

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

September 21, 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 September 21, 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 Henry, thus constituting a quorum. Also present at the meeting were Bill Fry, Becky Stathos, Kristi Shanks, Wyatt Misenheimer, and Linda Nolte with Severn Trent Services; Bill Flickinger with Willatt & Flickinger; Greg Vinella and Rich Caldwell with Eco Systems; and District residents Luis and Beverly Zervigon of 2609 Beechnut Trace, Lila Lyckman of 2101 Windy Oaks Cove, Henry Schuessler of 3003 Cat Claw Cove, Michelle Lyon of 1701 Hatch and George Csahanin of 2712 Aster Pass.

Director Nasky called the meeting to order at 6:09 p.m. and stated that the Board would first consider Agenda Item 1: Minutes from the July 5, July 12, July 20, and September 6, 2005 meetings. Director Henry entered the meeting at this time. Director Davies moved to approve the minutes from the July 5, July 12, July 20, and September 6, 2005 meeting. Director Nasky seconded the motion, which carried unanimously. Director Hardin asked that the minutes reflect he abstained from voting on the July 20 minutes because he was not in attendance at that meeting.

Director Nasky then called for Agenda Item 2: Report from the District's engineer.

*Repairs to District's CMU fence*

In Mr. Bayes absence, Mr. Fry explained that L. Mike Williams had checked out the crack in question. It is larger than prior cracks and needs an expansion joint. Following a discussion, Director Hardin moved to authorize the Infrastructure Committee to oversee work conducted by GJA who will be authorized to hire a structural engineer, approve the bid process, and proceed rapidly. Director Davies seconded the motion, which passed unanimously.

Director Nasky then called for Agenda Item 21: Report from District's landscape contractor and related action. Mr. Vinella reported that there had not been any problems with sprinkler heads. Fall fertilizer and pre-emergent has been applied. The Vestavia and Cashell Wood detention ponds have been cleaned. New galvanized steel gates have been installed by DR Horton as part of an agreement

with the County to take over maintenance of streets. Director Davies expressed concern because the gap underneath the gates is large enough for someone to crawl under. Mr. Vinella said the large oak tree on Yegua Creek was trimmed way back, probably by the homeowner.

Director Nasky then called for Agenda Item 15: Receive citizens' communications. Mr. Schuessler said he was here a couple of months ago regarding a letter he received. He has since gotten two more letters, one for a gas can in his driveway while he was in the backyard mowing, and then two weeks later for an ice chest in his driveway. He claimed he had moved the chest to ride his motorcycle and then put it back in the garage. He also commented on weeds in the park that need to be mowed. Ms. Lyon said Mr. Schuessler mows his grass every week. When she and her husband worked on deed restrictions, they would drive and make notes and then drive again in ten days and take pictures. She said it would be a better use of time with to concentrate on disabled cars, etc. than grass growing through cracks in driveways.

Director Davies said it all depends on what is there on those days Ms. Nolte drives. He then read from the spreadsheet regarding other residences that are being cited. He said he personally would not have sent a letter on a gas can or cooler, but takes issue with questioning the process. Director Henry said the committee has asked all ACC's in the community to set guidelines to help Ms. Nolte determine what is unsightly.

Mr. Schuessler again commented on the weeds and sign trailer in the park.

Mr. Zervigon said the ACC's are still in the process of setting up guidelines and it will be some time before they are completed.

Ms. Nolte said she normally makes notes on items such as ice chests and would like to revisit Mr. Schuessler's file.

Director Davies moved to disregard the last two letters sent to Mr. Schuessler. He also said he would

like to go on another drive with Ms. Nolte. Director Henry said she would like for all ACC members to schedule a ride with Ms. Nolte. Mr. Flickinger said if Director Davies wants to make a motion, it would have to be made under Agenda Item 16. Director Henry said she thinks the matter should be referred to the DR subcommittee.

Mr. Zervigon said he felt it was important that if the committee found there to be no violation, a resident's file should be expunged and no administrative fee charged.

Mr. Flickinger said he would not recommend expunging a file.

Director Nasky said the DR committee would take similar circumstances to heart down the road. Ms. Nolte will review Mr. Schuessler's file and notify the committee.

Ms. Lyon asked about the AMW neighborhood crime watch and if there is a place to post reports she receives from Williamson County. Mr. Csahanin is managing a website for the HOA. Director Davies asked her to e-mail a typical report to him. He will have the attorney review it and either post it on the District's website or insert a link.

There were no additional citizens' comments.

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*

Director Henry asked that STES provide job descriptions for their employees who are involved in District activities.

Mr. Flickinger reported that all of his directives from the August meeting had been completed with the exception of taking action necessary related to the condemnation proceedings, which should remain on the list. Of the pending directives from prior meetings, the program by ACCO Waste scheduled for October 3<sup>rd</sup> will be posted as a Board meeting and working with the Records Management Officer on the records retention project should remain on the list as an ongoing directive at this time.

