



Brian T. Hardin - Treasurer

Rhonda Henry - Assistant Secretary/Treasurer

All the Directors were present with the exception of Directors Hawk and Henry, 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; Kent Sick, attorney for the City of Cedar Park; Alan Green, engineering associate with the City of Cedar Park Public Works Department; Sarah Joyce Herring, Finance Director with the City of Cedar Park; Sarah Bruinings, Utility Billing Supervisor with the City of Cedar Park; Greg Vinella and Rich Caldwell with Eco Systems; and District residents Evelyn Long of 1008 Old Mill Road, Pat Hays of 1501 Old Mill Road, Beverly and Luis Zervigon of 2609 Beechnut Trace, James and Corinne Costabile of 2402 Hunters Creek Cove, Lila Lyckman of 2101 Windy Oaks Cove, and Paul Rabago of 2801 Cortez .

Director Nasky called the meeting to order at 6:00 p.m. and stated that the Board would first consider Agenda Item 2: Report from the District's engineer.

*a. Repairs to District's CMU fence*

Mr. Bayes said he has still not received a plan from the homeowners so has nothing to report on the drainage issue. He indicated that Mr. Fry will discuss the repairs to the District's CMU fence in his report.

Director Nasky then called for Agenda Item 5: Condemnation filed by City of Cedar Park.

Mr. Sick explained that the condemnation is related to straightening the curve on Anderson Mill Road. An easement in the District's name would be underneath the new roadway with approximately 8' of cover. Mr. Bayes wants to see the actual design profile to determine the amount of base. Mr. Flickinger said Board approval would be required for him to participate in the process until an agreement is reached with the City. Mr. Bayes' assistance would also be necessary. Mr. Sick said the City normally negotiates with the owner and then addresses easements later. Mr. Bayes said a reservation was made

on the plat to cover realignment of the street. On a motion by Director Davies, seconded by Director Nasky, the Board voted unanimously to authorize Mr. Flickinger and Mr. Bayes to take all action necessary related to the condemnation proceedings.

Director Nasky then called for Agenda Item 17: *Billings from City of Cedar Park*. Mr. Fry said he, Ms. Shanks, and Mr. Manual met with Ms. Herring and Ms. Bruinings to solve problems with metering and billing. Ms. Bruinings presented a letter indicating that when the City receives payment in the amount of \$111,000, past bills will not be reviewed further. Readings will go from STES to the City and bills will be produced based on the STES reads. A true-up will be done monthly. On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to approve payment of \$111,000 and accept the letter from the City stating that no further adjustment would be made.

Director Nasky then called for Agenda Item 1: *Minutes from the July 5, July 12, and July 20, 2005 meeting*. Consideration of the minutes was tabled until the September meeting.

Director Nasky then called for Agenda Item 18: *Receive citizens' communications*. Mr. Nasky stated that residents would be limited to three minutes in which to address the Board.

Ms. Long referred to a letter from Mr. Flickinger stating that plans for restoring sufficient drainage through her backyard had not been received. She said the Board had told her to take the matter to the HOA, but when she sent them information they would not add her to the agenda. Director Nasky explained that the Board had not wanted her to go to association, but had requested that the homeowners develop a plan, either together or separately, for restoring drainage through their backyards and present the plan(s) to the District's engineer for review. She said that is not what the homeowners understood. The intent of Mr. Flickinger's letter was to keep the issue moving and not let it fall by the wayside. Director Hardin said it would be more effective if the group gets together to determine what to do. The plan should then be taken to Mr. Bayes for review. Following his approval, the homeowners need to get the work done. Ms. Long said one neighbor has already taken care of her yard. Mr. Davies explained that the Board represents over 1,900 homeowners and cannot justify spending District money to repair five properties.

Ms. Hays wanted to know about the agenda item concerning repairs to the CMU fence. She said the

fence behind her neighbor's fence is falling down. STES will investigate to determine whose fence it is. Ms. Hays also wanted more information on the Hunters Glenn II meeting. Director Nasky explained that it relates to enforcing deed restrictions in their subdivision. The subdivision would need to decide on a course of action, how to pay for it, and would then need legal assistance. Whether or not a vote is taken would be up to the homeowners.

