approximately 30 residents attended the DR meeting. Director Davies said his preference is to require that all violations be corrected within ten days. Mr. Flickinger said he will need to review the rules, and asked Director Davies to call or e-mail him details of what he wants to accomplish and he will determine what needs to be done to accomplish it. Director Davies said he would like for all phases of every step (whether a minor or a major infraction) to be cured within ten days because drives are done every 15 days.

Director Nasky then called for Agenda Item 22: *Report from the Park Subcommittee regarding park improvements*. This was discussed under a previous agenda item.

Director Nasky then called for Agenda Item 23: *All matters related to the District's parks, fields and office building*. There was no discussion on this agenda item.

Director Nasky then called for Agenda Item 24: *Security system and/or additional patrol service for District office*. This item should be removed from the agenda. Director Henry said Lakeline Oaks HOA is wondering what is going to be done about night drives. The Board does not have resources to enforce overnight parking at this time. Although overnight parking will not be actively patrolled, STES will respond to complaints from residents.

Director Nasky then called for Agenda Item 25: *Adjournment*. The meeting was adjourned at 10:31 p.m.

Steve Davies, Secretary

Board of Directors

Date: _____