The directives for GJA are still pending.

Mr. Fry reported as follows on Severn Trent's directives from the August meeting:

There does not appear to be a fence behind Ms. Hays' neighbor's home. Ms. Nolte will contact Ms. Hays.

The Management Committee asked that a meeting to discuss the STES contract be delayed until after the October meeting.

ACI Consulting was notified that it is okay to do the walking survey

There are still some delinquent taxes pending. Mr. Fry and Mr. Flickinger will review them together to make a determination of the next step. The Board should authorize any turn-offs related to taxes.

STES does not have the authority to remove the red & white banners on the galvanized gates because it is within County jurisdiction.

The fireworks signs have been removed and the Park Committee will review additional signage within the District.

STES is in the process of obtaining additional letters for the Anderson Mill West posting board.

Budget numbers have been finalized.

STES solicited audit proposals, but only received two back.

STES and Mr. Flickinger met to discuss rewording the DR letters.

There is an estimate in the packet to repair the damaged gate on Hatch Road. STES was directed to make the repairs, but future proposals should contain more detail, including a breakdown of labor and equipment.

Mr. Fry then reported as follows on Severn Trent's directives from previous meetings:

The meetings with Deborah Hunt and Chad Swedberg are still pending.

The directives on the aging report and developer receivables are still pending, but should be combined into one directive.

A new accounting area has been set up to handle the transfer of surplus bond proceeds each year.

Adding the delinquent taxes to water bills has now been combined into a current directive.

Generating a business plan for rental of a camera will be discussed at the next meeting. Director Nasky would like Aster Pass to be TV'd when a camera is purchased.

Payroll is now being done on QuickBooks.

Surplus bond funds have been transferred.

Playground equipment has been disposed of.

Items needing repair in the building is pending.

The meeting with all ACC's within the District was held last week.

Information was put in the last newsletter about an upcoming recycling meeting, but the date had not been established by the time the newsletter went out. Information will be shown on the bottom of the bill.

STES does not need to provide an estimate of how many hours its employees spent on the audit.

Mr. Fry then presented the operations and maintenance report for the month of August. Two City of Cedar Park meters which had been shut down for two years were reopened on September 14 for pressure and fire flow issues. Resultant pressure complaints have been passed on to the City. Mr. Manuel has asked the City to have both meters calibrated.

There was an error on the commercial sewer report. It has been adjusted and the revised report will be in next month's packet.

On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to write off

two accounts (982-1868-01 and 982-0174-10) and to send two accounts to collection (982-0317-03 and 982-0400-11).

Mr. Fry was directed to add sand to the sandbox as shown in Item 1 of the Parks Maintenance List. The other items on the list will be reviewed with Park committee.

There was an error in the computation on page 61. The actual amount Waste Management is being fined this month is \$1,400.

Director Davies said the District is littered with evidence of fluid spills caused by Waste Management and wants them to steam clean the streets. Mr. Fry was directed to notify Waste Management they have left serious problems in the streets and find out what they are going to do to repair the damages. He was also asked to remind them they should have a representative present at a meeting every quarter. STES will set up a separate account for fines. Mr. Fry was also directed to send a letter to Waste Management giving them 30 days to clean up the streets.

Ms. Shanks reported that the recent bond payment erroneously included the bonds that were refinanced. The invoice was sent to Armbrust Brown so was late being received by STES. As a result, the District has been refunded \$56,000. The debt schedule has now been revised.

Director Nasky then called for Agenda Item 4: Audit by Peña-Swayze. Director Hardin said that the invoice is still under review. Peña-Swayze invoiced a total of \$41,063.75 of which the District has already paid \$15,742.50. Director Davies explained that he and Director Henry had reviewed the invoice line item by line item, and arrived at a range of \$8,300 - \$9,667 they would be willing to pay Peña-Swayze.

Following a discussion, Director Davies moved to make a final payment to Peña-Swayze in the amount of \$8,660 and to draft a cover letter to be reviewed by Mr. Flickinger prior to mailing. Director Nasky seconded the motion. Motion carried with Director Hardin voting "No". Director Hardin explained he

would prefer paying Peña-Swayze only \$6,000 additional. He stated that he thinks 50% over and above the amount the District has always paid is more than enough.

Director Davies moved to rescind his motion to make a final payment to Peña-Swayze in the amount of \$8,660. Director Hardin seconded the motion, which passed unanimously.

Director Davies then made a motion to make a final payment to Peña-Swayze in the amount of \$7,793 for a total payment of \$23,535.50, and to draft a cover letter to be reviewed by Mr. Flickinger prior to mailing. Director Nasky seconded the motion, which passed unanimously.

Director Davies reported that the Bills & Invoices committee meeting went very smoothly, with little controversy except over the bill from Peña-Swayze. On a motion by Director Davies, seconded by Director Nasky, the Board voted unanimously to pay bills and invoices totaling \$153,575.58, which includes the check to Peña-Swayze.