Mr. and Mrs. Constible did not want to address the Board, saying they plan to start coming to meetings whenever they are in town.

Mr. and Mrs. Zervigon said they were at the meeting to observe. They are trying to reenergize the Anderson Mill West HOA, and said Mr. Rocco is planning to call a meeting in early September

Director Nasky then called for Agenda Item 24: Report from District's landscape contractor and related action. Mr. Vinella reported that a thunderstorm knocked out the irrigation controller in Anderson Mill West Park as well as a limb at the tennis courts. There has been some vandalism of irrigation heads in both of the main parks. Homeowners called STES about trimming back trees covering some school zone signs and Eco Systems took care of it. Although the Cashell Wood and Vestavia Ridge detention ponds are mowed monthly, both need to have vegetation and debris removed. Mr. Caldwell distributed a bid for cleaning out the Cashell Wood pond at a cost of \$800 and the Vestavia Ridge pond for \$550. On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to have Eco Systems clean out both ponds for a total of \$1,350.

Mr. Vinella asked about possibly pruning the canopy of a giant live oak tree on the corner of the Hatch Road detention pond and Yegua Creek. The canopy hangs about 6' into the street. The Board tabled any action on this item.

Mr. Caldwell then distributed a bid to install rain/freeze combination sensors on the irrigation controllers Old Mill Park, Sunchase Park, Anderson Mill West Park, and the entryway at FM 620. The total cost would be \$560, and the battery would need to be replaced annually. Director Hardin moved, Director Nasky seconded, and the Board voted unanimously to approve purchase and installation of the rain/freeze combination sensors.

Mr. Vinella said they are in the process of putting together a bid to raise the canopy on large trees overhanging El Salido to 14’.

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. customer and resident complaints*
- m. adjustment of delinquent accounts*
- n. review changes made to Standard Operating Procedures (SOP) Manual*

Mr. Fry discussed the water loss audit being encouraged by the Water Development Board. Some additional cost would be involved. The audit is not required by state, but is not a bad idea. Severn Trent's present contract would not cover the and Mr. Fry said he did not know at this time what the additional cost would be. He said he would like to revisit the management and operation contract which has been in effect for five years. The Board will consider the audit after contract discussions.

Mr. Fry called the Board's attention to the letter from ACI Consulting requesting permission to enter the District's property to perform a walking survey for sensitive environmental features. This is related to the easement condemnation discussed earlier in the meeting. Director Hardin moved to grant permission for ACI to conduct the walking survey. Director Nasky seconded the motion, which passed unanimously.

The Board tabled the proposal from Great Walls to repair the CMU fence until Mr. Bayes can be consulted.

Mr. Fry said fining Waste Management has apparently helped the quality of service they provide. One truck broke down and they did not contact Ms. Nolte. The street was flooded with hydraulic fluid but they cleaned it up immediately according to Director Davies.

The delinquency tax report will be included in the next packet. Mr. Fry will discuss tax assessor-collection services with Chad Swedberg (Travis) and Deborah Hunt (Williamson)

Director Davies asked that the arms going across the Cashell Wood and Vestavia Ridge detention ponds be included in the sign inventory. He would prefer that the red and white banner be removed from the arms. He also asked that all fireworks signs be removed for now. This issue will be considered by the Parks Committee.

Mr. Fry said some letters need to be replaced on the Anderson Mill West posting board.

Ms. Shanks presented a draft of the 2006 budget. A budget subcommittee of Directors Hardin and Henry will work with Ms. Shanks to finalize the numbers. A special meeting was scheduled for Noon on September 6 at the attorney's office to set the tax rate and adopt the budget. On a motion by Director Hardin, seconded by Director Nasky, the Board unanimously approved payment of all bills and invoices, with the addition of an invoice from Ms. Hawk for the newsletter.

Director Davies asked that an item be added to the next agenda to discuss the suitability of a director's wife acting as a subcontractor to the District.

Director Nasky then called for Agenda Item 4: *Audit by Peña-Swayze*. Director Hardin said that the invoice is still under review.

Director Nasky then called for Agenda Item 6: *Engagement of Auditor for District*. An engagement letter has not been received from Peña-Swayze. The Board directed STES to solicit proposals from four or five audit firms, including Peña-Swayze and Maxwell Locke & Ritter,

Director Nasky then called for Agenda Item 7: *Refinancing of District's outstanding bonds*. Mr. Flickinger said that the bonds closed yesterday and can now be removed from the agenda.

Director Nasky then called for Agenda Item 8: *Authorization of transfer of funds from surplus bond proceeds*. This was discussed under a previous agenda item and can now be removed from the agenda.

Director Nasky then called for Agenda Item 9: *Emergency response plan*. Director Nasky said he hopes to have something to discuss by the next meeting.

Director Nasky then called for Agenda Item 10: *Residential drainage problems on lots on Old Mill Road*. Mr. Flickinger said he received one response to his letter and will keep this item on the next agenda.

Director Nasky then called for Agenda Item 11: *Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road*. Director Davies said he e-mailed the sales person asking for a final invoice but has not received anything yet. This item should remain on the agenda.

Director Nasky then called for Agenda Item 12: *District website*. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 13: *Cedar Park Fire Protection*. Director Hardin said the City is required to give twelve months notice of cancellation. The notice was received three months ago. This item should remain on the agenda.

Director Nasky then called for Agenda Item 14: *Budget*. This was discussed under a previous agenda item.

Director Nasky then called for Agenda Item 15: *Tax Rate*. The tax rate will be set at the special meeting scheduled for September 6.

Director Nasky then called for Agenda Item 16: *Signs and markers within the District*. 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.* Director Davies said he does not feel an excessive number of violations are being cited. Mr. Flickinger reported having a discussion with Mr. Hatfield's attorney. Mr. Hatfield had gotten a notice that his was would be cut off, but Mr. Flickinger talked with Mr. Fry and the cut-off was postponed. Mr. Flickinger said there did not appear to be any conflict in the rules for reducing deadlines from 15 to 10 days as had been requested by Director Davies. He will get with STES to reword the letters.

Director Nasky then called for Agenda Item 20: *Report from the ACC.* Director Nasky said the DR committee is trying to meet with all ACC committees within the District. Mr. Zervigon said he is going to be a member of the Anderson Mill West ACC, which will also include Paul Rabago and George Csahanin.

Director Nasky then called for Agenda Item 21: *Proposal for Architectural Control Committee Services from Anderson Mill West Neighborhood Association and Chris Rocco.* Director Nasky said this item was put on the agenda in an effort to get the association reestablished so there can be more consistent enforcement throughout the District. In answer to questions, Director Nasky explained that the Water Code authorizes the board of directors of municipal utility districts to enforce deed restrictions within their district. Committee members are appointed by the prior committee. Regarding personal liability for members of the ACC, Mr. Flickinger said that ACC members in mandatory HOAs are covered by liability insurance paid for through revenue. However, since the Anderson Mill West HOA is not mandatory, that revenue stream does not exist. Item 22 was placed on the agenda for consideration of possibly using existing beautification funds. Mr. Zervigon asked if the Board would be amenable to establishing a continuing income stream to cover insurance for insuring ACC members. This item will remain on the agenda.

Director Nasky then called for Agenda Item 22: *Funding for homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions.* This was discussed under the previous agenda item and will remain on the agenda.

Director Nasky then called for Agenda Item 23: *Rules for enforcement of restrictive covenants that include fines and termination of services.* The rules are posted on the deed restriction page on the website. Some rules are subjective and the committee has tried to handle them as objectively as possible. Restrictions are currently being interpreted by STES. The Board was asked about the possibility of a portion of the administrative fee going to HOAs. Board members have not discussed this

possibility in the past, but fear they might be faced with accusations of enforcing deed restrictions to raise money. Mr. Flickinger suggested someone formulate a proposal that would apply to all HOAs and get it to Mr. Fry or Ms. Nolte for discussion at the next meeting.

Director Nasky then called for Agenda Item 25: *Report from the Park Subcommittee regarding park improvements*. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 26: *All matters related to the District's parks, fields and office building*. The damaged gate on Hatch Road was removed and placed inside the easement. Mr. Fry will obtain a repair estimate and determine if the deductible will exceed the cost.

Director Nasky then called for Agenda Item 27: *Adjournment*. The meeting was adjourned at 8:49 p.m.

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Steve Davies, Secretary

Board of Directors

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