This item should remain on the agenda for the next meeting in the event of a response by Peña-Swayze.

STES will check with Mr. Henderson regarding the status of painting over the graffiti on the Little Elm wall.

Director Nasky then called for Agenda Item 5: *Condemnation filed by City of Cedar Park*. Mr. Flickinger said the easement was checked by Don Bayes. Mr. Flickinger recommended conveying the easement to the City of Cedar Park and asked for authorization to make a proposal to the City attorney. He said the District could declare it as surplus property and any proceeds would go back into bond funds. Following a discussion, Director Davies moved to authorize Mr. Flickinger to work on the documents necessary to convey the easement to the City of Cedar Park. Director Nasky seconded the motion, which passed unanimously.

Director Nasky then called for Agenda Item 6: *Engagement of Auditor for District.* Proposals have been received from two audit firms. Director Hardin said both are good firms and a decision needs to be made fairly soon. This will be discussed at the October meeting.

Director Nasky then called for Agenda Item 7: *Emergency response plan.* Director Nasky is working on the plan and asked Director Davies to assist him. Director Davies agreed.

Director Nasky then called for Agenda Item 8: *Residential drainage problems on lots on Old Mill Road.* This item should be kept on the agenda. Some owners have fixed their own problems but nothing has been submitted to Mr. Bayes. The Lakeline Oaks ACC or HOA needs to follow-up and inspect any repairs. If nothing has been done by the October meeting or repairs have not been completed, the next step should be taken. STES was directed to take photographs after Hurricane Rita hits this weekend. The operator should meet with the homeowners for access to their backyards.

Director Nasky then called for Agenda Item 9: *Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road.* No invoice has been received from ADT. This item should remain on the agenda.

Director Nasky then called for Agenda Item 10: *District website.* This item should be kept on the agenda.

Director Nasky then called for Agenda Item 11: *Cedar Park Fire Protection.* The current agreement with the City expires at the end of this year. No new agreement has been received to date. Mr. Flickinger will set up a meeting for Directors Nasky and Hardin to meet with the fire chief after October 15<sup>th</sup>. If it is set up before the 15<sup>th</sup>, Director Davies will attend in Director Hardin's place. A proposed agreement needs to be brought to the Board prior to year-end.

Director Nasky then called for Agenda Item 12: *Signs and markers within the District.* The Parks Committee will review.

Director Nasky then called for Agenda Item 13: *Newsletter services*. Mrs. Hawk is currently handling the newsletter, which Mr. Flickinger said is not a conflict of interest. However, Mr. Hawk cannot participate or vote on anything in connection with the newsletter. This item can now be taken off the agenda.

Director Nasky then called for Agenda Item 14: *Amend District Rate Order*. Mr. Flickinger said this item was on the agenda in case wastewater rates needed to be reviewed for amendments. Mr. Fry said that the basic service rate charged by the District covers STES's contract. This item should remain on the agenda for at least one more meeting.

Director Nasky then called for Agenda Item 16: *Report from the DRC and act on restrictive covenant enforcement*. On a motion by Director Hardin, seconded by Director Davies, the Board voted unanimously to put a note in Mr. Schuessler's file indicating that the last two letters sent to him should be disregarded.

Some of the residents at the meeting complained that vehicles and boats are not being kept off the streets. Others expressed concerns of not receiving deed restrictions at closing. STES will begin issuing copies of the restrictions with new service applications.

Director Nasky then called for Agenda Item 17: *Report from the ACC*. The Anderson Mill West HOA will hold elections on September 27. Insurance coverage is being obtained and will be paid for by the HOA.

Director Nasky then called for Agenda Items 18 and 19: *Proposal for Architectural Control Committee Services from Anderson Mill West Neighborhood Association and Chris Rocco and Funding for homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions*. A draft proposal has been given to Director Hardin for review. These items should remain on the agenda.

Director Nasky then called for Agenda Item 20: *Rules for enforcement of restrictive covenants that include fines and termination of services*. As a result of the DR Committee meeting, the fining policy will be revisited to determine if boats should be changed from a minor to a major violation and fined accordingly. The wording of minor vs. major violations will be reviewed.

Director Nasky then called for Agenda Item 22: *Report from the Park Subcommittee regarding park improvements*. The subcommittee will meet some time after October 15.

Director Nasky then called for Agenda Item 23: *All matters related to the District's parks, fields and office building*. The broken tile in the building needs to be replaced. STES is checking on the roof.

Director Henry said she had resubmitted a rental agreement for posting on the website. The address for STES will also need to be changed.

Ants have been noticed recently in the building, so STES will notify J&J Pest Control.

Director Nasky then called for Agenda Item 24: *Adjournment*. The meeting was adjourned at 10:07 p.m.

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Steve Davies, Secretary

Board of Directors

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